

***Alaska Oil & Gas Association  
Testimony to the  
House Resources Committee  
on  
House Bill 110***

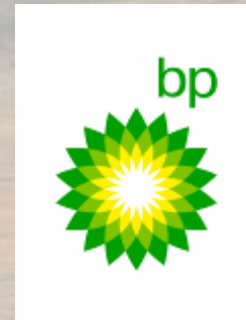


Marilyn Crockett  
AOGA Executive Director  
February 16, 2011

# AOGA Member Companies



PIONEER  
NATURAL RESOURCES



# ***What is AOGA?***

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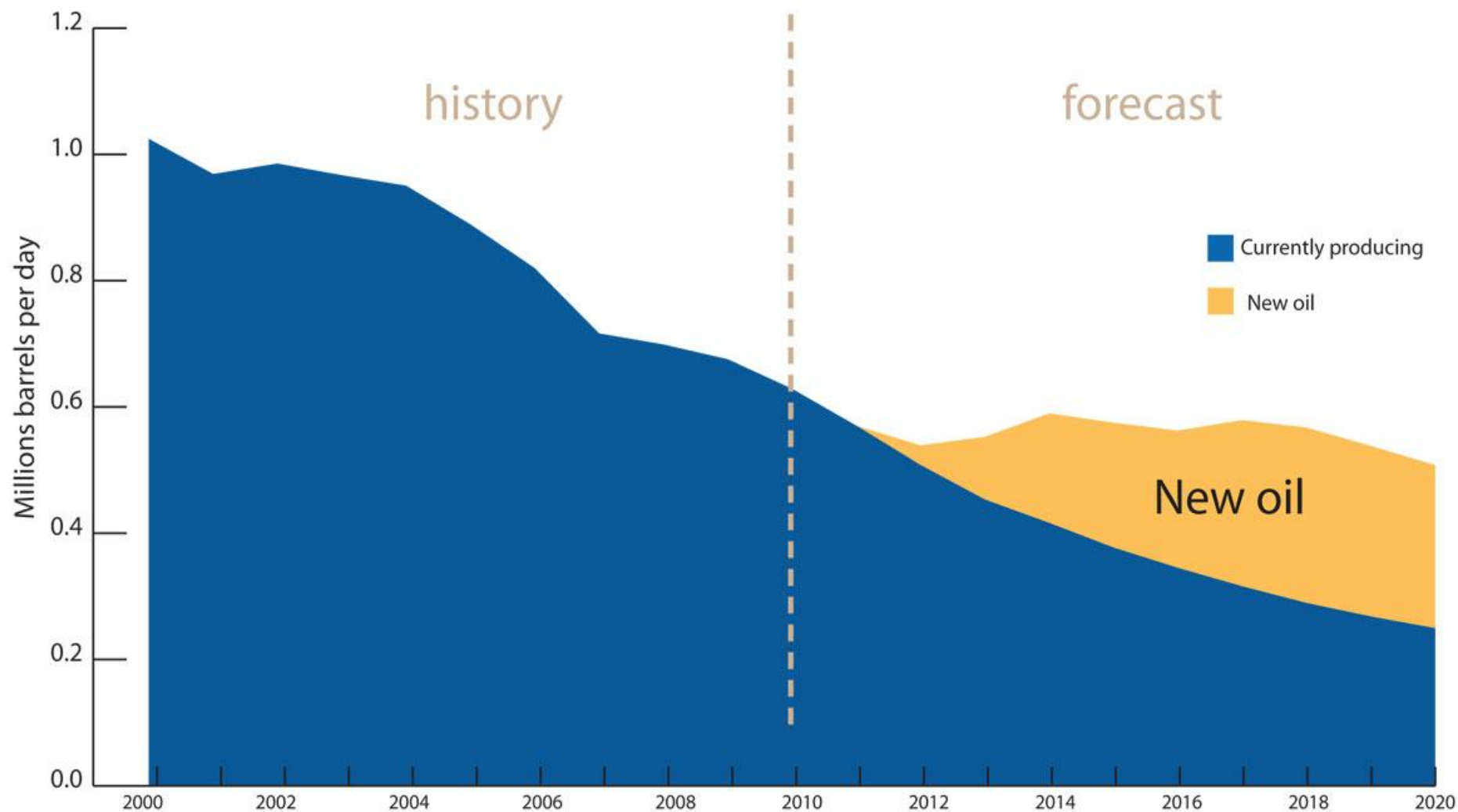
## **Alaska's oil and gas trade association since 1966**

- Purpose
  - 1) Serve as a single point of contact for Alaskans on the state's oil and gas industry
  - 2) Provide a forum for discussion and a point of decision on issues that affect the industry
- Goal

*A vital oil and gas industry that contributes to a vibrant economy for Alaska*

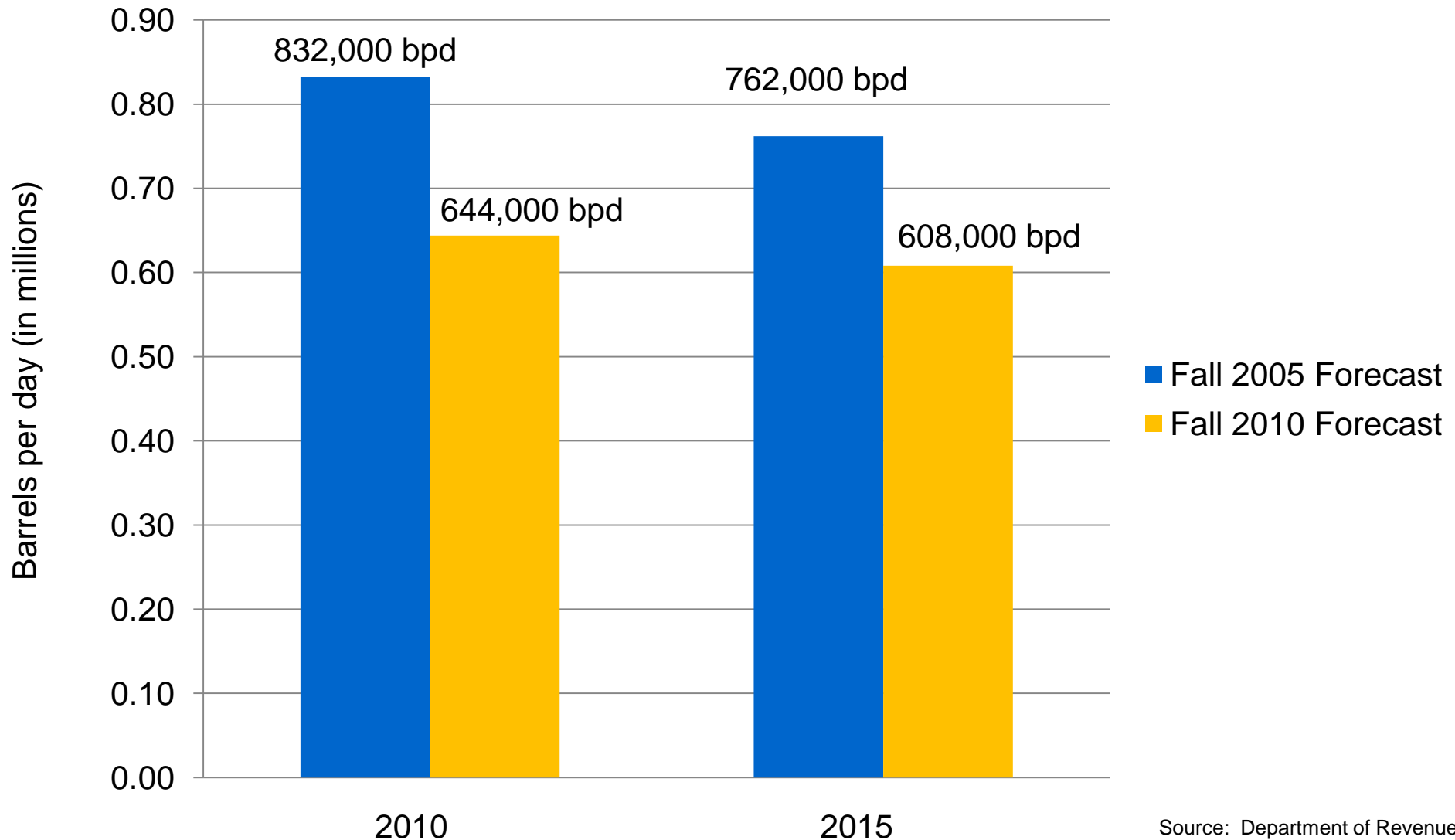
# Alaska North Slope Production

FY 2000-2010 and Forecasted FY 2011-2020

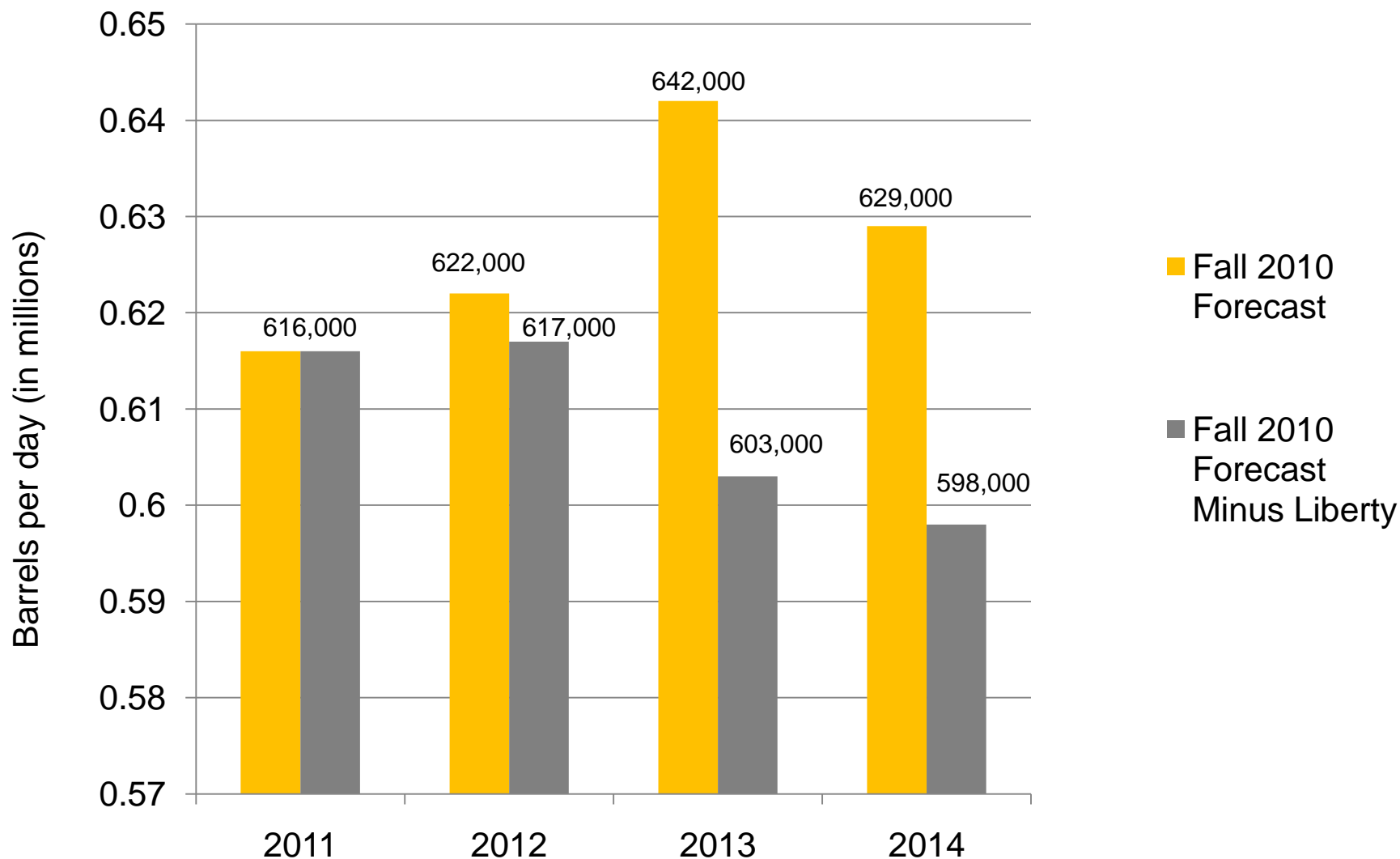


Source: Department of Revenue – Dec. 2010

# Forecast is down 20% from Five Years Ago



# Current Forecast Will be Off

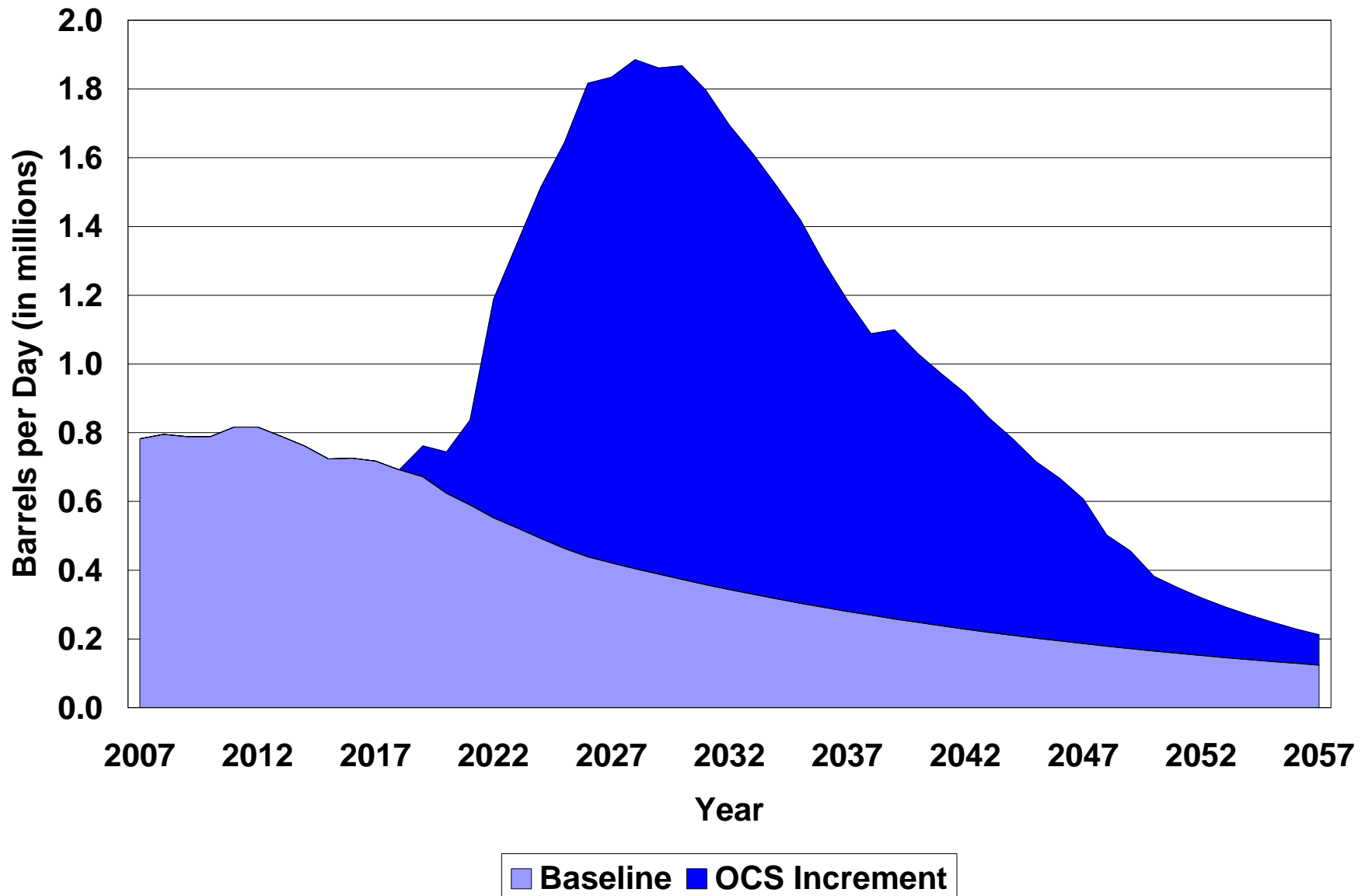


Source: Department of Revenue

# Important Production Facts

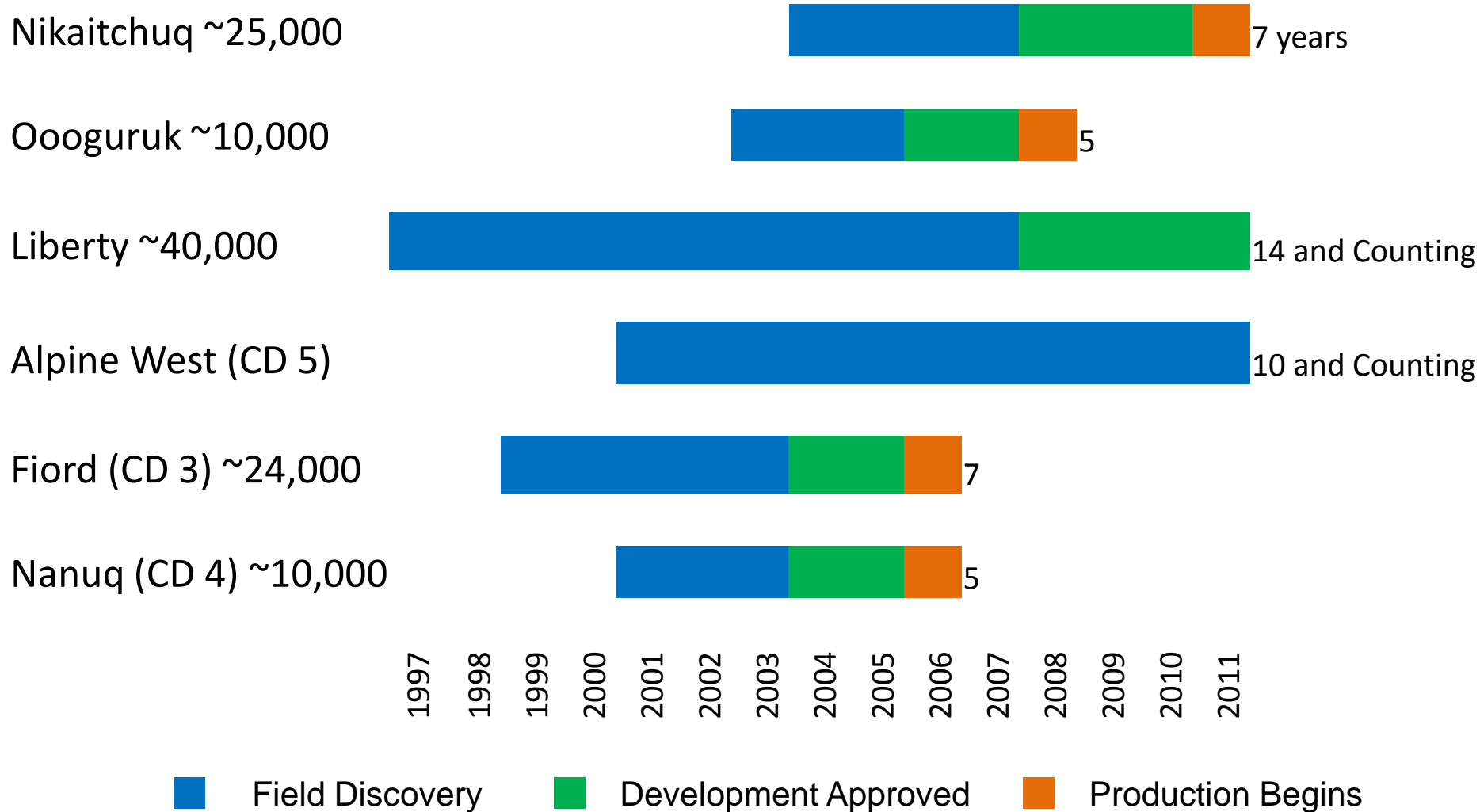
- In 10 years, the State forecasts half of Alaska's production will be from "New Oil".
- Even with this new oil, the State is forecasting production will decline by 124,000 bpd in 10 years.
- 98% of the production in 2020 will be from oilfields located in current unit boundaries.
- Legacy fields continue to dominate production forecast as Prudhoe and Kuparuk will still provide 63% of production in 2020 – so new oil is forecasted to come from legacy fields too.

# North Slope Oil Production With OCS

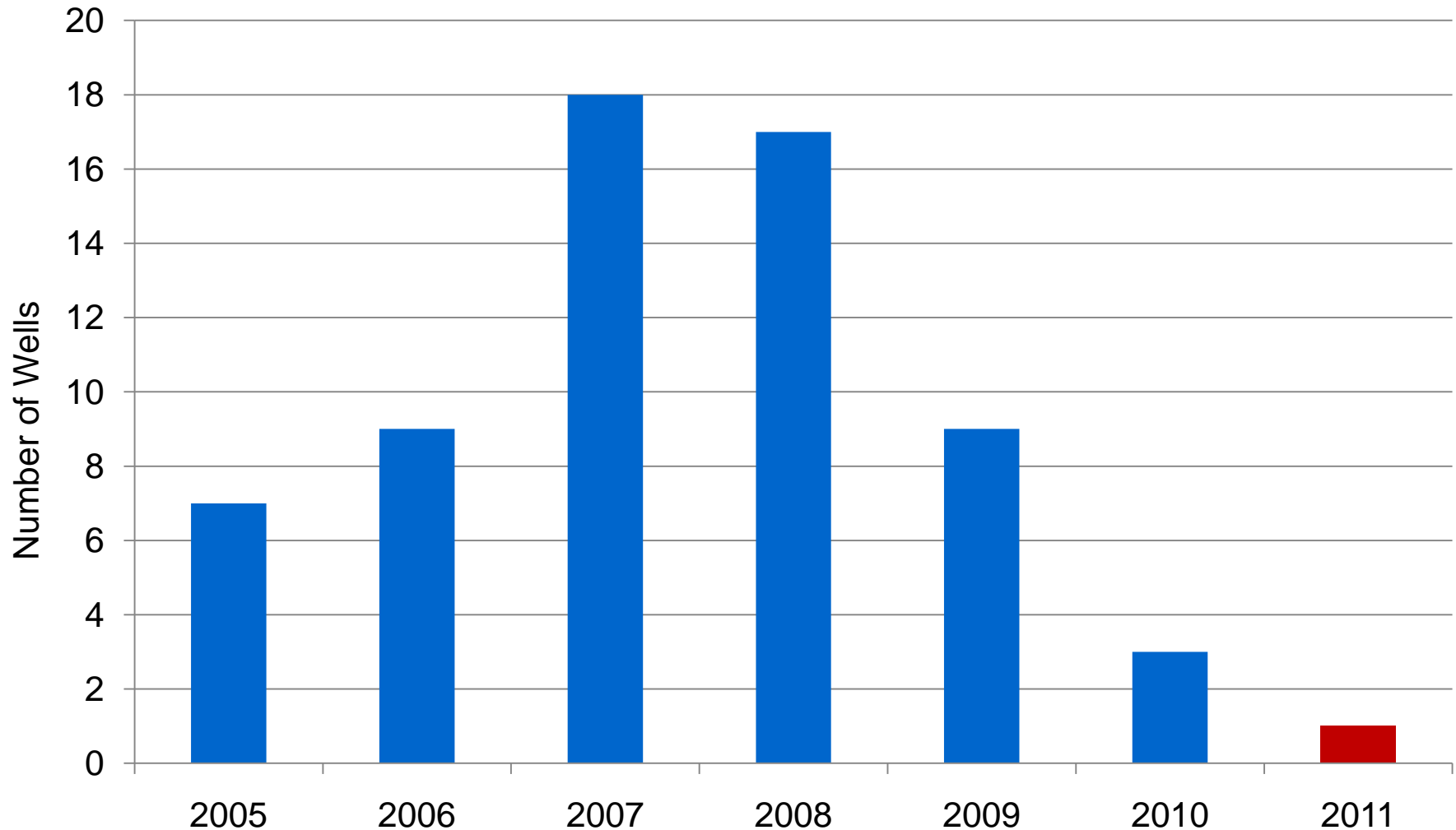


Source: Northern Economics – Baseline Production based on 2007 DOR Forecast

# Development Takes Time



# Exploration Wells Drilled On North Slope

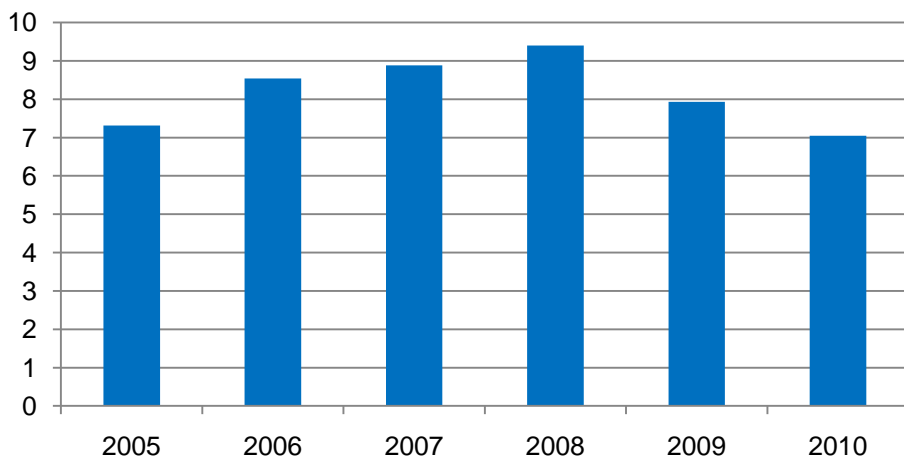


Source: Alaska Oil & Gas Conservation Commission & Department of Natural Resources

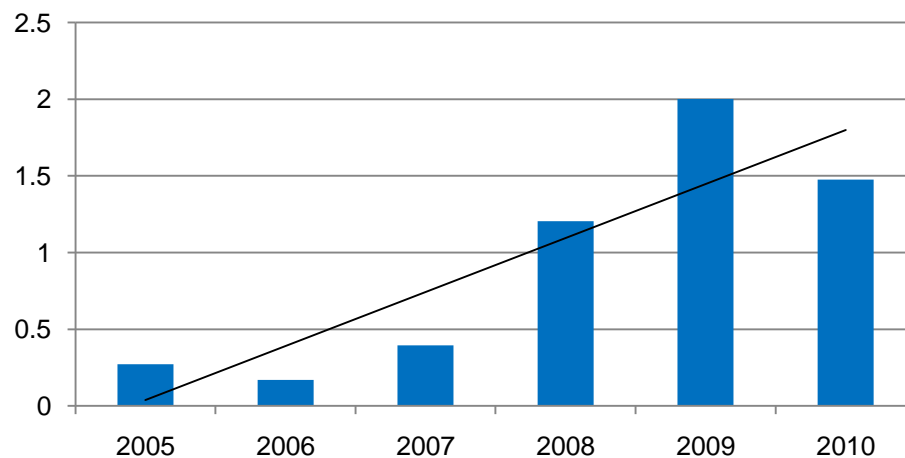
# Arctic Lease Status

Source: Mapmakers Alaska - "GIS-Arctic Oil & Gas©" database

## Total Acres Under Lease



## Acres Relinquished



# ***HB 110 – New Policy for Alaska***

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AOGA Supports HB 110 & Governor Parnell's Goals of:

Making Alaska More Competitive

Creating More Jobs

Increasing Production

# **AOGA's Position on Elements of HB 110**

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<b><u>Element of HB 110</u></b>	<b><u>AOGA Position</u></b>
Progressivity Rates/Bracketing/Tax Cap	Support
40% Tax Credit	Support
Yearly Tax Calculation	Support
Effective Dates	Concern
New Rate for New Fields	Support/Concern
Reducing Interest Rate; Statute of Limitations	Support
Minimum Tax	Concern



**[www.aoga.org](http://www.aoga.org)**