

## Natural Resources

### Applicable Program

Oil and Gas

### Indirect Expenditure Name

Royalty Modification for Nikaitchuq Unit

### Department of Revenue Submission per AS 43.05.095

#### (1) Description of Provision

Royalty Modification for Nikaitchuq Unit

#### (2) Type

Discount

#### (3) Authorizing Statute, Regulation or Other Authority

AS 38.05.180(f)(1)(A), (2), (3), (4)(A), (5)

#### (4) Year Enacted

2008

#### (5) Sunset or Repeal Date

None

#### (6) Legislative Intent

To allow the Commissioner royalty modification on individual leases.

#### (7) Public Purpose

Stimulate increased production on ANS.

#### (8) Estimated Revenue Impact

FY 2011 - \$0

FY 2012 - \$0

FY 2013 - \$0

FY 2014 - \$0

FY 2015 - \$0

#### (9) Cost to Administer

#### (10) Number of Beneficiaries / Who Benefits

None

### Legislative Finance Analysis per AS 24.20.235

#### (1) Estimate of Annual Revenue Foregone by the State

\$0

#### (2) Estimate of Annual Monetary Benefit to Recipients

\$0

#### (3) Legislative Intent Met?

No, as the program has not been used.

#### (4) Should it be Continued, Modified or Terminated?

Recommend continuation. While royalty relief has not yet been used, exploration in the unit is ongoing.