

State of Alaska
Department of Revenue

Commissioner Bryan Butcher



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The Honorable Joe Paskvan
State Capitol Room 115
Juneau AK, 99801

March 19, 2011

The Honorable Thomas Wagoner
State Capitol Room 427
Juneau AK, 99801

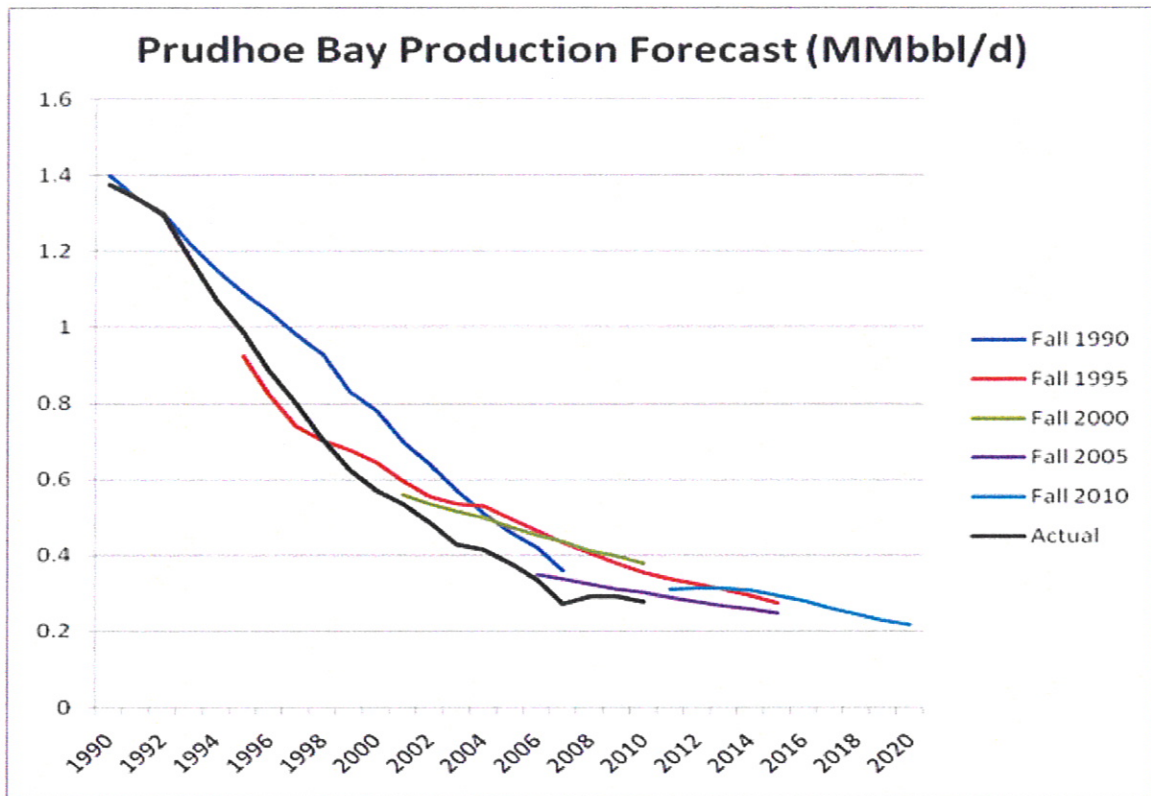
SUBJECT: Response #2 to Questions from SB 49 Bill Sectional Presentation in Senate Resources on March 11 and 14, 2011, and Tax Credits Presentation on March 16, 2011.

Dear Senators Paskvan and Wagoner:

The purpose of this document is to respond to the remaining follow-up questions raised by the Senate Resources Committee meeting during our presentation of the SB 49 bill introduction on March 11 and 14, 2011, and during our tax credits presentation on March 16, 2011. The requests/questions and responses follow. We have provided responses for many other questions from these meetings at a prior date.

- 1) Provide the Department's previous forecasts for Prudhoe Bay production in 5-year increments (2010, 2005, 2000, etc).**

Historical production forecasts can be found online in the Fall Revenue Sources Book:
<http://www.tax.alaska.gov/programs/sourcebook/index.aspx>



- These forecasts include Prudhoe Bay production only.
- These forecasts exclude Greater Point McIntyre Area (GPMA) production.
- Forecast volumes include NGLs.

2) Explain the concept of “duty to produce.”

“Duty to Produce” refers to a more common expression, “duty to develop” that is the implied covenant of an oil and gas lease in the primary term of a lease. The lessor (usually the State) grants the lion share of the value of the hydrocarbons produced from the lease and the oil company lessee is committed to develop the land, reasonably produce any hydrocarbons found, and use their expertise to market the production for the mutual benefit of both the royalty owner (the State) and producer (lessee).

The duty to develop is implied unless the lease explicitly requires it. Depending on the factual circumstances and the language of the lease, the commitment to develop the lease is met if the lessee is working under an approved plan of exploration, development, or operations. Depending on the specific wording in the lease, the lessee also may be complying with its obligation to develop and produce if it is producing either oil or gas but not both.

3) Can we look at a possible correlation between declines in exploration in 2003 and 2010, and the economic downturns in 2001 and 2008. Is Alaska's decline in exploration in those years similar to other states after removing gas exploration wells?

Rig counts, which constitute a proxy for drilling activity, have been impacted by the recent economic downturns, affecting the United States mostly in 2002 / 2003 and in 2008 / 2009.

The following two charts represent the evolution of the number of active rigs drilling for oil targets both onshore and offshore (gas rigs are excluded from this count) in:

- Selected states and the total US since 2002
- Global regions and international total since 2002

Baker Hughes, which publishes rig counts, did not differentiate oil from gas rigs prior to 2002. Please note that such rig count includes rigs drilling exploration wells and rigs drilling development wells (no differentiation between these types of wells is made in the data set).

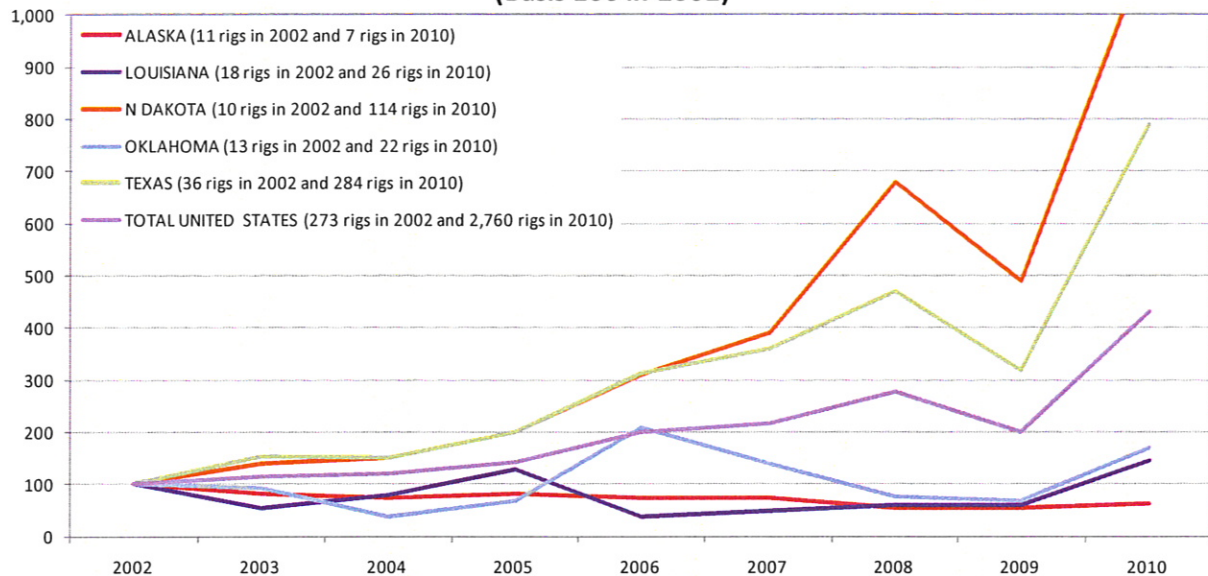
These charts display the relative change in rig counts (consistently with previous information provided to the Committee) over the past decade, using 2002 as a base year (the rig count for each series for any given year is represented relative to the rig count for that series in year 2002. For example, if the rig count was to go from 8 in 2002 to 16 in 2010, this would be reflected in the chart by a line going from 100 in 2002 to 200 in 2010).

United States

No trend common to all states trend can be observed during the 2002 to 2004 time period. Alaska and Oklahoma rigs counts both decreased during this period, while North Dakota increased both years. Louisiana rig count decreased slightly in the first year, and then increased in the second year, but did not return to year 2002 levels. Texas experienced the opposite, increasing in year one, then dropping marginally in year two. Overall, the total United States oil only rig count increased slightly over the two year period.

During the 2008 to 2009 period, activity in all states either remained the same or declined, and from 2009 to 2010, activity in all states increased. Overall, the US rig count dropped by close to 27% between 2008 and 2009 (from 276 oil rigs in 2008 to 201 in 2009) and more than doubled between 2009 and 2010. It is noteworthy that from 2009 to 2010, the Alaska rig count increased by 17%, while all other states presented here typically increased by more than doubled.

State Comparison of Oil Only Rig Count (Basis 100 in 2002)



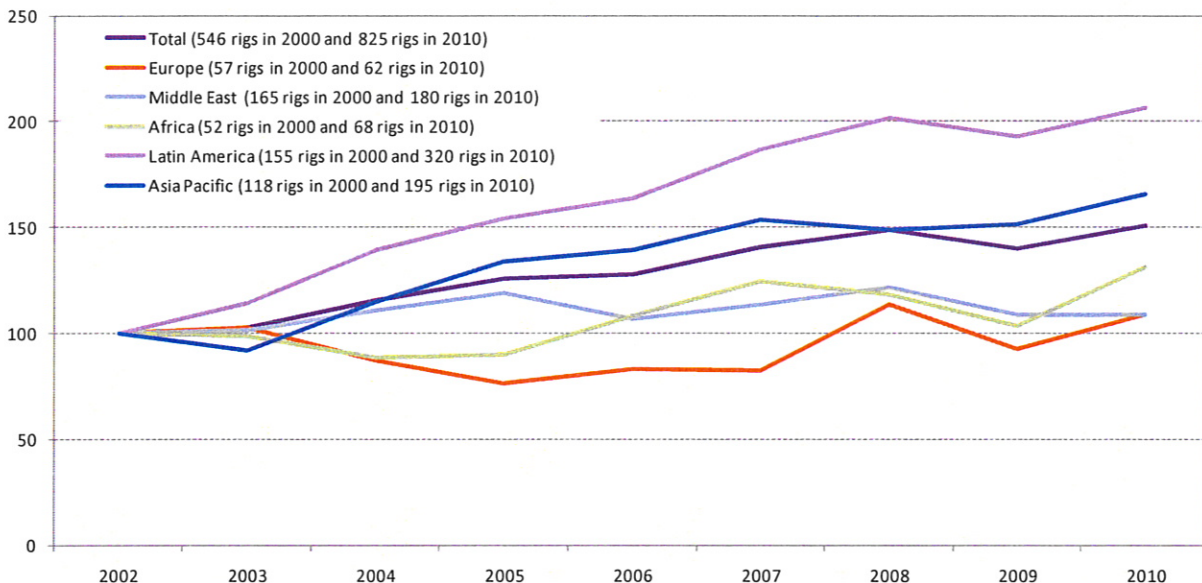
Source: Baker Hughes Rig Count

International

As was the case for the United States, there is no common directly observable trend across geographic areas during the 2002 to 2004 time period. The Middle East and Latin America both increased rig count over the two year period. Africa is the only region which decreased rig count both years; although the overall decrease, 2002 relative to 2004, was only 12%. Europe increased by one rig between 2002 and 2003, then decreased marginally between 2003 and 2004. Asia Pacific decreased initially, and then increased between 2003 and 2004 for an overall increase of 14%. The total rig count internationally increased both years, for an overall increase of 15%.

During the 2008 to 2010 time period, Europe, Africa and Latin America all decreased rig count in 2009 and increased again in 2010. The Middle East decreased in year one and remained the same in year two. The only region to increase both years was Asia Pacific, with an overall increase of 11%. The total rig count internationally followed the majority of the regions, decreasing in year one, and increasing again in year two, and in addition, 2010 rig count surpassed the 2008 count.

International Rig Counts (Basis 100 in 2002)



4) Provide information about companies that are working together on exploration wells shown in the exploration wells slide.

The source of the data on the exploration wells graph presented in committee was AOGCC. They make public certain details about drilling activities in the state. Along with the well data, AOGCC provides the name of the operator of the well. We provide a copy of the well data, along with the name of the operator of each well, as an attachment to this letter. Neither the Department of Revenue nor the Department of Natural Resources maintains information about the other companies that may have worked with the operators on these wells.

5) How do drilling agreements work when companies are working together? If one company pulls out of a project, is the project typically cancelled?

Companies working together in established units, commonly referred to as working interest owners (WIOs), operate those units under guidelines contained in unit operating agreements. These unit operating agreements contain provisions regarding the operation of the unit, as well as voting rights of each WIO. Many unit operating agreements have options for WIOs to “opt out” of a project that the operator proposes. If this is the case, then WIOs that do not want to participate in a project may opt not to do so. Provisions of each of the unit operating agreements are distinct for each unit, however, may treat this particular issue differently.

6) Compare royalty rates in Alaska with royalty rates in other states; that is, compare royalties paid in Alaska as an owner state to royalties paid to private land owners in Texas, North Dakota, etc.

Oil and gas leasing in Alaska differs from that in many states due to the fact that the state of Alaska owns the mineral rights under most of the oil and gas-prone land. In other petroleum-rich states, such as Texas and Oklahoma, a large percentage of the land leased for petroleum development is private land, wherein the private landowners also hold the mineral rights. A company that wants to lease rights to the minerals often pays a bonus, rent, and/or royalties to the owner of those minerals. In Alaska, the owner is often the state; in other states, the owner is often a private individual.

Private ownership of petroleum minerals in states like Texas, Oklahoma, and Louisiana, can be as much as 97%, according to a source within the Alberta Department of Energy.¹ In these states, petroleum developers often must negotiate with private landowners to lease rights to the minerals under their property. The terms of the negotiation can vary, but often contain a royalty provision. Our research shows that private landowners have been successfully negotiating royalties of 1/16 share (6.25%) up to 4/16 share (25%) in more recent leasing activities. The terms of the lease will likely be subject to the potential of the resource base, and the economic viability of the petroleum development project.

7) Please show SB 49 compared to our revenue forecast in the “income statement” format for FY 2010, FY 2011, and FY 2012.

The production tax estimates for FY 2012, FY 2011, and FY 2012 under SB 49 are shown in the “income statement” format on the following pages.

¹ “A Comparison of United States and Alberta Royalty Systems,” Barry Rodgers, Alberta Department of Energy, July 17, 2006, available online at <http://pnwer.dataweb.com/tables/jointables/meetingparticipantjoin/files/presentation/PNWERPresentation.pdf>

FY 2010 Production Tax Estimates - SB49

	Price	Barrels	Value (\$M)
Avg ANS Oil Price (\$/bbl) & Daily Production (bbls)	\$74.90	643,517	\$48.2
Annual Production (bbl)			
Total		234,883,705	\$17,592.8
Royalty, Federal and other barrels ⁽¹⁾		-31,067,340	(\$2,326.9)
Taxable barrels		203,816,365	\$15,265.8
Downstream (Transportation) Costs (\$/bbl)			
ANS Marine Transportation	-\$2.21		
TAPS Tariff	-\$3.81		
Other	\$0.00		
Total Transportation Costs	-\$6.02	203,816,365	(\$1,227.0)
Deductible Lease Expenditures⁽²⁾			
Deductible Operating Expenditures	-\$10.64		(\$2,168.7)
Deductible Capital Expenditures	-\$8.55		(\$1,742.0)
Total Lease Expenditures	-\$19.19	203,816,365	(\$3,910.7)
Production Tax			
Production Tax Value (PTV)			\$10,128.1
Base Tax (25%*PTV)			\$1,528.6
Production Tax Value per barrel	\$49.69		
Progressive Tax			\$1,176.9
Total Tax before credits			\$2,705.5
Credits (includes \$300M in well lease exp credit)			(\$650.0)
Estimated Total Tax after credits⁽³⁾			\$2,055.5

Notes: DOR revenue historical and current models are based on fiscal year data, which is also used for this analysis. SB49 would use calendar year averages for production, price, and costs, and the results may differ slightly from that shown in this analysis.

(1) Royalty, Federal and other barrels represents our best estimate of barrels that are not taxed. This estimate includes both state and federal royalty barrels, barrels produced from federal offshore property and barrels used in production. (2) Deductible Lease Expenditures represents our best estimate of lease expenditures that are applicable to currently producing fields that are likely to produce a tax liability for the company or companies producing them. The per-barrel expenditures reflect expenditures per taxable barrel and do not reflect expenditures per all barrels produced. (3) Estimated Total Tax after credits is a calculated total based on constant daily production, constant oil prices, and constant expenditures for the entire year. Variations in these assumptions captured in larger revenue models will produce different results that differ from the estimates in the simple model above.

FY 2011 Production Tax Estimates - SB49

	Price	Barrels	Value (\$M)
Avg ANS Oil Price (\$/bbl) & Daily Production (bbls)	\$77.96	615,902	\$48.0
Annual Production (bbl)			
Total		224,804,230	\$17,525.7
Royalty, Federal and other barrels ⁽¹⁾		-34,100,490	(\$2,658.5)
Taxable barrels		190,703,740	\$14,867.3
Downstream (Transportation) Costs (\$/bbl)			
ANS Marine Transportation	-\$2.07		
TAPS Tariff	-\$4.17		
Other	\$0.24		
Total Transportation Costs	-\$6.00	190,703,740	(\$1,144.2)
Deductible Lease Expenditures⁽²⁾			
Deductible Operating Expenditures	-\$12.99		(\$2,477.0)
Deductible Capital Expenditures	-\$10.43		(\$1,988.4)
Total Lease Expenditures	-\$23.42	190,703,740	(\$4,465.4)
Production Tax			
Production Tax Value (PTV)			\$9,257.6
Base Tax (25%*PTV)			\$1,430.3
Production Tax Value per barrel	\$48.54		
Progressive Tax			\$1,029.9
Total Tax before credits			\$2,460.2
Credits (includes \$300M in well lease exp credit)			(\$700.0)
Estimated Total Tax after credits⁽³⁾			\$1,760.2

Notes: DOR revenue historical and current models are based on fiscal year data, which is also used for this analysis. SB49 would use calendar year averages for production, price, and costs, and the results may differ slightly from that shown in this analysis. (1) Royalty, Federal and other barrels represents our best estimate of barrels that are not taxed. This estimate includes both state and federal royalty barrels, barrels produced from federal offshore property and barrels used in production. (2) Deductible Lease Expenditures represents our best estimate of lease expenditures that are applicable to currently producing fields that are likely to produce a tax liability for the company or companies producing them. The per-barrel expenditures reflect expenditures per taxable barrel and do not reflect expenditures per all barrels produced. (3) Estimated Total Tax after credits is a calculated total based on constant daily production, constant oil prices, and constant expenditures for the entire year. Variations in these assumptions captured in larger revenue models will produce different results that differ from the estimates in the simple model above.

FY 2012 Production Tax Estimates - SB49

	Price	Barrels	Value (\$M)
Avg ANS Oil Price (\$/bbl) & Daily Production (bbls)	\$82.67	622,182	\$51.4
Annual Production (bbl)			
Total		227,096,430	\$18,774.1
Royalty, Federal and other barrels ⁽¹⁾		-34,669,890	(\$2,866.2)
Taxable barrels		192,426,540	\$15,907.9
Downstream (Transportation) Costs (\$/bbl)			
ANS Marine Transportation	-\$2.05		
TAPS Tariff	-\$4.67		
Other	\$0.33		
Total Transportation Costs	-\$6.39	192,426,540	(\$1,229.6)
Deductible Lease Expenditures⁽²⁾			
Deductible Operating Expenditures	-\$12.86		(\$2,474.1)
Deductible Capital Expenditures	-\$13.14		(\$2,528.3)
Total Lease Expenditures	-\$26.00	192,426,540	(\$5,002.4)
Production Tax			
Production Tax Value (PTV)			\$9,675.9
Base Tax (25%*PTV)			\$1,443.2
Production Tax Value per barrel	\$50.28		
Progressive Tax			\$1,148.2
Total Tax before credits			\$2,591.4
Credits (includes \$300M in well lease exp credit)			(\$750.0)
Estimated Total Tax after credits⁽³⁾			\$1,841.4

Notes: DOR revenue historical and current models are based on fiscal year data, which is also used for this analysis. SB49 would use calendar year averages for production, price, and costs, and the results may differ slightly from that shown in this analysis. (1) Royalty, Federal and other barrels represents our best estimate of barrels that are not taxed. This estimate includes both state and federal royalty barrels, barrels produced from federal offshore property and barrels used in production. (2) Deductible Lease Expenditures represents our best estimate of lease expenditures that are applicable to currently producing fields that are likely to produce a tax liability for the company or companies producing them. The per-barrel expenditures reflect expenditures per taxable barrel and do not reflect expenditures per all barrels produced. (3) Estimated Total Tax after credits is a calculated total based on constant daily production, constant oil prices, and constant expenditures for the entire year. Variations in these assumptions captured in larger revenue models will produce different results that differ from the estimates in the simple model above.

- 8) Please recast the fiscal note analysis using flat oil prices of \$100, \$110, and \$120 instead of the Department's forecast oil prices.

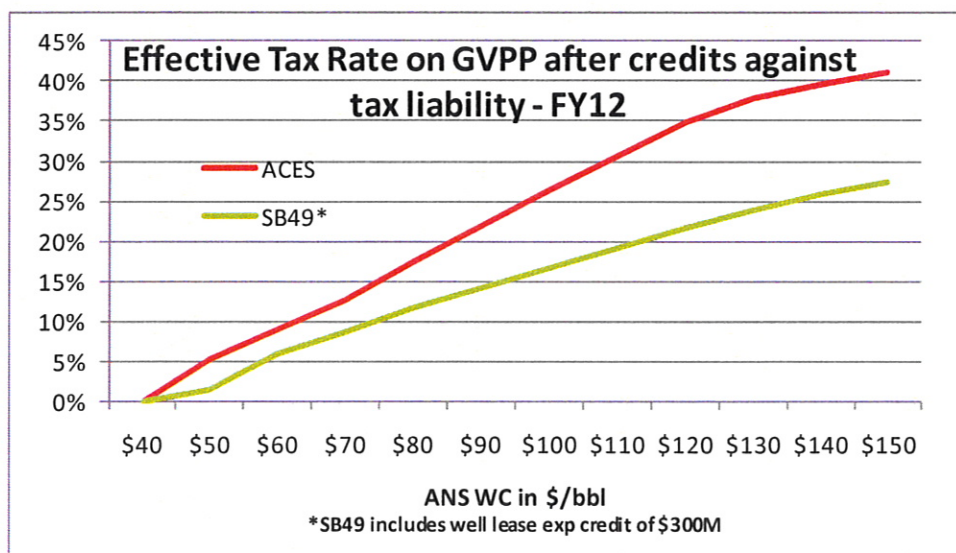
Revenue Impact of Progressivity Portion of SB49, at Requested Oil Prices (in \$millions)					
ANS WC Price in \$/bbl	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
\$100	\$669	\$1,335	\$1,260	\$1,336	\$1,272
\$110	\$948	\$1,884	\$1,787	\$1,880	\$1,799
\$120	\$1,269	\$2,518	\$2,394	\$2,505	\$2,405

- 9) Provide a 5-year forecast for capital expenditures and the credits derived from those expenditures.

Estimated Capital Expenditures and Credits, FY 2011 - FY 2015 in \$millions					
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Forecasted Capital Expenditures	\$2,572	\$2,936	\$3,175	\$3,019	\$2,899
Total Forecasted Credits*	\$665	\$675	\$675	\$650	\$625

*Total Forecasted Credits includes both credits likely to be used against tax liabilities and credits for which transferable tax credit certificates will be issued, without regard to the requirement that use of the credits must be split between two years.

- 10) Provide a chart of effective tax rates under current law and SB 49 using forecasted transportation costs, lease expenditures, and credits for FY 2012.



11) Provide information to show whether the \$1.1 billion in credits paid to explorers has led to any production.

The \$1.1 billion in tax credits referenced above is the estimated amount of credits for which credit certificates have been issued. A large portion of those certificates have been issued to companies developing the Oooguruk and Nikaitchuq units. Both of those units are now in production, with the Oooguruk unit producing about 10,000 barrels per day, and the Nikaitchuq unit began production in February of this year. That production could be attributed to a portion of the \$1.1 billion in credit certificates issued.

12) Provide a breakout of the types of capital expenditures in as much detail as possible.

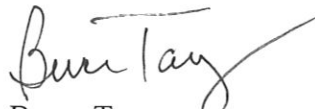
Types of capital expenditures provided on documents provided by oil and gas producing companies include the following categories:

- Exploration Drilling
- Appraisal Drilling
- Well Tie Ins
- Wellwork
- Facility Capacity Upgrades
- Facility – Integrity
- Seismic Acquisition & Test
- Major Accident Review
- Waterflood Optimization
- Roads, Pads and Runway
- Facility Siting Mitigation
- Fire and Gas / Automation
- Chemical Storage
- Infrastructure

We do not have any more detail about types of capital expenditures for current expenditures.

We hope our responses fully answer your questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce Tangeman", with a long, sweeping horizontal line extending to the right.

Bruce Tangeman
Deputy Commissioner

Attachment A: Exploratory Wells, Well Name, and Well Operator

Year	Operator	Well Name	API Well Number
1995	ARCO ALASKA INC	ALPINE 1	50-103-20211-00-00
		ALPINE 1A	50-103-20211-01-00
		FIORD 3	50-103-20210-00-00
		FIORD 3A	50-103-20210-01-00
	BP EXPLORATION (ALASKA) INC	BADAMI 4	50-629-22532-00-00
		BADAMI 5	50-629-22533-00-00
		MILNE PT UNIT KR E-13	50-029-22536-00-00
		PRUDHOE BAY UN NIA NK-27	50-029-22547-00-00
1996	ARCO ALASKA INC	ALPINE 3	50-103-20234-00-00
		BERGSCHRUND 2	50-103-20232-00-00
		NANUK 1	50-103-20238-00-00
		NEVE 1	50-103-20231-00-00
		TEMPTATION 1	50-103-20233-00-00
		TEMPTATION 1A	50-103-20233-01-00
	BP EXPLORATION (ALASKA) INC	NORTH MILNE POINT 2	50-029-22653-00-00
		SOURDOUGH 3	50-089-20026-00-00
	CONOCOPHILLIPS ALASKA INC	ALPINE 1B	50-103-20211-02-00
		BERGSCHRUND 2A	50-103-20232-01-00
1997	ARCO ALASKA INC	TARN 2	50-103-20247-00-00
		TARN 3	50-103-20248-00-00
		TARN 3A	50-103-20248-01-00
		TARN 4	50-103-20249-00-00
	BP EXPLORATION (ALASKA) INC	PETE'S WICKED 1	50-029-22737-00-00
		PRUDHOE BAY UN MDS E-100	50-029-22819-00-00
		PRUDHOE BAY UN NIA NK-41	50-029-22778-00-00
		PRUDHOE BAY UN PTM P1-09	50-029-22704-00-00
	CONOCOPHILLIPS ALASKA INC	KUPARUK RIV UNIT 2F-18	50-029-22720-00-00
		WEST GOLDHILL 2F-20	50-029-22739-00-00
1998	ARCO ALASKA INC	KALUBIK 2	50-103-20252-00-00
		KALUBIK 3	50-103-20251-00-00
		NUIQSUT 1	50-103-20253-00-00
	BP EXPLORATION (ALASKA) INC	DUCK IS UNIT MPI 2-56/EID	50-029-22863-00-00
		DUCK IS UNIT MPI 2-56A/EID	50-029-22863-01-00
		PRUDHOE BAY UN BORE 02-01	50-029-22866-00-00
		PRUDHOE BAY UN BORE L-100	50-029-22858-01-00
		PRUDHOE BAY UN BORE L-101	50-029-22865-00-00
		PRUDHOE BAY UN MDS E-101	50-029-22909-00-00
		PRUDHOE BAY UN NWE 01-01	50-029-22858-00-00
1999	ARCO ALASKA INC	FIORD 4	50-103-20289-00-00
		FIORD 5	50-103-20292-00-00
		MELTWATER SOUTH 1	50-287-20014-00-00
	BP EXPLORATION (ALASKA) INC	PRUDHOE BAY UN POL V-200	50-029-22937-00-00

Attachment A: Exploratory Wells, Well Name, and Well Operator

		RED DOG 1	50-089-20027-00-00
2000	ARCO ALASKA INC	CLOVER A	50-103-20310-00-00
		MELTWATER NORTH 2	50-103-20321-00-00
		MELTWATER NORTH 2A	50-103-20321-01-00
	BP EXPLORATION (ALASKA) INC	WEST GWYDYR 1	50-029-22954-00-00
	CONOCOPHILLIPS ALASKA INC	MELTWATER NORTH 1	50-103-20326-00-00
		NANUK 2	50-103-20332-00-00
		SPARK 1	50-103-20313-00-00
2001	CONOCOPHILLIPS ALASKA INC	ATLAS 1	50-103-20360-00-00
		ATLAS 1A	50-103-20360-01-00
		COLVILLE RIV UNIT CD2-33	50-103-20381-00-00
		COLVILLE RIV UNIT CD2-33A	50-103-20381-01-00
		KUPARUK RIV UNIT 3S-26	50-103-20361-01-00
		MOOSE TOOTH C	50-103-20315-00-00
		NANUQ 3	50-103-20365-00-00
		NIGLIQ 1	50-103-20370-00-00
		NIGLIQ 1A	50-103-20370-01-00
		PALM 1	50-103-20361-00-00
		RENDEZVOUS 2	50-103-20363-00-00
		RENDEZVOUS A	50-103-20316-00-00
		SILVERTIP 1J-14	50-029-22990-00-00
		SPARK 1A	50-103-20313-01-00
	CONOCOPHILLIPS COMPANY	TRAILBLAZER A-01	50-103-20364-00-00
		TRAILBLAZER H-01	50-103-20369-00-00
2002	ANADARKO PETROLEUM CORP	ALTAMURA 1	50-103-20403-00-00
	BP EXPLORATION (ALASKA) INC	PRUDHOE BAY UN NWE 04-01	50-029-23072-00-00
	CONOCOPHILLIPS ALASKA INC	CIRQUE 3	50-103-20399-00-00
		CIRQUE 4	50-103-20404-00-00
		GRIZZLY 1	50-287-20015-00-00
		HEAVENLY 1	50-287-20016-00-00
		HUNTER A	50-103-20405-00-00
		LOOKOUT 1	50-103-20359-00-00
		LOOKOUT 2	50-103-20410-00-00
		MITRE 1	50-103-20409-00-00
		NANUQ 5	50-103-20414-00-00
2003	CONOCOPHILLIPS ALASKA INC	OBERON 1	50-103-20443-00-00
	PIONEER NATURAL RESOURCES /	IVIK 1	50-703-20436-00-00
		NATCHIQ 1	50-703-20438-00-00
		OOOGURUK 1	50-703-20437-00-00
2004	ANADARKO PETROLEUM CORP	HOT ICE 1	50-103-20451-00-00
	CONOCOPHILLIPS ALASKA INC	CARBON 1	50-103-20477-00-00
		PLACER 1	50-103-20481-00-00
		PLACER 2	50-103-20488-00-00
		SCOUT 1	50-103-20479-00-00
		SPARK 4	50-103-20480-00-00
	KERR-MCGEE OIL & GAS CORP	NIKAITCHUQ 1	50-629-23193-00-00

Attachment A: Exploratory Wells, Well Name, and Well Operator

		NIKAITCHUQ 2	50-629-23199-00-00
	TOTAL E&P USA INC	CARIBOU 26-11 1	50-279-20009-00-00
2005	CONOCOPHILLIPS ALASKA INC	IAPETUS 2	50-103-20506-00-00
		KOKODA 1	50-279-20011-00-00
		KOKODA 5	50-279-20012-00-00
		KUPARUK RIV U WSAK 1Q-101	50-029-23282-00-00
		KUPARUK RIV U WSAK 3J-101	50-029-23283-00-00
	KERR-MCGEE OIL & GAS CORP	ATARUQ 2	50-103-20508-00-00
		ATARUQ 2A	50-103-20508-01-00
		KIGUN 1	50-629-23239-01-00
		NIKAITCHUQ 3	50-629-23242-00-00
		NIKAITCHUQ 4	50-629-23241-00-00
		TUVAAQ ST 1	50-629-23239-00-00
2006	CONOCOPHILLIPS ALASKA INC	ANTIGUA 1	50-029-23299-00-00
		COLVILLE RIV QANN CD2-404	50-103-20530-00-00
		KUPARUK RIV UNIT 1H-NORTH	50-029-23294-00-00
		KUPARUK RIV UNIT 1H-SOUTH	50-029-23296-00-00
		KUPARUK RIV UNIT 1R-EAST	50-029-23295-00-00
	ENI US OPERATING CO INC	OLIKTOK POINT I-1	50-029-23324-00-00
	FEX LIMITED PARTNERSHIP	AKLAQ 2	50-279-20014-00-00
	PIONEER NATURAL RESOURCES	CRONUS 1	50-103-20523-00-00
		HAILSTORM 1	50-029-23287-00-00
2007	ANADARKO PETROLEUM CORPORATION	JACOB'S LADDER C	50-029-23330-00-00
	BP EXPLORATION (ALASKA) INC	MILNE PT UNIT LIVIANO 1	50-029-23343-00-00
		MILNE PT UNIT LIVIANO 1A	50-029-23343-01-00
		MILNE PT UNIT PESADO 1	50-029-23345-00-00
		MILNE PT UNIT PESADO 1A	50-029-23345-01-00
		MT ELBERT 1	50-029-23302-00-00
	BROOKS RANGE PETROLEUM	SAK RIVER 1	50-029-23336-00-00
	CONOCOPHILLIPS ALASKA INC	INTREPID 2	50-023-20036-00-00
		NOATAK 1	50-279-20013-00-00
	ENI US OPERATING CO INC	MAGGIORE 1	50-029-23342-00-00
		OLIKTOK POINT I-2	50-029-23326-00-00
		ROCK FLOUR 2	50-029-23335-00-00
		ROCK FLOUR 3	50-029-23341-00-00
	FEX LIMITED PARTNERSHIP	AKLAQ 6	50-279-20019-00-00
		AKLAQYAAQ 1	50-279-20018-00-00
		AMAGUQ 2	50-279-20017-00-00
2008	ANADARKO PETROLEUM CORPORATION	GUBIK 3	50-287-20017-00-00
		JACOB'S LADDER C-A	50-029-23330-01-00
	BROOKS RANGE PETROLEUM	NORTH SHORE 1	50-029-23340-00-00
		TOFKAT 1	50-103-20567-00-00
		TOFKAT 1A	50-103-20567-01-00
		TOFKAT 1B	50-103-20567-02-00
	CONOCOPHILLIPS ALASKA INC	CHAR 1	50-103-20564-00-00
		SPARK DD-9	50-103-20569-00-00
	SAVANT ALASKA LLC	KUPCAKE 1	50-029-23382-00-00
	UNION OIL CO OF CALIFORNIA	MASTODON 6-3-9	50-287-20023-00-00

Attachment A: Exploratory Wells, Well Name, and Well Operator

		PANTHERA 28-6-9	50-223-20023-00-00
		SMILODON 9-4-9	50-223-20022-00-00
2009	ANADARKO PETROLEUM CORPORATION	CHANDLER 1	50-287-20022-00-00
		GUBIK 4	50-287-20025-00-00
		WOLF CK 4	50-119-20002-00-00
	CONOCOPHILLIPS ALASKA INC	GRANDVIEW 1	50-103-20594-00-00
		PIONEER 1	50-103-20595-00-00
	PIONEER NATURAL RESOURCES / OOO	GURUK ODS-45A	50-703-20577-01-00
	ULTRASTAR EXPLORATION LLC	DEWLINE 1	50-029-23408-00-00
	UNION OIL CO OF CALIFORNIA	BLUEBUCK 6-7-9	50-223-20024-00-00
		MUSKOXEN 36-7-8	50-287-20024-00-00
2010	BROOKS RANGE PETROLEUM	SAK RIVER 1A	50-029-23336-02-00
	EXXONMOBIL CORPORATION	PTU 15	50-089-20030-00-00
		PTU 16	50-089-20031-00-00
	SAVANT ALASKA LLC	BADAMI UNIT B1-38	50-029-23407-00-00