



THE STATE  
of **ALASKA**  
GOVERNOR SEAN PARNELL

Department of Natural Resources

Office of the Commissioner

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April 17, 2014

The Honorable Kevin Meyer, Co-Chair  
The Honorable Pete Kelly, Co-Chair  
Senate Finance Committee  
State Capitol Room 532  
Juneau, AK 99801

Dear Senators Meyer and Kelly:

The Department of Natural Resources (DNR) respectfully requests that CS HB 287(RLS), "An Act relating to the determination of the royalty received by the state on oil production refined or processed in the state; providing tax credits for qualified infrastructure expenditures for in-state refineries and hydrocarbon processing facilities; approving and ratifying the sale of royalty oil by the State of Alaska to Tesoro Corporation and Tesoro Refining and Marketing Company LLC; and providing for an effective date" be scheduled in the Senate Finance Committee pending referral at your earliest convenience.

The purpose of this legislation is to facilitate continued operation of in-state refineries and approve and ratify the proposed amendment to the contractual agreement for the sale and purchase of State royalty oil between the State of Alaska and Tesoro Corporation and Tesoro Refining and Marketing Company LLC attached as Exhibit 1 to the Final Best Interest Finding and Determination for an Amendment of the "Agreement for the Sale of Alaska North Slope Royalty Oil to Tesoro Refining and Marketing Company, LLC, October 25, 2013" executed on January 9, 2014.

Final documents will be provided upon scheduling.

Your favorable consideration of this request is appreciated. If you need any additional information, please contact Esther Tempel, Legislative Liaison for the Department of Natural Resources at 907-465-4730.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Balash".

Joe Balash  
Commissioner Designee