

ALASKA STATE LEGISLATURE

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Senator Pete Kelly

Senate District B

Senate Bill 168 – Petroleum Engineering Research Program Sponsor Statement

SB 168 establishes a grant program and fund for hydrocarbon optimization in petroleum engineering research at the University of Alaska through the Institute of Northern Engineering. Recipients of the fund would advance research into petroleum engineering practices to optimize development and production of Alaska's oil and gas resources using the latest recovery methods. Research would be intended to have a direct positive impact on increasing State revenues. Supported research would conduct studies to promote the recovery of technically challenged or unconventional resources including heavy oil, tight formations, and methane hydrates, and would study the application of new technologies to Alaska's oil and gas resources.

The development of Alaska's fossil energy resources is critical to the economic well-being of the State of Alaska. Creating a robust research effort for the best extraction and recovery of these assets through global partnerships between university and petroleum industry researchers would help fulfil our Constitutional mandate to develop our natural resources to their full potential. The fund would ensure that our university graduates are at the forefront of the hydrocarbon extraction technology.

Alaska is an oil producing state. Our State's economy and budget are dependent on not only continuing oil production but increasing it. Other states have turned around declining production through similar programs and SB 168 would have Alaskans actively participating in that effort. This fund would be partially modeled after Texas's STARR program which directs University of Texas researchers to work with producers to ensure access to the best and most current oil and gas recovery methods.

The Alaska North Slope oil field is not only part of our past, but paramount to our future. Alaska has one of the world's largest potential tight-oil and gas formations in the early exploration phase. There are still numerous other untapped resources in Alaska. It is our hope that by finding ways to develop them we can ensure the prosperous longevity of our State.

Please join me in supporting SB 168.

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