



March 30, 2015

Cook Inlet Energy, LLC
601 W. 5th Avenue, Suite 310
Anchorage, Alaska 99501

To: Representative Mike Chenault, Speaker of the House
Representative Benjamin Nageak, Co-Chair
Representative David Talerico, Co-Chair
Representative Mike Hawker, Vice-Chair

From: David Hall

RE: HB 100 – Support

Dear Representatives,

Cook Inlet Energy, LLC (CIE) supports HB 100. CIE is an independent producer of oil and gas in Cook Inlet and on the North Slope of Alaska. The potential for increasing in-state natural gas markets is a critical component to CIE's ongoing business plan. Agrium US, Inc. (Agrium) has a fertilizer manufacturing facility located in Nikiski, Alaska that currently is month-balled. Prior to its ceasing production Agrium transformed over 80 Bcf per year of natural gas into fertilizer for export from Alaska. When CIE evaluates where to invest capital exploring for natural gas, it considers where large, year round, commercial purchasers of natural gas such as Agrium are located.

The re-start of the Agrium facility will provide construction jobs and manufacturing positions. Additionally, there will be significant ancillary jobs generated by the vendors and support services necessary for ongoing operations. The multiplier effect of these jobs will be a much needed and significant to the greater Kenai area.

As Agrium finalizes their decision process to re-start their facility, HB 100, as submitted will provide tax abatement after the Agrium Fertilizer production facility is re-started. As currently written, the amount of the abatement would never be more than the amount the state receives in Cook Inlet gas royalty payments and typically would be a small percentage of the overall royalty payments. CIE supports HB 100 and encourages the legislature to enact the bill into law.

Thank you for considering these public comments. If you have any questions please do not hesitate to contact me.

Respectfully,

A handwritten signature in black ink, appearing to read "D. Hall".

David Hall
CEO