



February 10, 2026

RE: Letter of support for HB 271 Kitchen Lights Unit Royalty Modification

Co-Chairs Representative Frier and Representative Dibert, House Resources Committee

Fox Energy Services LLC (“Fox”) submits this letter in support of HB 271, Kitchen Lights Unit Royalty Modification. Fox is an Alaskan-owned and operated oil and gas services company that I founded in 2020. We have proudly served the oil and gas industry from our Kenai Alaska headquarters. We have seen the continued decline of the overall Cook Inlet oil and gas industry, with fewer support contractors and fewer operators working in the inlet.

HB271 is specific to just the Kitchen Lights Unit, and provides targeted legislative modification of the State of Alaska’s Royalty Rate. The bill will provide long term fiscal stability to Furie Operating Alaska, LLC, the operator of the Kitchen Lights Unit (“KLU”). Furie has demonstrated that by reducing the overall royalty burden on the unit, that more gas can be economically produced. The State of Alaska, Department of Natural Resources, conducted an extensive evaluation of the KLU’s economics and resource potential. DNR issued a State’s Best Interest Finding in February 2025, that temporarily reduced the State’s royalty rate from 12.5% to 3%. However, this reduction is temporary and can be rescinded by DNR, even after Furie has expended its capital to drill and produce more gas. The legislature is very aware of the current natural gas situation in Cook Inlet. This bill targets only one unit within the Cook Inlet, that has demonstrated it has the ability to rapidly and cost effectively bring on much needed natural gas for the local utilities and refinery.

As a local Alaskan-owned business, I have invested my personal savings and life into the Alaskan oil and gas industry. Fox supports efforts of the legislature to support the Cook Inlet oil and gas industry during this unprecedented time of potential shortages and potential changes to the entire Alaska natural gas market.

For these reasons, Fox supports passage of HB 271.

Respectfully,