

HB

9288

STATE OF ALASKA

DEPARTMENT OF REVENUE

file
JAY S. HAMMOND, GOVERNOR

OFFICE OF THE COMMISSIONER

POUCH S - JUNEAU 99811

May 18, 1976

The Honorable Nels Anderson
Chairman
House Resources Committee
Alaska State Legislature
State Capitol Building
Juneau, Alaska

Re: House Bill No. 928

Dear Mr. Anderson:

House Bill No. 928, an Act making a special appropriation to the Legislative Council to fund a study concerning the optimum producibility of the Prudhoe Bay reservoir, was introduced in the House on May 10, 1976 and was referred to the House Resources and Finance Committees.

For the consideration of the House Resources Committee, I am enclosing a copy of a memorandum prepared by Thomas K. Williams, Director, Petroleum Revenue Division, Department of Revenue, concerning the proposed legislation.

If you or any members of the House Resources Committee have any questions on the material submitted, please telephone the writer and I will contact Mr. Williams in Anchorage for further information.

Very truly yours,



R. D. Stevenson
Special Assistant

cc: The Honorable Hugh Malone
Chairman
House Finance Committee

Thomas K. Williams
Director, Petroleum Revenue Division
Department of Revenue
Anchorage, Alaska

"1776-A TRIBUTE FROM OUR STATE TO OUR NATION-1976"



MEMORANDUM

State of Alaska

TO: R. D. Stevenson
Special Assistant
Department of Revenue

DATE: May 13, 1976

FILE NO:

TELEPHONE NO:

FROM: Thomas K. Williams
Director
Petroleum Revenue Division

SUBJECT: HB 928

HB 928 appropriates \$25,000 to the Legislative Council to contract for a study of the maximum producibility of the Prudhoe Bay reservoir. The Division of Oil and Gas in the Department of Natural Resources has already contracted with H. K. Van Poolen & Associates for such a study for conservation purposes. It has been completed in great detail.

I have two questions about this Bill: Is it really worth \$25,000 to re-plow the same ground? Can any meaningful simulation of Prudhoe reservoir performance be developed for only \$25,000?

TKW:1gh