

**From:** [Pete Stokes](#)  
**To:** [Senate Finance Committee](#)  
**Subject:** SB 92  
**Date:** Tuesday, April 08, 2025 12:52:36 PM

---

Members of the Senate Finance Committee:

I am opposed to SB 92, a tax bill targeting Hilcorp for their investment in Alaska.

Hilcorp came to Alaska acquiring Cook Inlet interests of Marathon and then Chevron. They invested under the State tax laws in place and invested heavily which allowed for a large increase in contractor activity and increased oil production and gas production dramatically above what Marathon and/or Chevron had done in their recent past. This caused a revival in the Cook Inlet business and contractor communities and resulted in the pushing back by 10 to 15 years the gas shortages predicted by South Central utilities.

Hilcorp then entered the North Slope, purchasing BP's interests in smaller fields that BP had stopped investing in such as Milne Point, Endicott and North Star. Again, their investment in new projects resulted in large increases in oil production that were experienced under BP. Hilcorp then bought BP's other NS interests, including BP's Prudhoe Bay Interest. Once again, Hilcorp invested heavily, which resulted in much more production that would have occurred under the previous ownership.

As the State has realized great benefits through increased South Central energy security and increased royalties and production taxes on the North Slope, it is not fair to arbitrarily single out Hilcorp for being an S Corporation.

Financial modelling would likely find that Hilcorp's State royalty and production tax impact through their investment would far exceed their being taxed as a C Corporation.

Here are some of the financial impacts from Hilcorp's investments:

- \$5.6 billion in royalties, production, and property taxes
- \$5.3 billion in capital and expense investment
- 360 million barrels of oil equivalent produced
- \$750mm to be invested on the North Slope in 2025

Imposing the proposed new tax on Hilcorp would put at risk:

- 140 support companies working for Hilcorp
- Jobs in the industry that pays the highest average wage in the state (181,000 annually in 2023)
- Activity in the Cook Inlet with jack up rigs, gas storage and a gas import facility.

I urge you to not punish Hilcorp for their investment taken on that the majors had ignored, simply because of the tax status of Hilcorp when they entered Alaska.

Pete Stokes  
Anchorage

