

# Royalties in Kind

JUNEAU— Gov. Walter J. Hickel issued a proclamation clarifying the state's position in taking of oil and gas royalties in kind.

In his proclamation, Hickel said that should the State take royalties in kind and sell the oil or gas it obtains to a purchaser, the oil or gas must be refined in the State of Alaska.

"This policy is consistent with the primary manufacturing requirements incorporated in state timber and fisheries policies," Hickel said.

Competitive and non-competitive leases issued by the state provide that the state may, at its discretion, be paid in value the royalty due it, or it may take its royalty in kind, in actual oil or gas itself.

The state's share of its crude oil at this time is approximately 20,000 barrels a day.