



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Natural Resources

COMMISSIONER'S OFFICE

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MEMORANDUM

TO: Senator Giessel

DATE: Monday, January 23, 2017

FROM: Commissioner Andy Mack

RE: SB 30 Hearing Request

Please accept this request to schedule SB 30 – “Approval: Royalty Oil Sale to Petro Star” for consideration in your committee.

SB 30 is a request for the legislature to approval a sales contract of State royalty oil to the Petro Star refinery. This contract was negotiated by the Commercial Section of the Division of Oil and Gas within the Department of Natural Resources. The Division of Oil and Gas director has determined that this sale is in the best interest of the State, and this contract has already received the support of the Alaska Royalty Oil and Gas Advisory Board.

The proposed legislation is expected to net the State roughly \$23 million in revenue above what the State would receive if it accepted the wellhead value of this oil rather than making this sale.

Included with this request are copies of the Governor's transmittal letter, fiscal note(s), and the current version of the bill. If you would like any additional information or have questions regarding this hearing request, please feel free to contact me or Ed King at 465-4730.

Sincerely,

A handwritten signature in cursive script that reads "Andy Mack".

Andy Mack
Commissioner
Department of Natural Resources