

**The Alaska Royalty Oil and Gas Development Advisory Board  
Resolution 2022-2**

**Whereas**, on Thursday, March 3, 2022 and Wednesday, March 9, 2022 at 1:00 p.m., the Alaska Royalty Oil and Gas Development Advisory Board ("Royalty Board") conducted public hearings in the Kuparuk Conference Room of the Atwood State Office Building, 550 W. 7th Avenue, Suite 1100, Anchorage, Alaska and via Microsoft Teams to consider the proposed royalty in-kind oil supply contract titled "Agreement for the Sale of Royalty Oil between and among the State of Alaska, and Petro Star Inc. and Arctic Slope Regional Corporation" ("Proposed Contract").

**Whereas**, under the Proposed Contract, the Alaska Department of Natural Resources ("DNR") will sell North Slope royalty oil in kind to Petro Star Inc. for a period of five years. Delivery of royalty oil will be 12,500 barrels per day (bpd) for the first two years of the contract and range between 10,000 to 12,500 bpd for the remaining three years. Pursuant to Alaska Statutes ("AS") 38.06.050 and 38.06.055, before entering into a contract for the sale of royalty oil, the DNR Commissioner must obtain prior review of the proposed sale by the Royalty Board and prior approval of the Alaska Legislature. Limited exceptions to this rule are set forth in AS 38.05.055(b) but do not apply in this instance. Upon the recommendation of the Royalty Board, DNR anticipates that the Governor will propose a bill to the legislature seeking approval for the Proposed Contract.

**Whereas**, at these public hearings, the Royalty Board reviewed the Preliminary Best Interest Finding and Determination for the Sale of Alaska North Slope Oil to Petro Star Inc. ("Preliminary Finding and Determination") made available to the Royalty Board by DNR via a link to the Division of Oil and Gas website and by email on January 31, 2022. Additionally, DNR received no comments from the members of the public regarding this proposed sale. In this way, the Royalty Board's review and recommendation are inputs that DNR uses to convert the Preliminary Finding and Determination into the Final Best Interest Finding and Determination for the Sale of Alaska North Slope Oil to Petro Star Inc.

**Whereas**, at these public hearings, the Royalty Board heard testimony from the staff of DNR.

**Whereas**, the Royalty Board reviewed the testimony and considered the recommendation of the Proposed Contract in light of the criteria under AS 38.06.070. After a thorough discussion, the Royalty Board voted to approve the proposed sale and to recommend the Proposed Contract be approved by the Alaska Legislature. The Royalty Board also adopted the attached report for submission to the Alaska Legislature along with its recommendation as required under AS 38.06.070.

**Be it resolved, that based on the Royalty Board's review of the Proposed Contract, the Preliminary Finding and Determination, and the information presented at the public hearings, the Royalty Board is of the opinion that the proposed disposition of North Slope royalty oil to Petro Star Inc. complies with the criteria set forth in AS 38.06.070. In accordance with AS 38.06.070(c) the Royalty Board submits the attached report and, in accordance with AS 38.06.050, recommends that the Alaska State Legislature approve the Proposed Contract.**

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Martin Anderson

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Julie Sande

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**David C. Eisenberg**  
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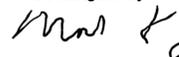
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Mark Johnson

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