12017 SENATE RESOURCES

TOTAL	20-20-73	25-20-73	30-20-73	30-15-73
Alaska Current	363	363	359	359
Alaska PPT	249	244	247	265
Norway	399	402	403	400
UK	137	139	139	137
US GOM	53	54	56	54
Nigeria	178	179	176	173
Alberta-Oil Sands	163	163	164	162
Angola	324	322	320	315
Russia-Sakhalin	445	445	445	444
Azerbaijan	329	329	328	328

The three tables show that both for the $ 26 and $ 36 price levels the PPT for any tax rate and credit rate combination is significantly more attractive than the current system. The $ 73 million tax free allowance is therefore very important in order to encourage new investment.

It can be seen how the rating "wobbles" from 249 at 20-20 to 244 at 25-20 and 247 at 30-20. This is due to the fact that for new investors a higher tax rate is actually more attractive for the 50 million barrel field since they receive a higher tax credit for the loss carry forward, but do not have to pay the tax. For the 500 million barrel case, a higher tax rate is less attractive. These two effects offset each other in the rating.

It can also be seen how the tax credit of 20% is far more attractive to new investors than the 15% tax credit.

Overview

The expected level of investment as a result of the four fiscal options can therefore be summarized as follows:

	20-20	25-20	30-20	30-15
Large Producers	More	Same	Less	Much less
New Investors	More	More	More	More

70. Please present Mr. Marks' charts on pages 14-16 to show the difference between a PPT and status quo, annually under the following PPT plans at $20, $40, and $60/bbl:

a. 25/20
b. 30/20
c. 30/15

d. 15/20
e. 25/25
f. 15/25
g. 22.5/22.5
h. A summary chart showing all above scenarios at $40
i. A chart showing the effect of a incremental change of 1% in tax rate and credit.
j. A summary table showing the effective tax rate for all scenarios.

Please see attachment section, indexed by question number.

71. Please show the corporate take chart on page 24 of Mr. Marks' presentation given the following tax/credit scenarios:

a. 25/20
b. 30/20
c. 30/15
d. 15/20
e. 25/25
f. 15/25
g. 22.5/22.5

Please see attachment section, indexed by question number.

72. Please show the price point where DOR estimates corporate profit margins hit:

a. 15%
b. 20%.

Please see attachment section, indexed by question number.

73. Will the new confidentiality provisions extend to or have an effect on any other taxes besides the production tax?

The general confidentiality requirements for all taxes are contained in AS 43.05.230. The new confidentiality language added by Secs. 4 and 16 of the bill applies only to information relating to the oil and gas production tax, not other taxes. This is because:

(1) AS 43.55.040(1) addresses information "necessary to compute the amount of the tax," and the phrase "the tax" is used throughout AS 43.55 as referring only to the production tax; and

(2) AS 43.55.040(1) deals only with information obtained from persons "engaged in production," or their agents, and with purchasers "of oil or gas," and with owners of a "royalty interest in oil or gas."

74. Model the Cook Inlet gas producers (presumably including their CI oil production, but do not include NS production from Chevron, Forest, Phillips or Exxon): Are their taxes going up or going down in the future.

Assuming that all provisions of the proposed PPT are in place (that is, the $73M deduction and the credits), and assuming that gas prices rise gradually to Henry Hub levels ($7-$9/Mcf), and that companies in the future maintain current levels and market shares of production in Cook Inlet, most likely Marathon, Chevron/Unocal, and ConocoPhillips will see their severance tax liability increased, based on their Cook Inlet production alone. If however, gas prices stay low ($3/Mcf), these companies will not see an increase in their severance tax burdens under the PPT, and in fact, will probably pay less under the PPT system than under the ELF tax system.

75. Same as Question 74, except apply retroactively, with and without $73M allowance

We applied the PPT retroactively to Cook Inlet oil and gas production in fiscal years 03, 04, and 05. During those years, the prices received for natural gas were extremely low, with average wellhead prices of less than $3 per Mcf. We believe that producers will gradually see increased prices for Cook Inlet gas over time, and for that reason, this analysis is of limited use.

Under the current tax system, severance tax collections for the three fiscal years used in this analysis were as follows: FY03--$23M; FY04--$24.7; FY05--$24.4.

Without the $73M allowance, and based on Cook Inlet production alone, Chevron/Unocal, Marathon, and ConocoPhillips would have seen moderate increases in their severance tax liability under the PPT in FY03-05. Aurora, and Municipal Light and Power (assuming they pay taxes), would have owed about the same amount as under the current severance tax system.

With the $73M allowance, and with all credits of the PPT in place, none of the companies would have had to pay severance tax under the PPT in FY03-05, based on their Cook Inlet production alone. Many companies paid some tax in FY03-05 under the current system, and this would represent a reduction for them.

76. Model a newcomer to the Cook Inlet that explores for, finds, develops and sells gas. What will their taxes look like under the status quo and the PPT?

It is impossible to answer this question with any accuracy because of the numerous assumptions one would have to make. Generally, a newcomer to Cook Inlet would spend at least a couple of years exploring for gas, and during this time, would presumably not produce any gas and in fact may not realize any income from these operations. So for the years of exploring, the newcomer would not pay any tax under either the status quo or the PPT system.

Under the PPT system, the newcomer would have earned capital credits in the first couple of years that they can either hold or sell, as well any loss carryforwards they may have accrued. Most investors would probably choose to monetize the credits or losses immediately, as this would increase the net present value of their investment. Under the current system, the newcomer would have no such opportunity and would not be able to take any credits until production begins (assuming the newcomer would be eligible for the credit under AS 43.20.043). This credit is currently available for 10% of exploration costs.

After all credits have been used or monetized, the PPT system continues to allow a $75 million standard allowance per year. Therefore, the newcomer would not have to pay tax under the PPT if his net income was less than $73 million. The current system may require the payment of severance tax, depending on the productivity of the wells and the price paid for natural gas, without regard to the newcomer's income. Once production has reached a fairly high level, and if gas prices were high, there is a chance that the PPT system would create higher severance tax liabilities for the newcomer than the current system.

77. How much gas was flared so as to trigger taxes and/or penalties in recent years?

During FY 2005, 351,000 Mcf of gas was flared that was considered gross taxable production. Of that, only 120,000 Mcf was from fields with a positive ELF and subject to tax. During the same period 31,000 Mcf was flared and considered waste and subject to both tax and penalty.

78. Could we look at (1) a standing offer to purchase tax credits for 10% of their face value – with the implication that the department could treat that as a receipts funded program so that the legislature would not have to authorize the purchase amount and (2) "Alaska bucks" – ie allow credit certificates to be used in lease sales or other lease acquisition activities as cash – or even at 110% of face value.

We assume this means a 10% discount from face value, or 90% of which is where the one set of credits traded. As this market is created by the state, and is driven by state restrictions, it is not out of line for the state to become a price maker in the market as well. It is the legislators' call to make tax receipts program. Among the considerations the legislature might bring to this is how much of tax receipts they wish to make program receipts, and are they willing to buy back $100 million plus, in

credits if a major investment (say at Pt. Thomson) were followed by a radical price correction lasting over a year.
Again – this is a policy call about how far the state wants the effects of the investment credits to run; we believe the governor has made a balanced set of calls. Do we want them to both lower and distort our bidding lease sale markets? Does the state really want to have to readit what the money it hands out in credits is spent? Do we want to create advantages to for investors who have a history here of at least a year of investment and loss over folks considering entering the market? Before the Department undertakes further modeling on these matters it would help to get clearer insight into the outcome hoped for by the legislature.

79. Could we draft up alternative standards for the anti-hiving provision so the legislature can choose.

A possible alternative might be along these lines:

"The department will disallow an allowance deduction if it finds that a benefit attributable to a producer's allowance is shared with or enjoyed by another producer."

This concept might be more effective if it were adopted as a supplement to, rather than a substitute for, the current language in proposed AS 43.55.160(j). For example, the new language could be added to proposed AS 43.55.160(i), as follows:

(i) For a month for which the net value of the taxable oil and gas produced during the month calculated under (a) of this section exceeds zero, a producer that is qualified under (j) of this section may reduce the net value by deducting an allowance in an amount calculated such that (1) the net value for the month is not reduced below zero; and (2) the total of the allowances deducted for all months during the calendar year does not exceed $73,000,000. However, the department will disallow an allowance deduction if it finds that a benefit attributable to a producer's allowance is shared with or enjoyed by another producer. An unused allowance or portion of an allowance under this subsection may not be carried forward to a later calendar year or used to establish a carried-forward annual loss under AS 43.55.024(b).

80. When the 1989 ELF change was enacted, was it retroactive and were there transition provisions?

The 1989 ELF changes were made retroactive to January1, 1989, and applied to oil produced after December 31, 1988. There was a transition provision to the effect that tax payable as a result of the retroactive changes would be due on the 20th day of the calendar month following the effective date of the Act. (The effective date of the Act was August 6, 1989.)

81. Please provide the 20/20 modelling.

The PPT model is very large and complicated (nearly 5.5 megabytes over . worksheets). Its complexity is exacerbated by the inclusion of the gasline model and the proposed negotiated gasline fiscal terms. It also includes confidential producer data.

Moreover, it is our experience that when models become this large and this complicated, it is practically impossible for an outsider to use the model because of all the interdependencies. Nevertheless, we are absolutely dedicated to the goal where legislators are comfortable with the mechanics of the tax and the model and its results. Accordingly, we are willing to work with any legislator to that end.

82. Under the new gas and oil definitions what will the net change to the spill fee be? In other words, looking at FY 2005, how much, if any (a) oil did we tax for its use in production operations and (b) how many ngls were put in TAPs?

During FY 2005 tax was collected on 1,222,400 barrels of crude oil used in production operations. During FY 2005 16,445,000 barrels of NGLs were put in TAPS.

83. Please model the smaller interests and their sale of credits and estimate the price at which those credits will no longer have a market among the big three.

See Question 49.

84. If aggregation at Prudhoe Bay had been implemented on July 1, 2001 [the start of the claw back period], how much more would the State have received between then and the actual aggregation date?

The State would have received $430 milllion additional revenue. See estimates below:

ANS Oil Severance Tax
With and without aggregation of
PBU
FY2001 thru Jan 2005 Production
(millions)

FY	No Agg	With Agg	Delta
2001	667	713	46
2002	444	501	56
2003	550	644	95

2004	595	721	126
2005	466	573	107
	2,722	3,152	430

Note: Estimate with Aggregation assumes all taxpayers are paying under the aggregated Elf

85. Why are the status quo lines in the three graphs presented by Ms. Wilson flat once the forecast price effect is adjusted for? Wouldn't falling production and ELF move those down?

The status quo drops from $378 mm in 2009 to $291 mm in 2012. It looks flat because of the scale on the graph.

86. What will the actual cost to the investor be for these upstream investments, and what is the total government underwriting, state and federal, all tax types included. Is it different for large companies and small companies?

After state and federal tax the investor would bear about 38% of the marginal capital. There is no reason to think it would differ appreciably between large and small investors.

87. Lord Browne famously said two years ago that any profits over $20 a barrel were being returned to shareholders as they weren't needed in BP's business. What tax rate, credit rate would be needed to have a cross over [unspecified period] at $20 [presumably Brent].

With a 20% credit it would take a tax rate of about 36% to effect a crossover at $20 Brent, based on our low-volume scenario. With a high-volume scenario, the tax rate would be about 51%. These calculations were made using our standard assumptions, as outlined in the fiscal note.

88. Please explain how the conservation surcharge is affected by oil price and what effect this bill has on the surcharge.

a. The conservation surcharge is a 3 cent per barrel charge on all oil produced less royalty barrels, so therefore it is not sensitive to price.

b. There will be changes in the quantity of oil subject to both production tax and conservation surcharges under the bill. One change will be positive, one negative. The positive change is that natural gas liquids extracted by gas processing and blended in the TAPS stream that are now taxed as gas, will be treated as oil under the bill. The negative change is that oil that is used in lease operations will not be taxed

or subject to surcharge under the bill. Oil may be used to make fuel for lease operations and perhaps used for other production purposes. The overall result is an expected increase of the total surcharge amount of $444,000 per year, based on FY 2005 amounts. (See Question 82.)

The bill should not affect the assessment or collection of the surcharge, other than the quantity-of-oil effects described above. Any surcharge paid will be allowed to be credited against production taxes, but that would only reduce the amount of tax collected, not the amount of surcharges collected.

89. Why are we including gas in the PPT calculation?

The bill includes gas in the PPT calculations because it is a stand-alone bill. The bill does not require implicitly or explicitly that a Stranded Gas Contract be subsequently concluded. Therefore, a PPT law would be entirely functional in case a Stranded Gas Contract is not presented to the Legislature or in case the Legislature rejects such a Contract.

The ELF system for gas is "broken". Just as the ELF is "broken" for oil, the gas ELF does not encourage reinvestment and it is not sensitive to price.

It should be noted that under high gas prices the Alaska State take for gas would increase significantly relative to the status quo. This would be beneficial in case significant gas reserves would be developed outside the scope of the Stranded Gas Development Act.

90. Please show the cumulative production tax from 2007—2030 under the PPT given the following tax/credit scenarios:

a. 25/20
b. 30/20
c. 30/15
d. 15/20
e. 25/25
f. 15/25
g. 22.5/22.5
h. A summary chart showing all above scenarios
i. A summary table showing all above scenarios

Please see attachment section, indexed by question number.

91. What is the meaning of the term "progressive tax"?

According to *Black's Law Dictionary* (2004), a progressive tax is

> "A tax structured so that the effective tax rate increases more than proportionately as the tax *base* increases..."

This is consistent with taxation and economics literature.[2] In other words, a progressive tax is any tax in which the rate increases as the amount subject to taxation increases. If a tax is levied on "net income", then a progressive tax scheme will increase the tax rate based on increasing levels of net income. If a tax is levied on "gross income", then a progressive tax scheme will increase the tax rate based on increasing levels of gross income.

92. What is the meaning of the term "proportional tax"?

According to Black's Law Dictionary, a proportional tax is:

> "A tax whose rate remains fixed regardless of the amount of the tax base."

Black's equates a "proportional tax" with the term "flat tax." Thus, a proportional tax is neutral since the relative share does not change with amount.

93. What is the meaning of the term "marginal tax rate"?

According to WG&L Tax Dictionary (2004), a marginal tax rate is:

> "The rate of tax applied to the last dollar of the tax base."

Therefore, if a tax is based on net income, a marginal tax rate is measured based on the last dollar of net income. This is most often found in income tax law such as AS 43.20.011 where the top marginal rate is 9.4% and this tax rate is applied to amounts of Alaska corporate taxable income over $90,000.

94. What is the meaning of the term "effective tax rate"?

In general, whenever there are several factors at play this measure cuts through all their effects, and typically divides the tax paid by some measure.

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[2] See WG&L Tax Dictionary written by Richard A. Westin (2004), and Principles of Microeconomics written by Karl E. Case and Ray C. Fair (1989).

For an income tax, the effective tax rate is normally expressed as the actual income tax paid divided by taxable income, expressed as a percentage. For example:

Gross income	$100
Less: deductions	(90)
Net income	$ 10
Tax at 20%	$ 2
Less: credits	(1)
Tax due	$ 1

In this example, the effective tax rate is 10%, which compares the $1 tax due with the taxable income of $10.

In Question 30, the effective production tax rate was the percentage of gross revenue, without taking into account exploration credits.

95. Please differentiate the definition of "exploration," "development," and "production."

Please note that in general, the bill provides the same tax treatment to oil and gas exploration, development, and production. In other words, it generally makes no difference whether an expenditure is for exploration, or for development, or for production, and it was therefore not felt necessary to define the terms in the bill. (An exception to the rule is that *geophysical or geological* exploration can qualify for capital expenditure credits under proposed AS 43.55.024(a) and (h)(2) even though those expenditures are not ordinarily capitalized.)

The terms exploration, development, and production are addressed inFASB (Financial Accounting Standards Board) Current Text Section Oi5, Oil and Gas Producing Activities (as of January 1, 2000), as set out below. The Department has not, however, had an opportunity to evaluate these definitions as to their suitability for purposes of production tax legislation, in the event that the legislature desired to incorporate definitions for those terms in the bill.

a. Exploration involves identifying areas that may warrant examination and examining specific areas that are considered to have prospects of containing oil and gas reserves. Exploration costs include drilling exploratory wells and exploratory-type stratigraphic test wells. Principal types of exploration costs include costs of topographical, geological, and geophysical studies.

b. Development costs are incurred to obtain access to proved reserves and to provide facilities for extracting, treating, gathering, and storing the oil and gas. These costs include such things as expenditures to gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific

development drilling sites, clearing ground, road building, power lines, drilling and equipping development well; platforms; casing; tubing; pumping equipment; and the wellhead assembly.

c. Production involves lifting the oil and gas to the surface, gathering and field storage. Production costs are those costs incurred to operate and maintain wells and related equipment and facilities, such as labor to operate the wells, repairs and maintenance, and materials, supplies, and fuel consumed to operate wells.

I hope that this information is helpful. Please let us know if you would like any additional information. Thank you for the opportunity to be of assistance.

Sincerely,

Robynn J. Wilson
Director, Tax Division
Department of Revenue

Letter to Senator Wagoner and Representatives Samuels and Ramras
March 13, 2006

Topical Index to Questions

Question 30—Table A

Effective Tax Rates, North Slope by Field, FY86 - FY05

	Prudhoe Bay	Midnight Sun	Polaris	Orion	Aurora	Borealis					
FY86	15.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7.07%	0.00%	0.00%	0.00%	0.00%
FY87	15.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7.47%	0.00%	0.00%	0.00%	0.00%
FY88	12.66%	0.00%	0.00%	0.00%	0.00%	0.00%	8.33%	0.00%	0.00%	0.00%	0.00%
FY89	12.33%	0.00%	0.00%	0.00%	0.00%	0.00%	8.71%	0.00%	0.00%	0.00%	0.00%
FY90	14.71%	0.00%	0.00%	0.00%	0.00%	0.00%	12.89%	0.00%	0.00%	0.00%	0.00%
FY91	14.91%	0.00%	0.00%	0.00%	0.00%	0.00%	13.19%	0.00%	0.00%	0.00%	0.00%
FY92	14.90%	0.00%	0.00%	0.00%	0.00%	0.00%	13.33%	0.00%	0.00%	0.00%	0.00%
FY93	14.85%	0.00%	0.00%	0.00%	0.00%	0.00%	13.34%	0.00%	0.00%	0.00%	0.00%
FY94	14.81%	0.00%	0.00%	0.00%	0.00%	0.00%	13.09%	0.00%	0.00%	0.00%	0.00%
FY95	14.76%	0.00%	0.00%	0.00%	0.00%	0.00%	12.85%	0.00%	0.00%	0.00%	0.00%
FY96	14.67%	0.00%	0.00%	0.00%	0.00%	0.00%	12.35%	0.00%	0.00%	0.00%	0.00%
FY97	14.59%	0.00%	0.00%	0.00%	0.00%	0.00%	11.72%	0.00%	0.00%	0.00%	0.00%
FY98	14.44%	0.00%	0.00%	0.00%	0.00%	0.00%	11.38%	0.00%	0.00%	0.00%	0.00%
FY99	14.23%	0.00%	0.00%	0.00%	0.00%	0.00%	10.53%	0.00%	0.00%	0.87%	0.00%
FY00	13.96%	0.00%	0.00%	0.00%	0.00%	0.00%	8.97%	0.00%	0.00%	0.58%	0.00%
FY01	13.76%	0.00%	0.00%	0.00%	0.00%	0.00%	7.40%	0.00%	0.00%	0.05%	0.00%
FY02	13.44%	0.13%	0.00%	0.00%	0.00%	0.96%	5.29%	0.00%	0.00%	0.52%	0.00%
FY03	13.05%	0.10%	0.00%	0.00%	0.00%	1.40%	3.44%	0.00%	0.00%	1.22%	0.00%
FY04	12.82%	0.00%	0.00%	0.00%	0.00%	1.03%	2.70%	0.00%	0.00%	0.84%	0.00%
FY05	12.65%	4.43%	4.43%	3.63%	3.62%	3.69%	0.76%	0.00%	0.00%	0.15%	0.00%

Note: The effective tax rate for Midnight Sun, Polaris, Orion, Aurora, Pt. McIntyre, and Borealis for FY 05 reflects 5 months' effect of the aggregation decision effective Feb. 1, 2005.

Question 30—Table B

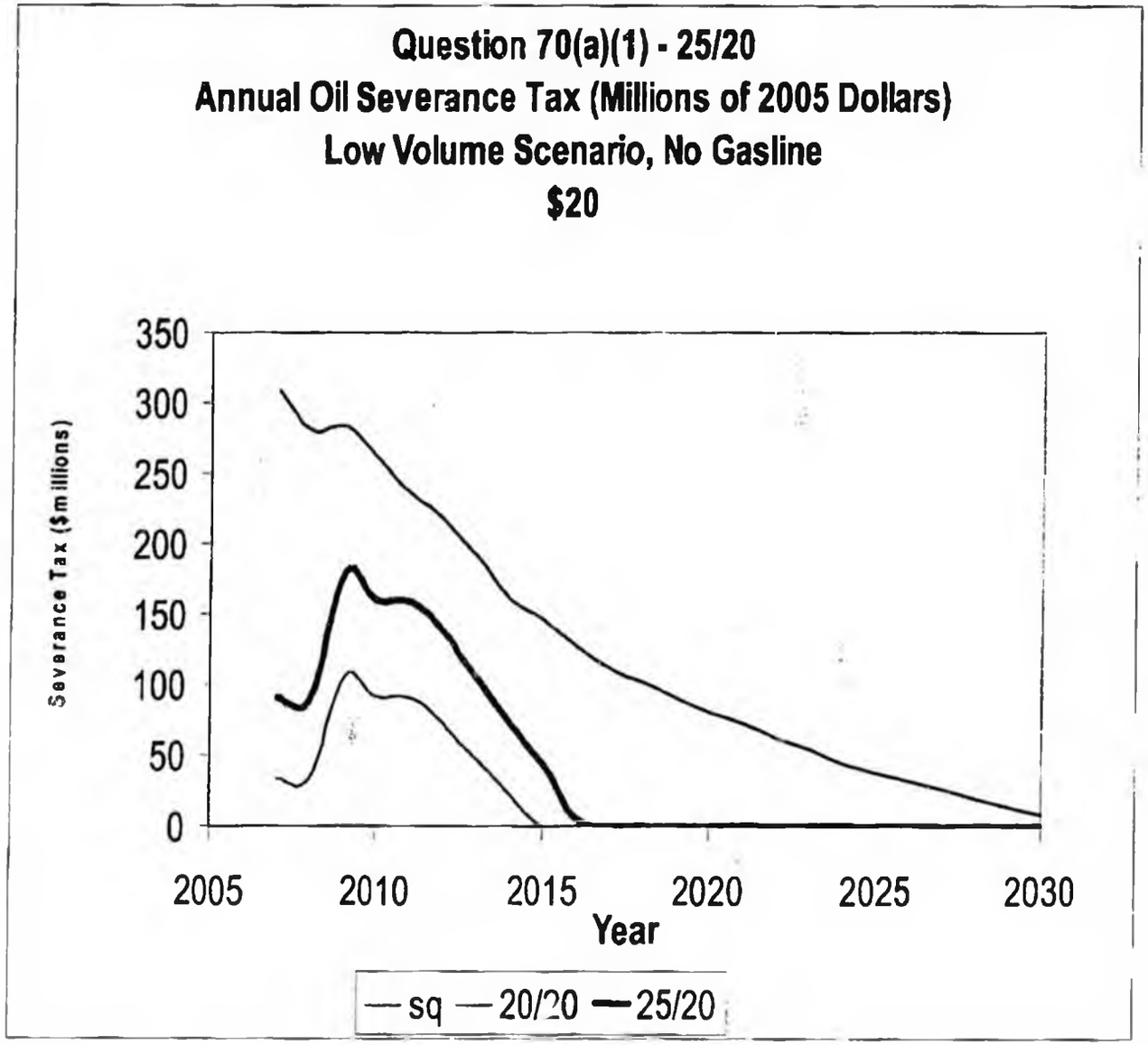
	[redacted]	[redacted]	[redacted]	Lisburne	Point McIntyre	Niakuk	West Beach	NPBS	Alpine	Northstar
FY86	2.24%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FY87	0.62%	0.00%	0.00%	4.48%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FY88	0.00%	8.17%	0.00%	7.73%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FY89	0.00%	12.25%	0.00%	6.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FY90	0.00%	10.37%	0.00%	0.54%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FY91	0.00%	9.44%	0.00%	0.09%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FY92	0.00%	9.51%	0.00%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FY93	0.00%	11.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FY94	0.00%	11.53%	0.00%	0.00%	7.28%	1.56%	0.00%	0.00%	0.00%	0.00%
FY95	0.00%	11.30%	0.00%	0.00%	11.30%	6.15%	0.00%	0.00%	0.00%	0.00%
FY96	0.00%	10.39%	0.00%	0.00%	11.60%	1.76%	0.00%	0.00%	0.00%	0.00%
FY97	0.29%	7.10%	0.00%	0.00%	11.63%	1.51%	0.00%	0.00%	0.00%	0.00%
FY98	0.46%	4.54%	0.00%	0.00%	11.29%	0.89%	0.00%	0.00%	0.00%	0.00%
FY99	0.64%	1.29%	0.00%	0.00%	11.75%	0.70%	0.00%	0.00%	0.00%	0.00%
FY00	0.38%	0.73%	0.00%	0.00%	9.45%	1.32%	0.00%	0.00%	0.00%	0.00%
FY01	0.16%	0.13%	0.00%	0.00%	6.47%	0.17%	0.00%	0.00%	4.24%	0.00%
FY02	0.02%	0.02%	0.00%	0.00%	3.10%	0.15%	0.00%	0.00%	10.76%	5.14%
FY03	0.00%	0.01%	0.00%	0.00%	2.40%	0.02%	0.00%	0.00%	10.50%	10.59%
FY04	0.00%	0.00%	0.00%	0.00%	1.63%	0.00%	0.00%	0.00%	10.33%	10.37%
FY05	0.00%	0.00%	0.00%	0.00%	4.78%	0.00%	0.00%	0.00%	10.17%	10.18%

Question 58

By: G. Rogers, March 1, 2006, source DNR

NPS LEASES, NPS RATES & ROYALTY RATES & STATUS

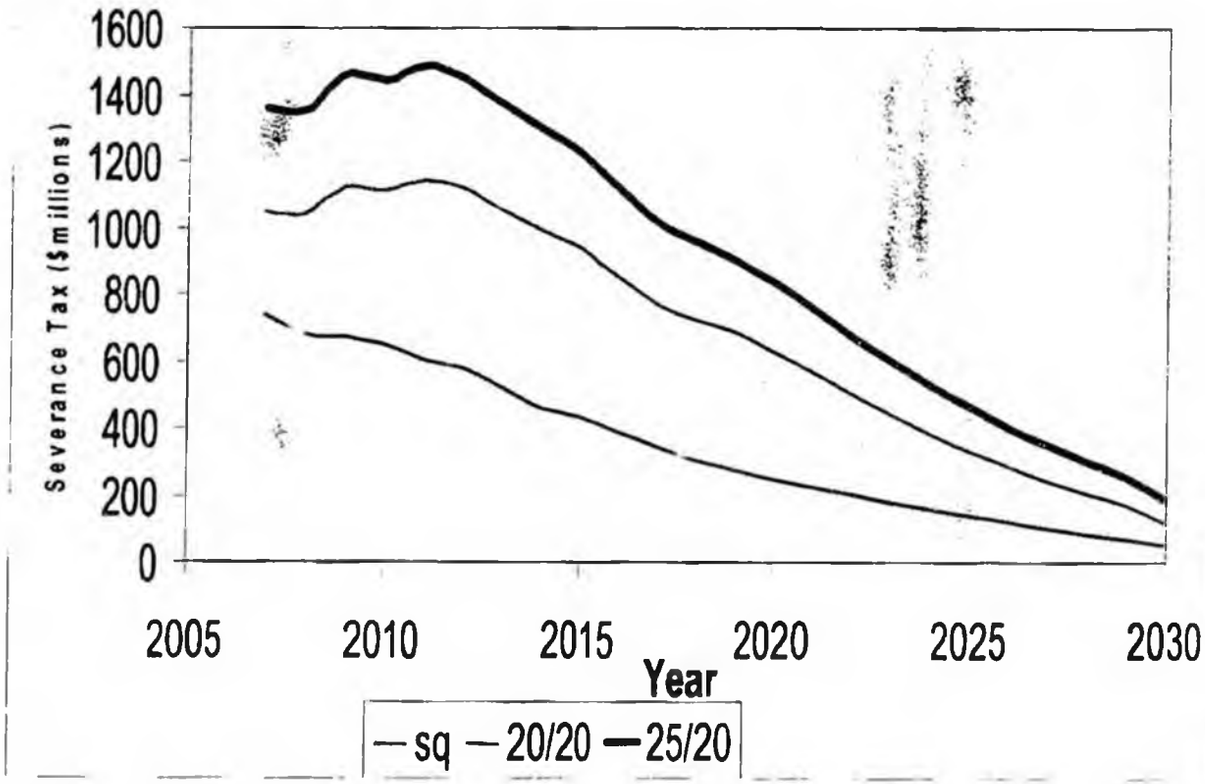
	Unit - lease number	Royalty Rate	NPS Rate	NPS Status
	Duck Island			
1	312828	20%	79.5935%	in payout
2	312834	20%	48.8703%	payout
	Milne Point			
3	355016	12.5%	40.0000%	in payout
4	355017	12.5%	40.0000%	in payout
5	355018	12.5%	30.0000%	in payout
6	355021	12.5%	30.0000%	in payout
7	388235	12.5%	30.0000%	in payout
	Kuparuk River			
8	355023	12.5%	30.0000%	not in payout
9	355024	12.5%	30.0000%	not in payout
10	355030	12.5%	30.0000%	not in payout
11	355032	12.5%	30.0000%	not in payout
	Colville River			
12	364470	12.5%	30.0%	non producing
13	364471	12.5%	30.0%	non producing
14	364472	12.5%	30.0%	non producing
15	364477	12.5%	30.0%	non producing
16	364478	12.5%	30.0%	non producing
	Point Thompson Unit			
17	312866	20%	52.352%	non producing
18	343109	12.5%	40%	non producing
19	343110	12.5%	40%	non producing
20	343111	12.5%	40%	non producing
21	343112	closed	closed	non producing



Alaska Department of Revenue, Tax Division
ATTACHMENT 03/13/2006

Annual Oil Severance Tax ($Millions)			
	sq	20/20	25/20
2007	309	34	90
2008	280	34	89
2009	283	106	179
2010	262	91	160
2011	235	90	159
2012	216	73	137
2013	190	47	104
2014	159	22	72
2015	146	0	44
2016	126	0	6
2017	111	0	0
2018	101	0	0
2019	91	0	0
2020	81	0	0
2021	72	0	0
2022	63	0	0
2023	54	0	0
2024	45	0	0
2025	38	0	0
2026	31	0	0
2027	26	0	0
2028	19	0	0
2029	14	0	0
2030	9	0	0
Totals	2,959	498	1,041

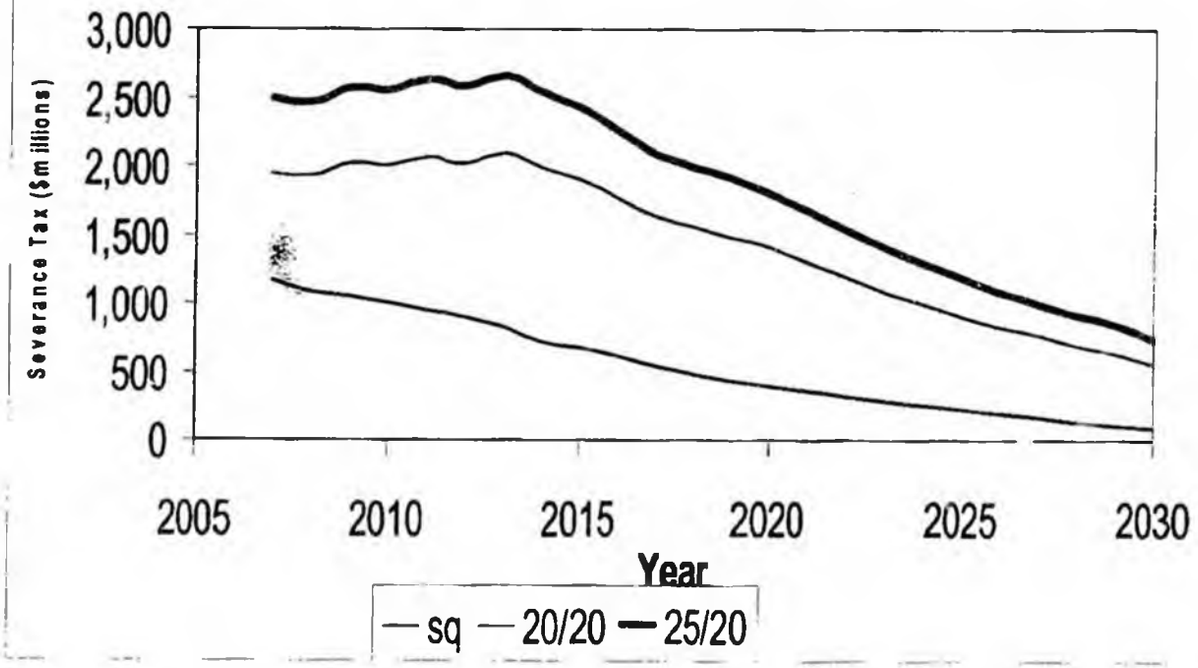
Question 70(a)(2) - 25/20
Annual Oil Severance Tax (Millions of 2005 Dollars)
Low Volume Scenario, No Gasline
$40



Alaska Department of Revenue, Tax Division
ATTACHMENT 03/13/2006

Annual Oil Severance Tax ($Millions)			
	sq	20/20	25/20
2007	737	1,045	1,361
2008	679	1,038	1,352
2009	673	1,124	1,459
2010	646	1,112	1,444
2011	606	1,143	1,483
2012	576	1,117	1,450
2013	523	1,056	1,373
2014	459	992	1,293
2015	431	937	1,224
2016	388	853	1,119
2017	340	770	1,014
2018	306	726	958
2019	275	683	904
2020	248	629	837
2021	224	566	756
2022	201	499	673
2023	180	439	597
2024	156	384	528
2025	138	332	462
2026	119	284	402
2027	103	243	349
2028	83	204	301
2029	67	169	256
2030	52	113	186
Totals	8,211	16,458	21,782

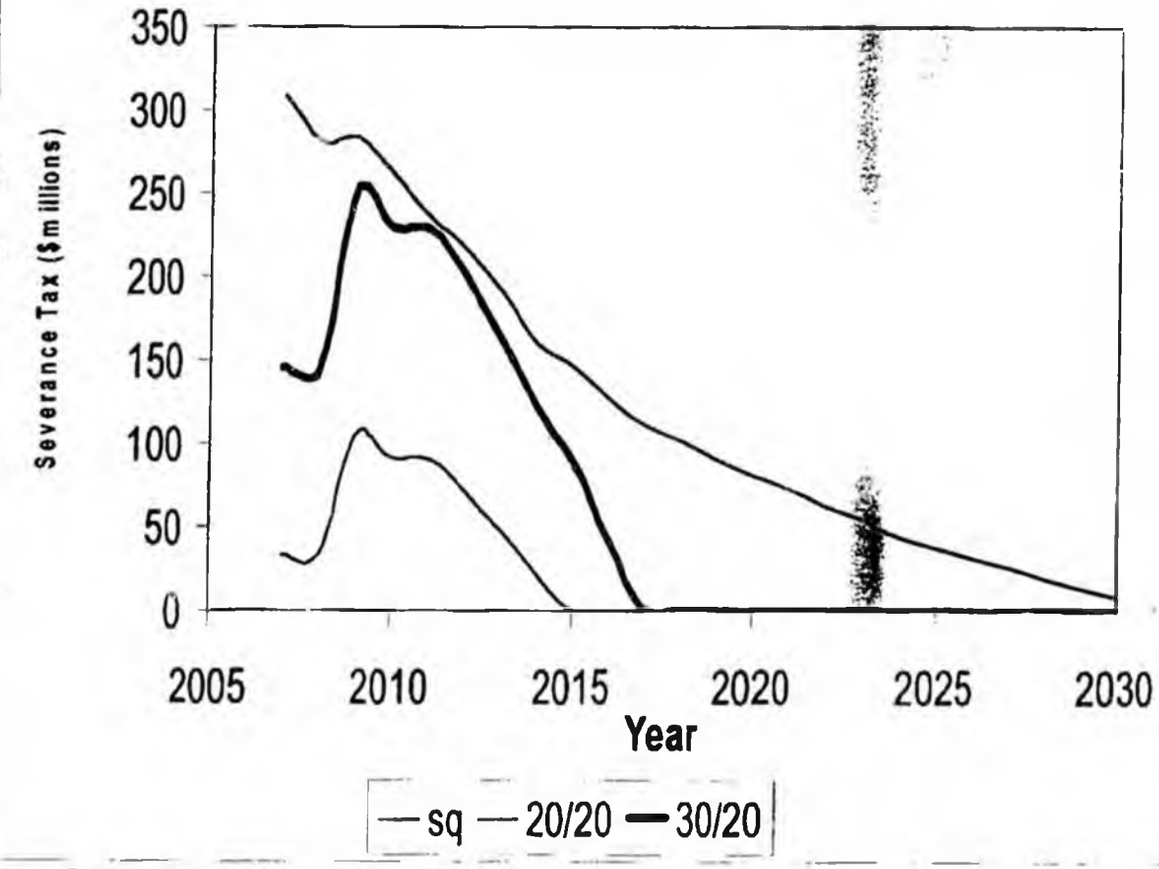
Question 70(a)(3) - 25/20
Annual Oil Severance Tax (Millions of 2005 Dollars)
Low Volume Scenario, No Gasline
$60



Alaska Department of Revenue, Tax Division
ATTACHMENT 03/13/2006

Annual Oil Severance Tax ($Millions)			
	sq	20/20	25/20
2007	1,165	1,945	2,486
2008	1,069	1,924	2,459
2009	1,042	2,013	2,570
2010	1,003	1,998	2,551
2011	941	2,056	2,624
2012	896	2,019	2,578
2013	815	2,088	2,664
2014	716	1,987	2,537
2015	674	1,898	2,425
2016	607	1,761	2,254
2017	533	1,625	2,082
2018	480	1,552	1,991
2019	432	1,483	1,905
2020	390	1,396	1,795
2021	353	1,292	1,664
2022	318	1,181	1,526
2023	286	1,081	1,400
2024	248	990	1,285
2025	219	903	1,176
2026	191	824	1,077
2027	165	755	990
2028	134	691	910
2029	108	632	836
2030	85	555	739
Totals	12,870	34,649	44,521

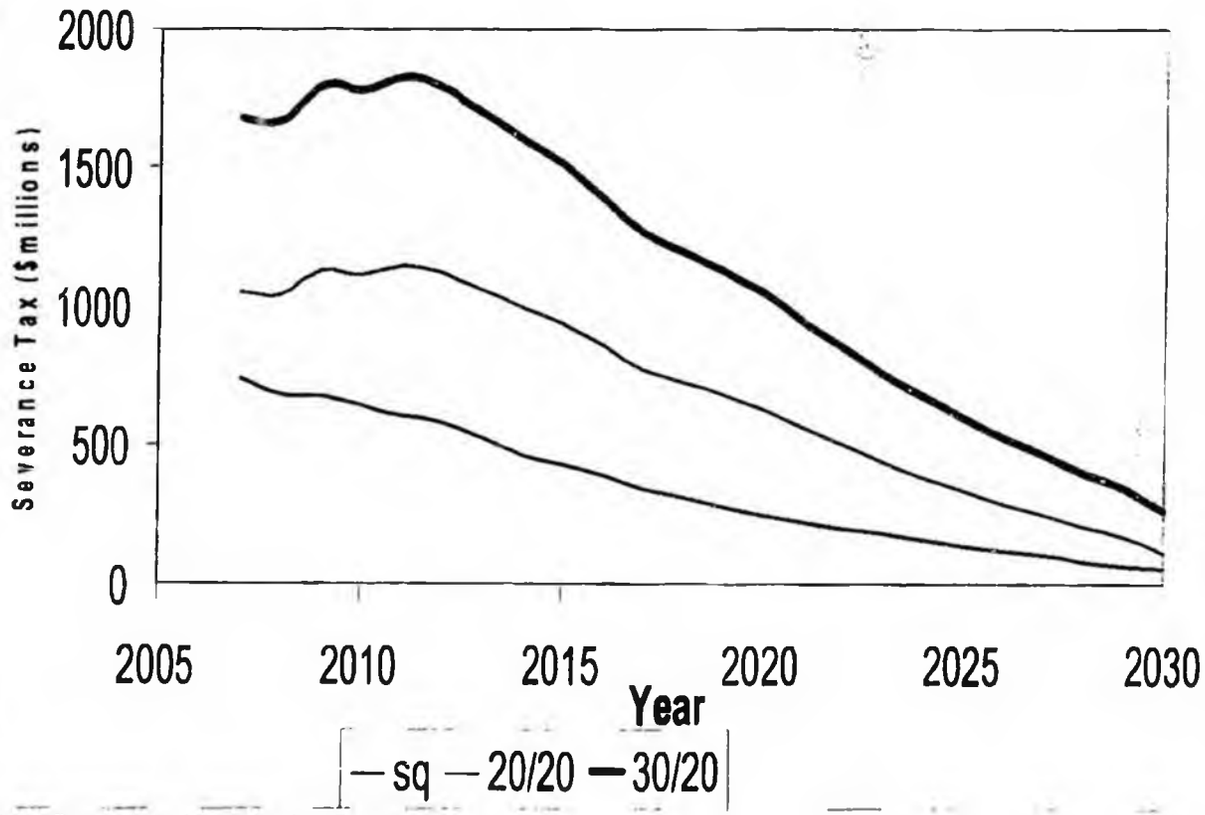
Question 70(b)(1) - 30/20
Annual Oil Severance Tax (Millions of 2005 Dollars)
Low Volume Scenario, No Gasline
$20



Alaska Department of Revenue, Tax Division
ATTACHMENT 03/13/2006

Annual Oil Severance Tax ($Millions)			
	sq	20/20	30/20
2007	309	34	146
2008	280	34	144
2009	283	106	252
2010	262	91	229
2011	235	90	228
2012	216	73	201
2013	190	47	161
2014	159	22	122
2015	146	0	89
2016	126	0	42
2017	111	0	1
2018	101	0	0
2019	91	0	0
2020	81	0	0
2021	72	0	0
2022	63	0	0
2023	54	0	0
2024	45	0	0
2025	38	0	0
2026	31	0	0
2027	26	0	0
2028	19	0	0
2029	14	0	0
2030	9	0	0
Totals	2,959	498	1,614

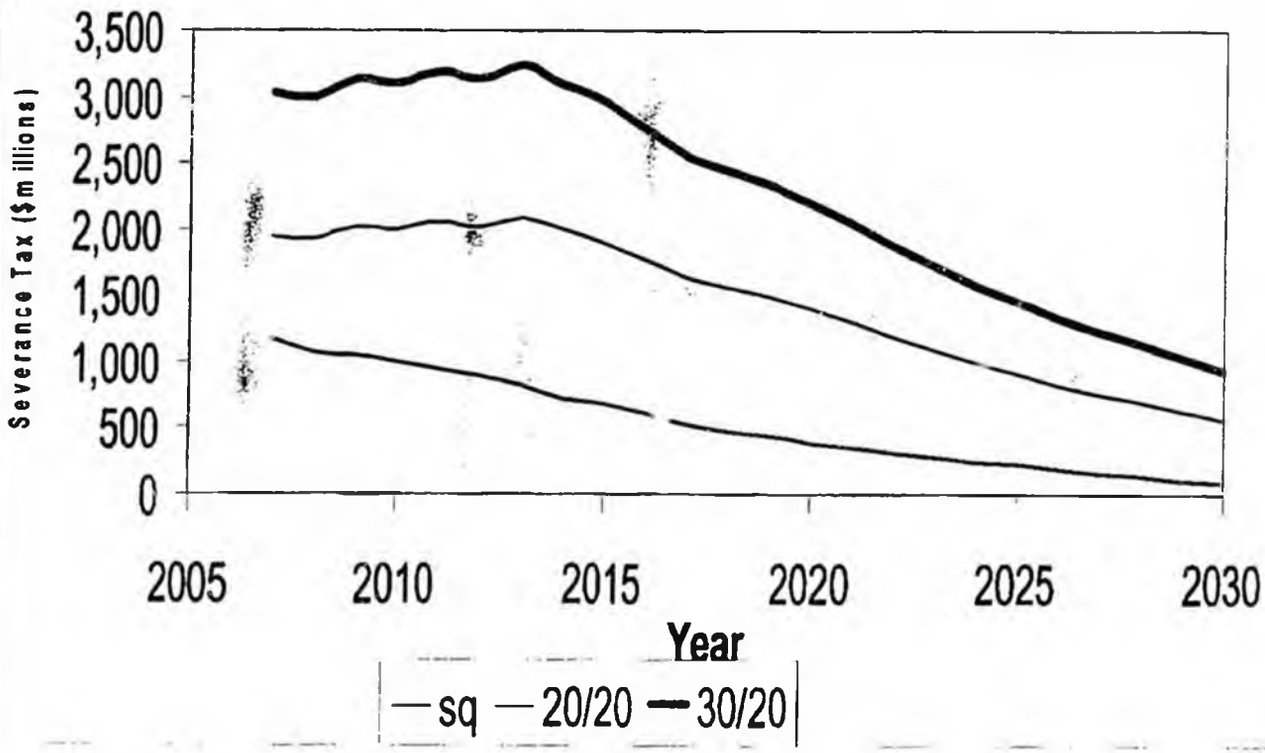
Question 70(b)(2) - 30/20
Annual Oil Severance Tax (Millions of 2005 Dollars)
Low Volume Scenario, No Gasline
$40



Alaska Department of Revenue, Tax Division
ATTACHMENT 03/13/2006

Annual Oil Severance Tax ($Millions)			
	sq	20/20	30/20
2007	737	1,045	1,677
2008	679	1,038	1,665
2009	673	1,124	1,794
2010	646	1,112	1,776
2011	606	1,143	1,823
2012	576	1,117	1,784
2013	523	1,056	1,691
2014	459	992	1,595
2015	431	937	1,511
2016	388	853	1,384
2017	340	770	1,258
2018	306	726	1,191
2019	275	683	1,125
2020	248	629	1,044
2021	224	566	947
2022	201	499	846
2023	180	439	755
2024	156	384	671
2025	138	332	592
2026	119	284	520
2027	103	243	456
2028	83	204	398
2029	67	169	344
2030	52	113	260
Totals	8,211	16,458	27,107

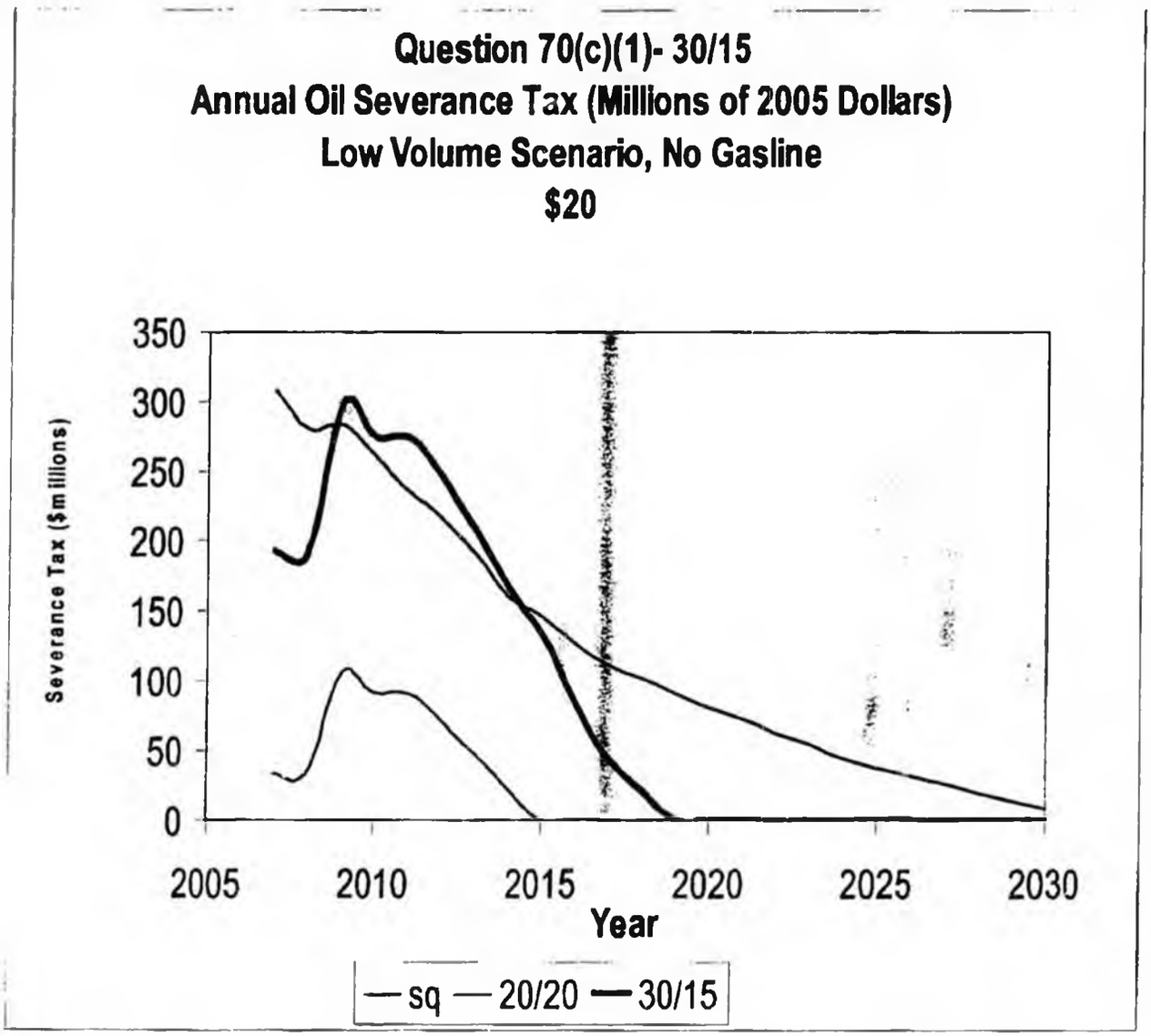
Question 70(b)(3) - 30/20
Annual Oil Severance Tax (Millions of 2005 Dollars)
Low Volume Scenario, No Gasline
$60



Alaska Department of Revenue, Tax Division
ATTACHMENT 03/13/2006

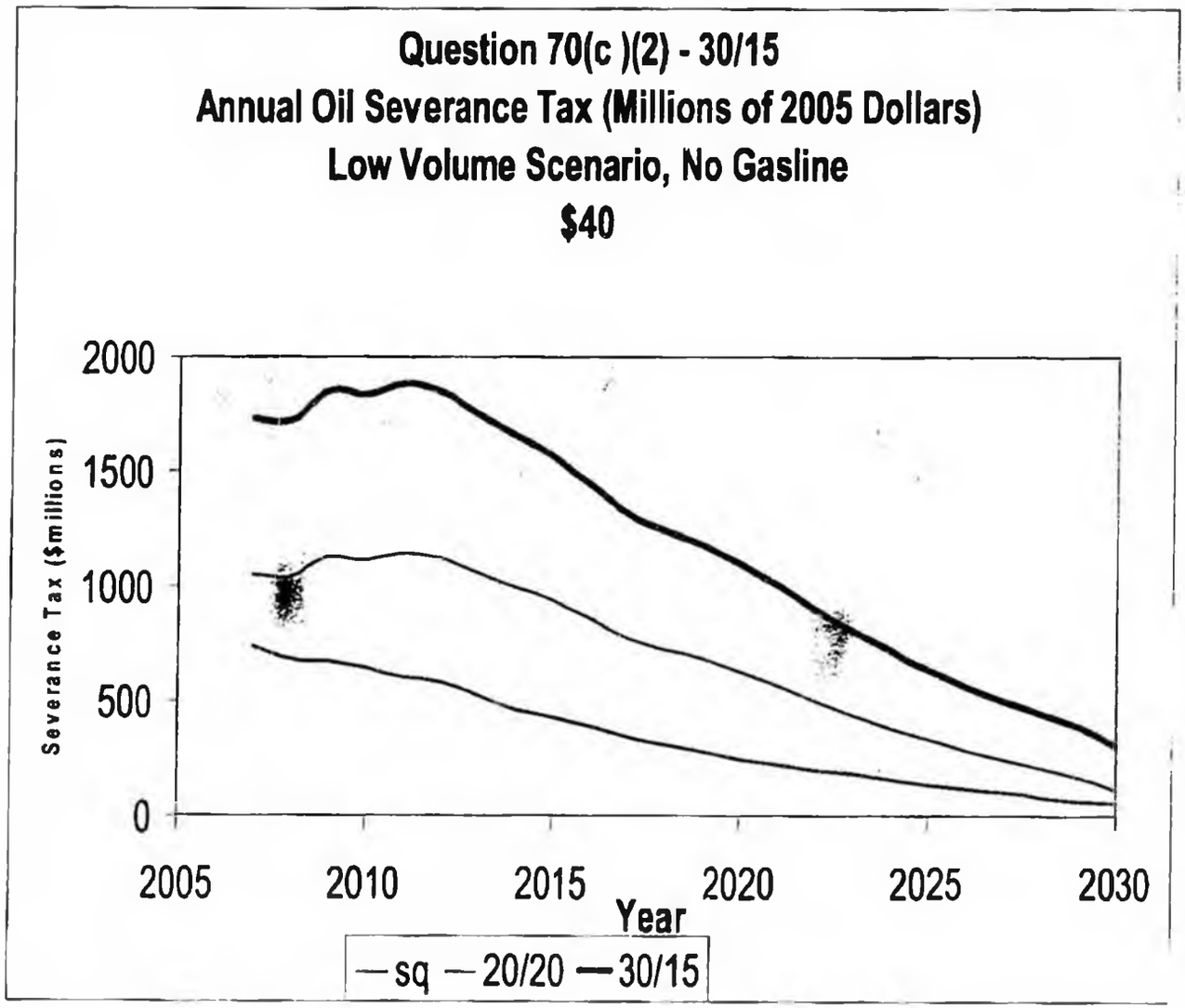
Annual Oil Severance Tax ($Millions)			
	sq	20/20	30/20
2007	1,165	1,945	3,026
2008	1,069	1,924	2,994
2009	1,042	2,013	3,127
2010	1,003	1,998	3,104
2011	941	2,056	3,193
2012	896	2,019	3,136
2013	815	2,088	3,240
2014	716	1,987	3,087
2015	674	1,898	2,952
2016	607	1,761	2,746
2017	533	1,625	2,539
2018	480	1,552	2,430
2019	432	1,483	2,326
2020	390	1,396	2,194
2021	353	1,292	2,037
2022	318	1,181	1,870
2023	286	1,081	1,719
2024	248	990	1,580
2025	219	903	1,448
2026	191	824	1,330
2027	165	755	1,225
2028	134	691	1,129
2029	108	632	1,039
2030	85	555	922
Totals	12,870	34,649	54,393

Question 70(c)(1)- 30/15
Annual Oil Severance Tax (Millions of 2005 Dollars)
Low Volume Scenario, No Gasline
$20



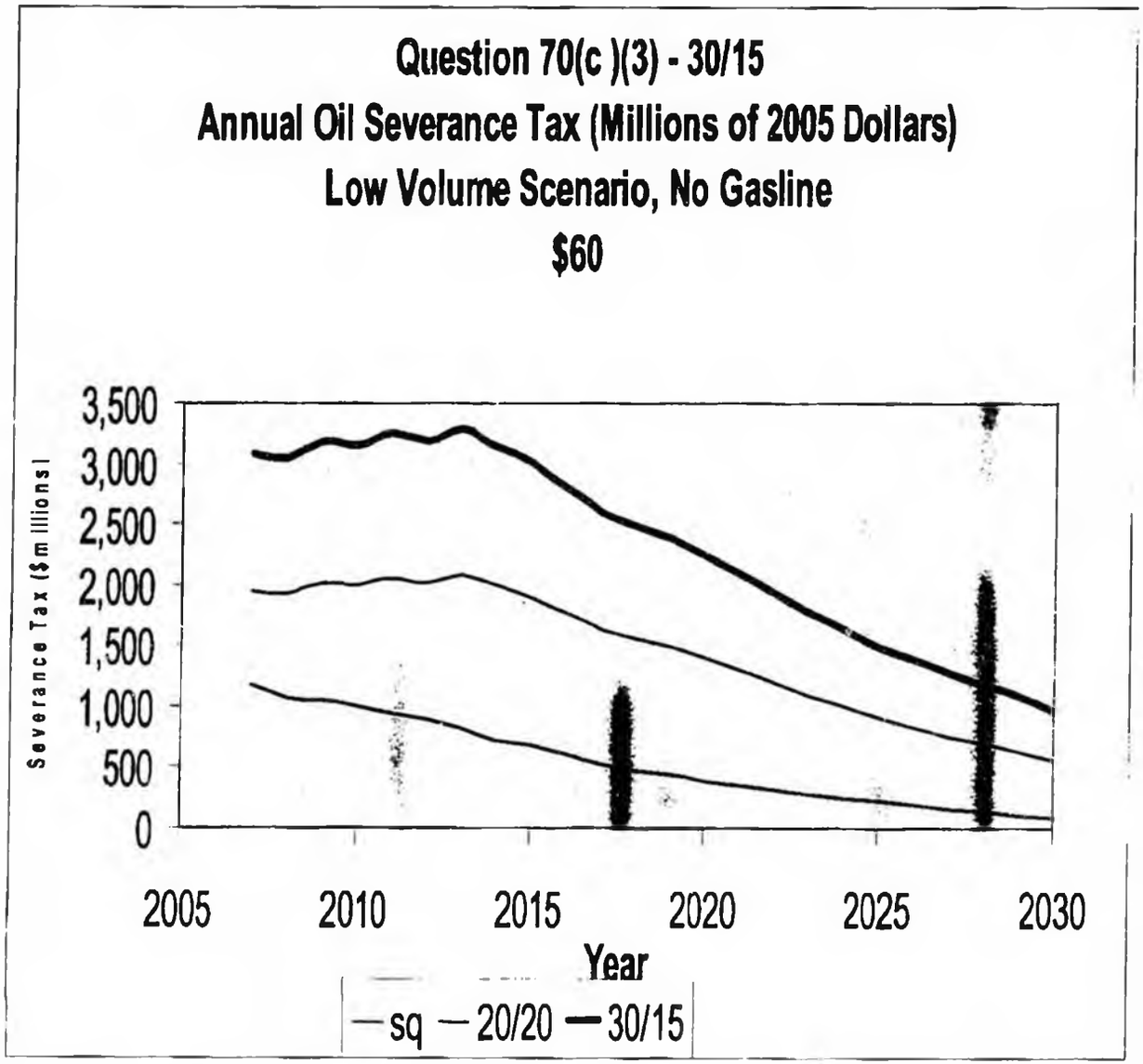
Alaska Department of Revenue, Tax Division
ATTACHMENT 03/13/2006

Annual Oil Severance Tax ($Millions)			
	sq	20/20	30/15
2007	309	34	193
2008	280	34	191
2009	283	106	298
2010	262	91	275
2011	235	90	274
2012	216	73	247
2013	190	47	206
2014	159	22	167
2015	146	0	133
2016	126	0	85
2017	111	0	44
2018	101	0	21
2019	91	0	0
2020	81	0	0
2021	72	0	0
2022	63	0	0
2023	54	0	0
2024	45	0	0
2025	38	0	0
2026	31	0	0
2027	26	0	0
2028	19	0	0
2029	14	0	0
2030	9	0	0
Totals	2,959	498	2,133



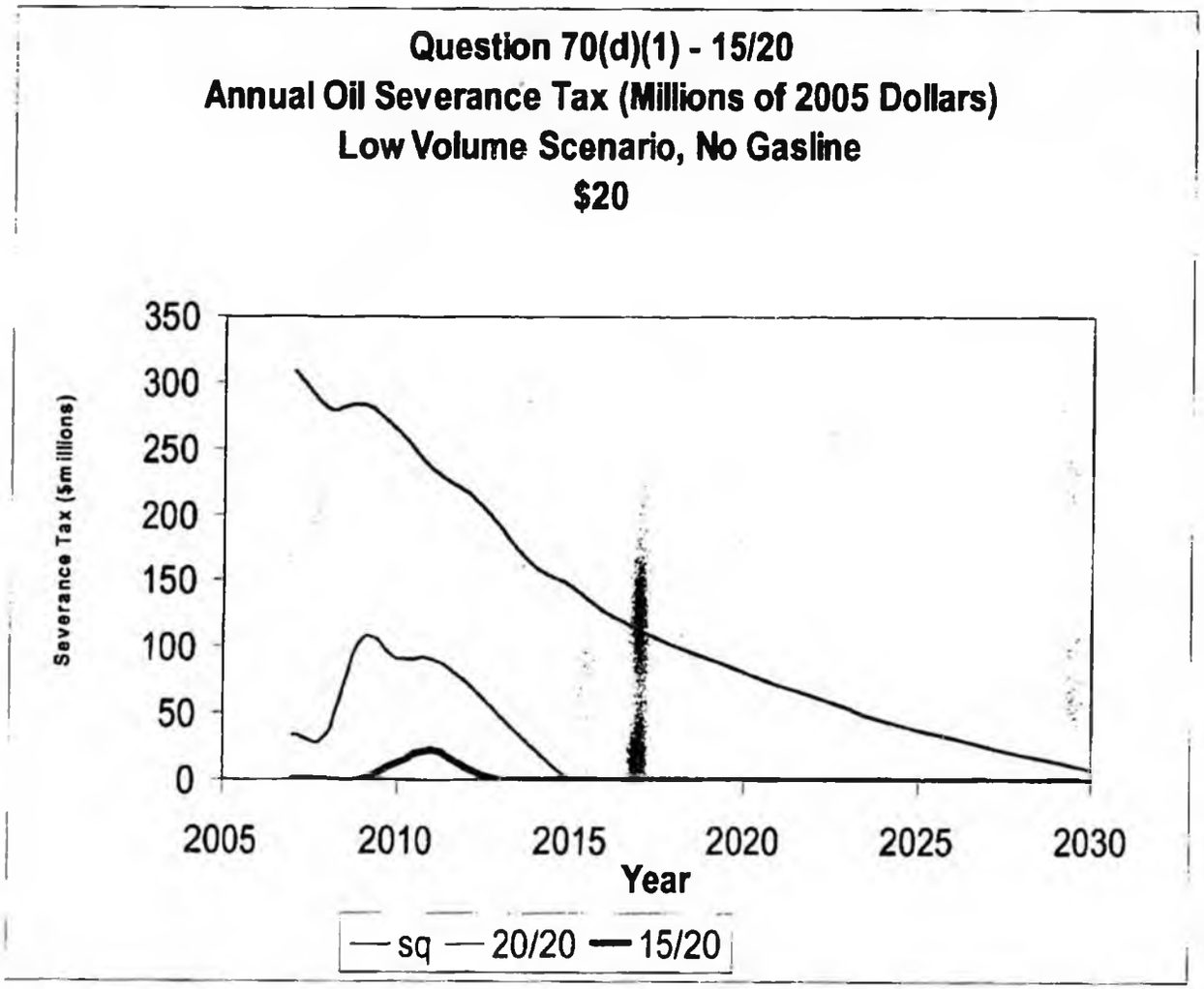
Alaska Department of Revenue, Tax Division
ATTACHMENT 03/13/2006

Annual Oil Severance Tax ($Millions)			
	sq	20/20	30/15
2007	737	1,045	1,731
2008	679	1,038	1,719
2009	673	1,124	1,848
2010	646	1,112	1,830
2011	606	1,143	1,878
2012	576	1,117	1,838
2013	523	1,056	1,745
2014	459	992	1,648
2015	431	937	1,564
2016	388	853	1,436
2017	340	770	1,309
2018	306	726	1,241
2019	275	683	1,176
2020	248	629	1,094
2021	224	566	997
2022	201	499	895
2023	180	439	803
2024	156	384	719
2025	138	332	639
2026	119	284	567
2027	103	243	503
2028	83	204	444
2029	67	169	389
2030	52	113	305
Totals	8,211	16,458	28,317



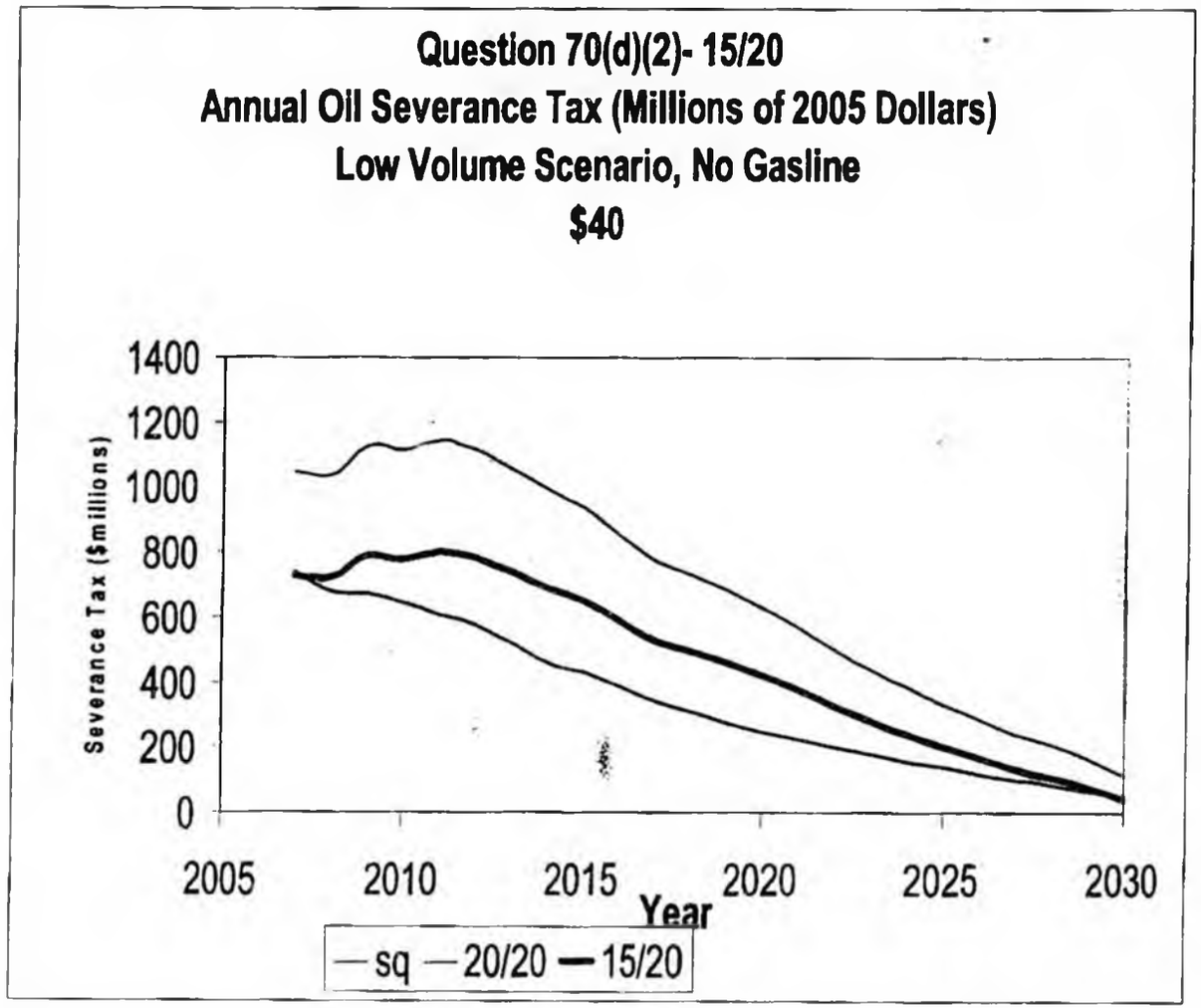
Alaska Department of Revenue, Tax Division
ATTACHMENT 03/13/2006

Annual Oil Severance Tax ($Millions)			
	sq	20/20	30/15
2007	1,165	1,945	3,081
2008	1,069	1,924	3,048
2009	1,042	2,013	3,181
2010	1,003	1,998	3,158
2011	941	2,056	3,247
2012	896	2,019	3,191
2013	815	2,088	3,293
2014	716	1,987	3,140
2015	674	1,898	3,005
2016	607	1,761	2,798
2017	533	1,625	2,590
2018	480	1,552	2,481
2019	432	1,483	2,376
2020	390	1,396	2,244
2021	353	1,292	2,086
2022	318	1,181	1,918
2023	286	1,081	1,767
2024	248	990	1,628
2025	219	903	1,496
2026	191	824	1,376
2027	165	755	1,271
2028	134	691	1,175
2029	108	632	1,085
2030	85	555	968
Totals	12,870	34,649	55,603



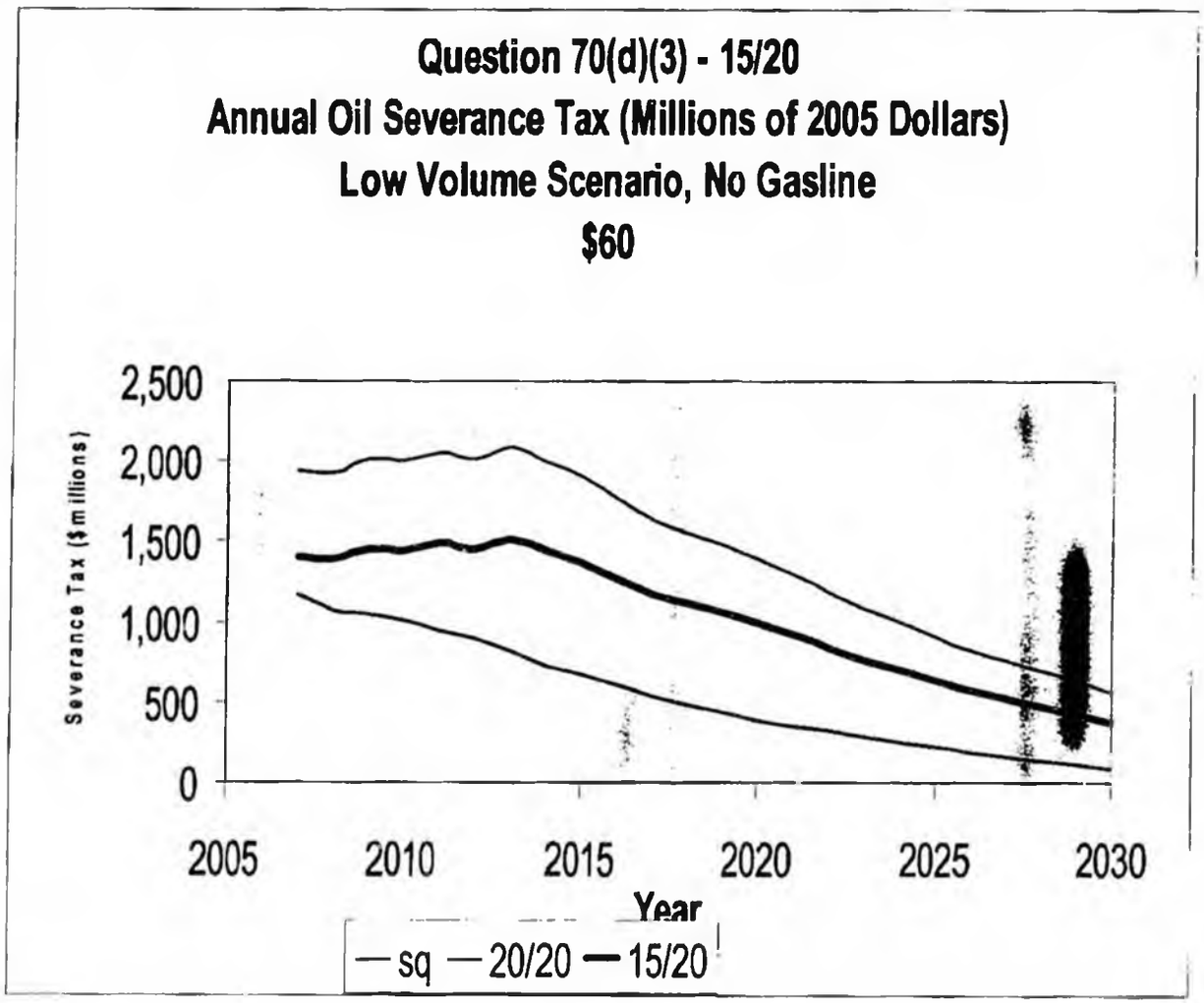
Annual Oil Severance Tax ($Millions)			
	sq	20/20	15/20
2007	309	34	0
2008	280	34	0
2009	283	106	0
2010	262	91	13
2011	235	90	22
2012	216	73	9
2013	190	47	0
2014	159	22	0
2015	146	0	0
2016	126	0	0
2017	111	0	0
2018	101	0	0
2019	91	0	0
2020	81	0	0
2021	72	0	0
2022	63	0	0
2023	54	0	0
2024	45	0	0
2025	38	0	0
2026	31	0	0
2027	26	0	0
2028	19	0	0
2029	14	0	0
2030	9	0	0
Totals	2,959	498	43

Alaska Department of Revenue, Tax Division
ATTACHMENT 03/13/2006



Annual Oil Severance Tax ($Millions)			
	sq	20/20	15/20
2007	737	1,045	730
2008	679	1,038	725
2009	673	1,124	789
2010	646	1,112	780
2011	606	1,143	803
2012	576	1,117	783
2013	523	1,056	738
2014	459	992	691
2015	431	937	650
2016	388	853	588
2017	340	770	527
2018	306	726	494
2019	275	683	462
2020	248	629	422
2021	224	566	375
2022	201	499	326
2023	180	439	281
2024	156	384	240
2025	138	332	202
2026	119	284	167
2027	103	243	136
2028	83	204	107
2029	67	169	81
2030	52	113	39
Totals	8,211	16,458	11,134

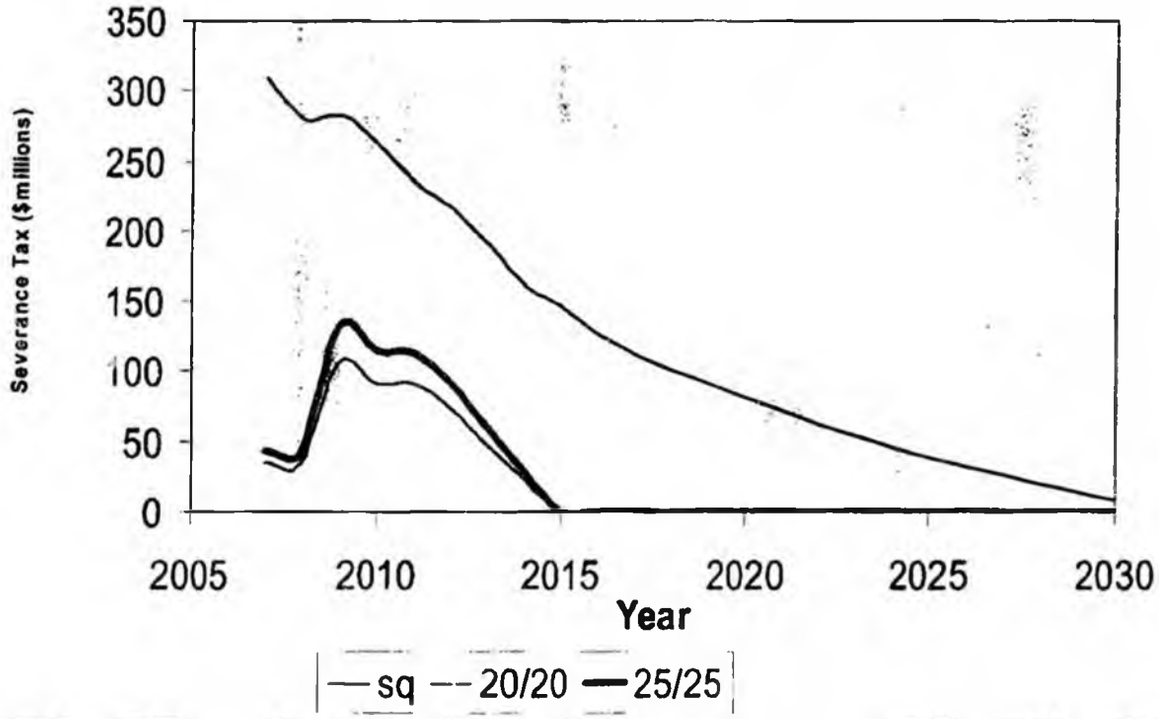
Alaska Department of Revenue, Tax Division
ATTACHMENT 03/13/2006



Annual Oil Severance Tax ($Millions)			
	sq	20/20	15/20
2007	1,165	1,945	1,405
2008	1,069	1,924	1,389
2009	1,042	2,013	1,455
2010	1,003	1,998	1,444
2011	941	2,056	1,488
2012	896	2,019	1,460
2013	815	2,088	1,512
2014	716	1,987	1,437
2015	674	1,898	1,370
2016	607	1,761	1,269
2017	533	1,625	1,167
2018	480	1,552	1,113
2019	432	1,483	1,062
2020	390	1,396	997
2021	353	1,292	920
2022	318	1,181	837
2023	286	1,081	763
2024	248	990	695
2025	219	903	630
2026	191	824	571
2027	165	755	520
2028	134	691	473
2029	108	632	428
2030	85	555	371
Totals	12,870	34,649	24,777

Alaska Department of Revenue, Tax Division
ATTACHMENT 03/13/2006

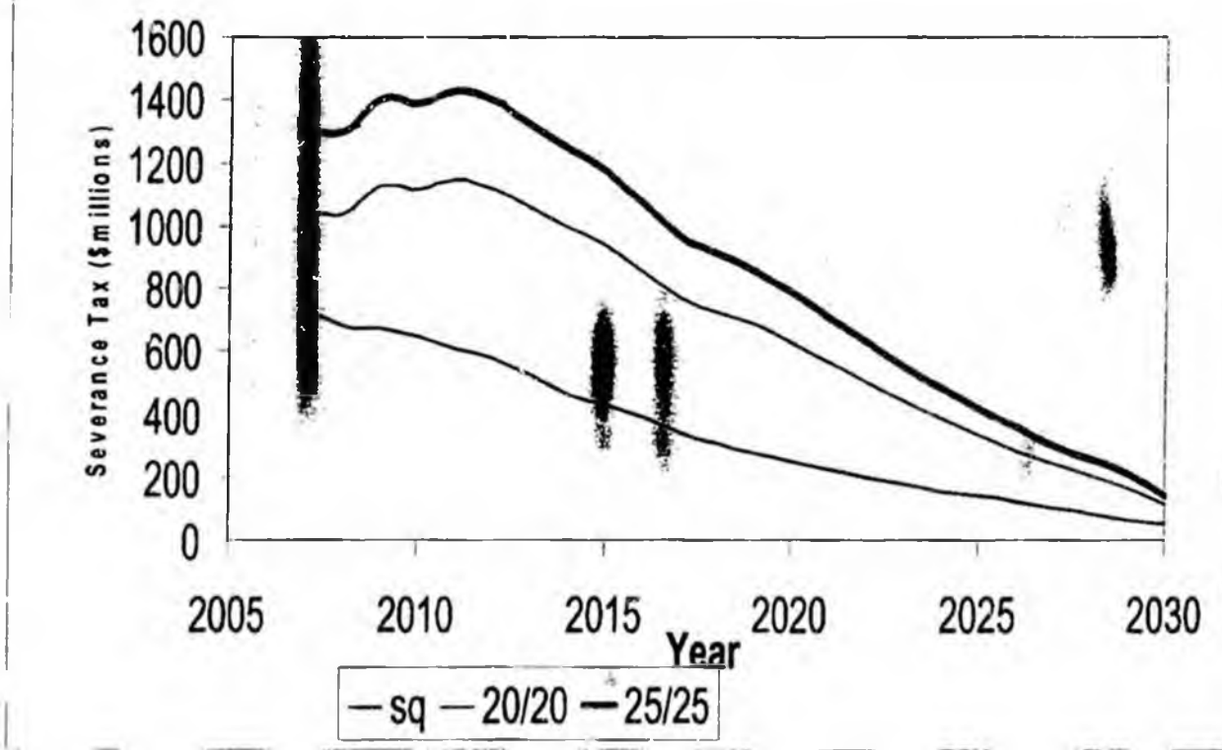
Question 70(e)(1) - 25/25
Annual Oil Severance Tax (Millions of 2005 Dollars)
Low Volume Scenario, No Gasline
$20



Alaska Department of Revenue, Tax Division
ATTACHMENT 03/13/2006

Annual Oil Severance Tax ($Millions)			
	sq	20/20	25/25
2007	309	34	43
2008	280	34	42
2009	283	106	133
2010	262	91	114
2011	235	90	113
2012	216	73	91
2013	190	47	59
2014	159	22	27
2015	146	0	0
2016	126	0	0
2017	111	0	0
2018	101	0	0
2019	91	0	0
2020	81	0	0
2021	72	0	0
2022	63	0	0
2023	54	0	0
2024	45	0	0
2025	38	0	0
2026	31	0	0
2027	26	0	0
2028	19	0	0
2029	14	0	0
2030	9	0	0
Totals	2,959	498	622

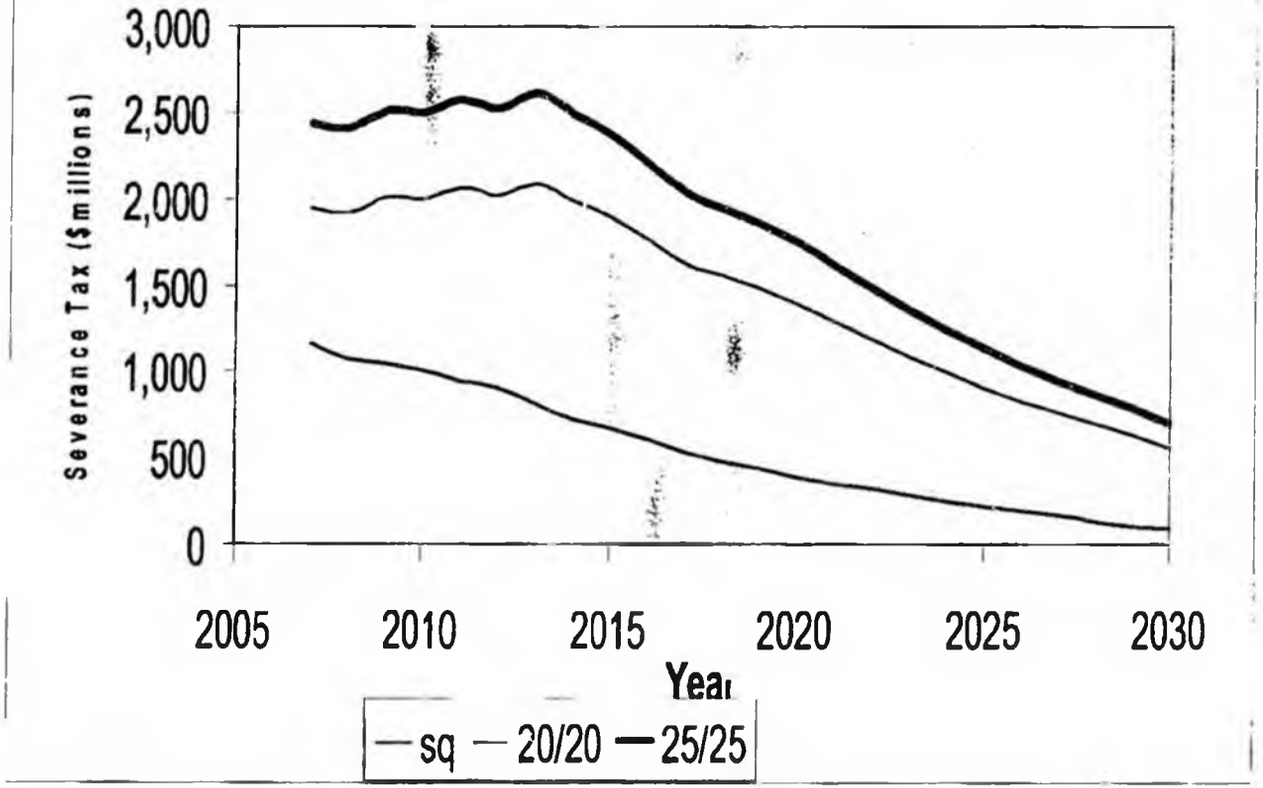
Question 70(e)(2) - 25/25
Annual Oil Severance Tax (Millions of 2005 Dollars)
Low Volume Scenario, No Gasline
$40



Alaska Department of Revenue, Tax Division
ATTACHMENT 03/13/2006

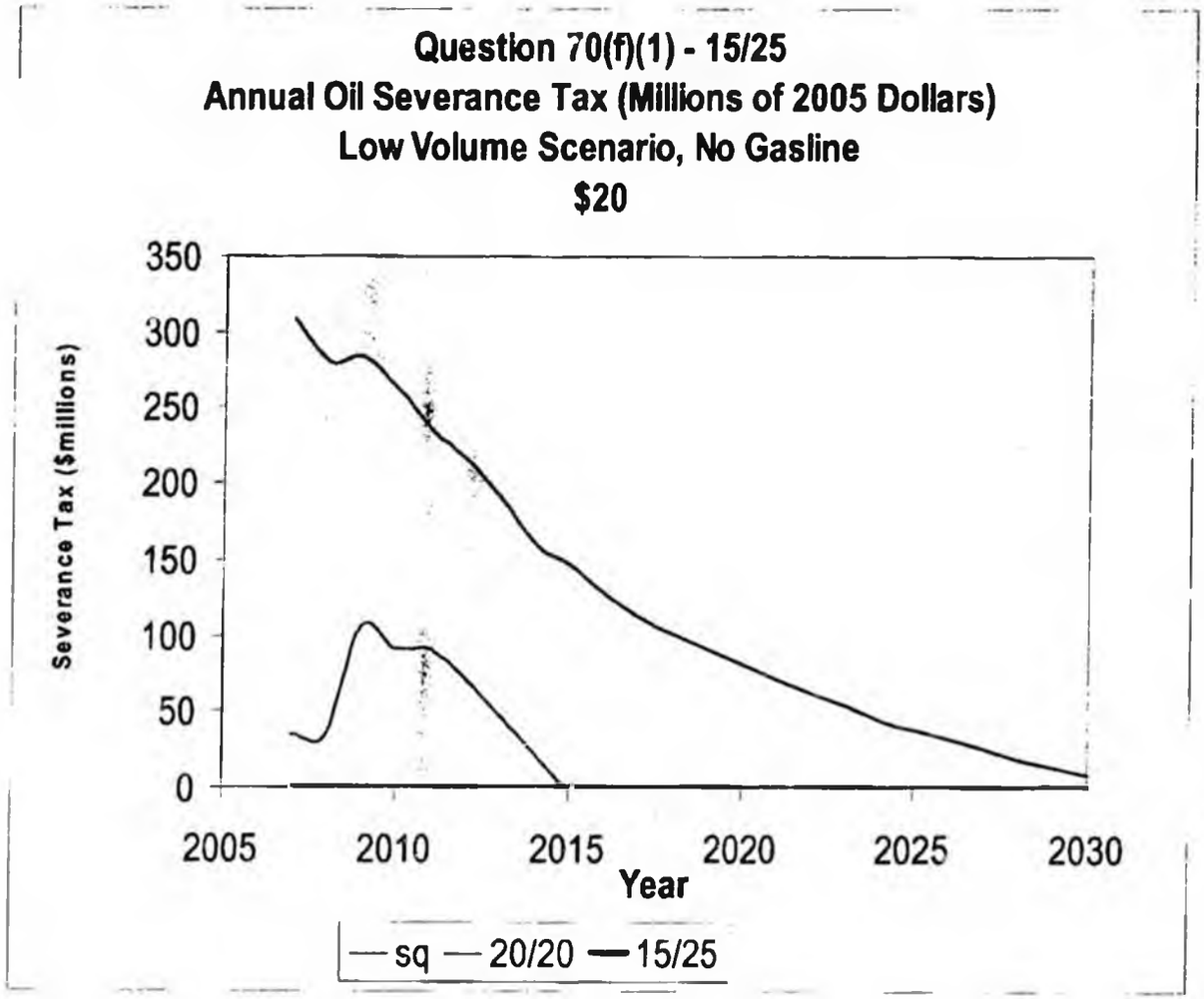
Annual Oil Severance Tax ($Millions)			
	sq	20/20	25/25
2007	737	1,045	1,307
2008	679	1,038	1,298
2009	673	1,124	1,405
2010	646	1,112	1,390
2011	606	1,143	1,429
2012	576	1,117	1,396
2013	523	1,056	1,319
2014	459	992	1,240
2015	431	937	1,171
2016	388	853	1,067
2017	340	770	963
2018	306	726	908
2019	275	683	854
2020	248	629	787
2021	224	566	707
2022	201	499	624
2023	180	439	549
2024	156	384	480
2025	138	332	415
2026	119	284	355
2027	103	243	303
2028	83	204	256
2029	67	169	211
2030	52	113	141
Totals	8,211	16,458	20,572

Question 70(e)(3) - 25/25
Annual Oil Severance Tax (Millions of 2005 Dollars)
Low Volume Scenario, No Gasline
$60



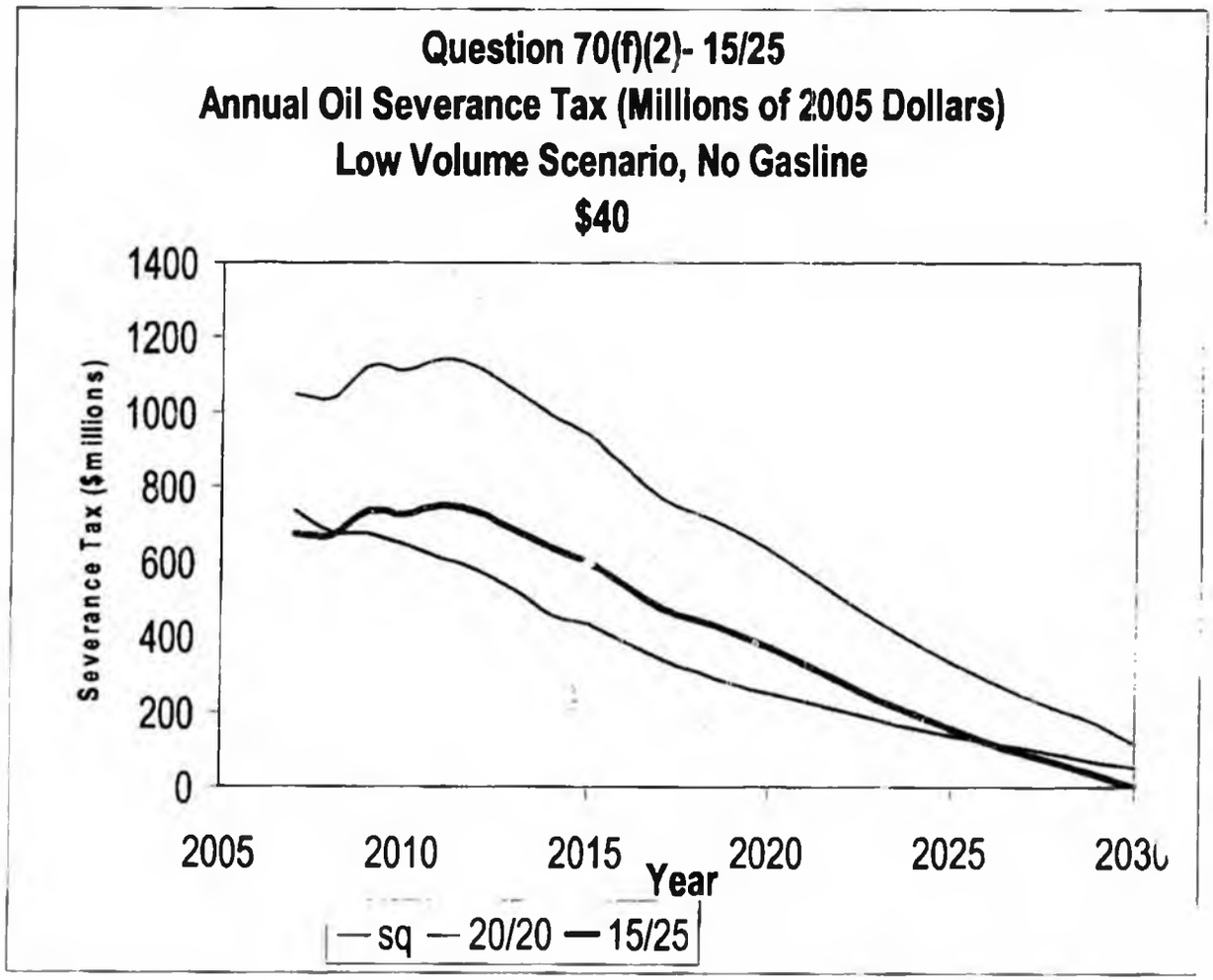
Alaska Department of Revenue, Tax Division
ATTACHMENT 03/13/2006

Annual Oil Severance Tax ($Millions)			
	sq	20/20	25/25
2007	1,165	1,945	2,432
2008	1,069	1,924	2,405
2009	1,042	2,013	2,516
2010	1,003	1,998	2,497
2011	941	2,056	2,570
2012	896	2,019	2,523
2013	815	2,088	2,610
2014	716	1,987	2,483
2015	674	1,898	2,372
2016	607	1,761	2,202
2017	533	1,625	2,031
2018	480	1,552	1,940
2019	432	1,483	1,854
2020	390	1,396	1,745
2021	353	1,292	1,615
2022	318	1,181	1,477
2023	286	1,081	1,352
2024	248	990	1,238
2025	219	903	1,128
2026	191	824	1,030
2027	165	755	944
2028	134	691	864
2029	108	632	790
2030	85	555	693
Totals	12,870	34,649	43,311



Annual Oil Severance Tax ($Millions)			
	sq	20/20	15/25
2007	309	34	0
2008	280	34	0
2009	283	106	0
2010	262	91	0
2011	235	90	0
2012	216	73	0
2013	190	47	0
2014	159	22	0
2015	146	0	0
2016	126	0	0
2017	111	0	0
2018	101	0	0
2019	91	0	0
2020	81	0	0
2021	72	0	0
2022	63	0	0
2023	54	0	0
2024	45	0	0
2025	38	0	0
2026	31	0	0
2027	26	0	0
2028	19	0	0
2029	14	0	0
2030	9	0	0
Totals	2,959	498	0

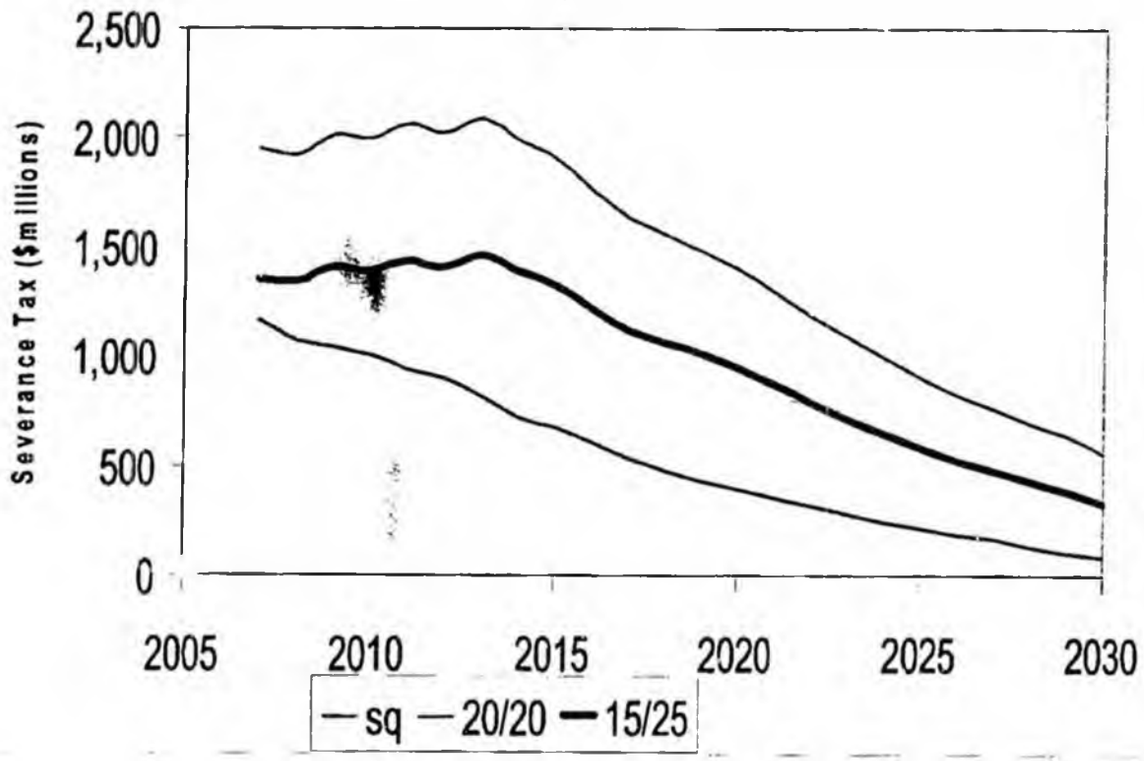
Alaska Department of Revenue, Tax Division
ATTACHMENT 03/13/2006



Annual Oil Severance Tax ($Millions)			
	sq	20/20	15/25
2007	737	1,045	676
2008	679	1,038	671
2009	673	1,124	735
2010	646	1,112	726
2011	606	1,143	748
2012	576	1,117	729
2013	523	1,056	684
2014	459	992	638
2015	431	937	597
2016	388	853	536
2017	340	770	475
2018	306	726	443
2019	275	683	411
2020	248	629	372
2021	224	566	326
2022	20.	499	277
2023	180	439	233
2024	156	384	193
2025	138	332	154
2026	119	284	120
2027	103	243	89
2028	83	204	62
2029	67	169	35
2030	52	113	0
Totals	8,211	16,458	9,930

Alaska Department of Revenue, Tax Division
ATTACHMENT 03/13/2006

Question 70(f)(3) - 15/25
Annual Oil Severance Tax (Millions of 2005 Dollars)
Low Volume Scenario, No Gasline
$60



Annual Oil Severance Tax ($Millions)			
	sq	20/20	15/25
2007	1,165	1,945	1,351
2008	1,069	1,924	1,335
2009	1,042	2,013	1,401
2010	1,003	1,998	1,390
2011	941	2,056	1,433
2012	896	2,019	1,405
2013	815	2,088	1,458
2014	716	1,987	1,384
2015	674	1,898	1,318
2016	607	1,761	1,217
2017	533	1,625	1,116
2018	480	1,552	1,063
2019	432	1,483	1,012
2020	390	1,396	947
2021	353	1,292	870
2022	318	1,181	789
2023	286	1,081	715
2024	248	990	647
2025	219	903	583
2026	191	824	525
2027	165	755	474
2028	134	691	427
2029	108	632	383
2030	85	555	325
Totals	12,870	34,649	23,567

Alaska Department of Revenue, Tax Division
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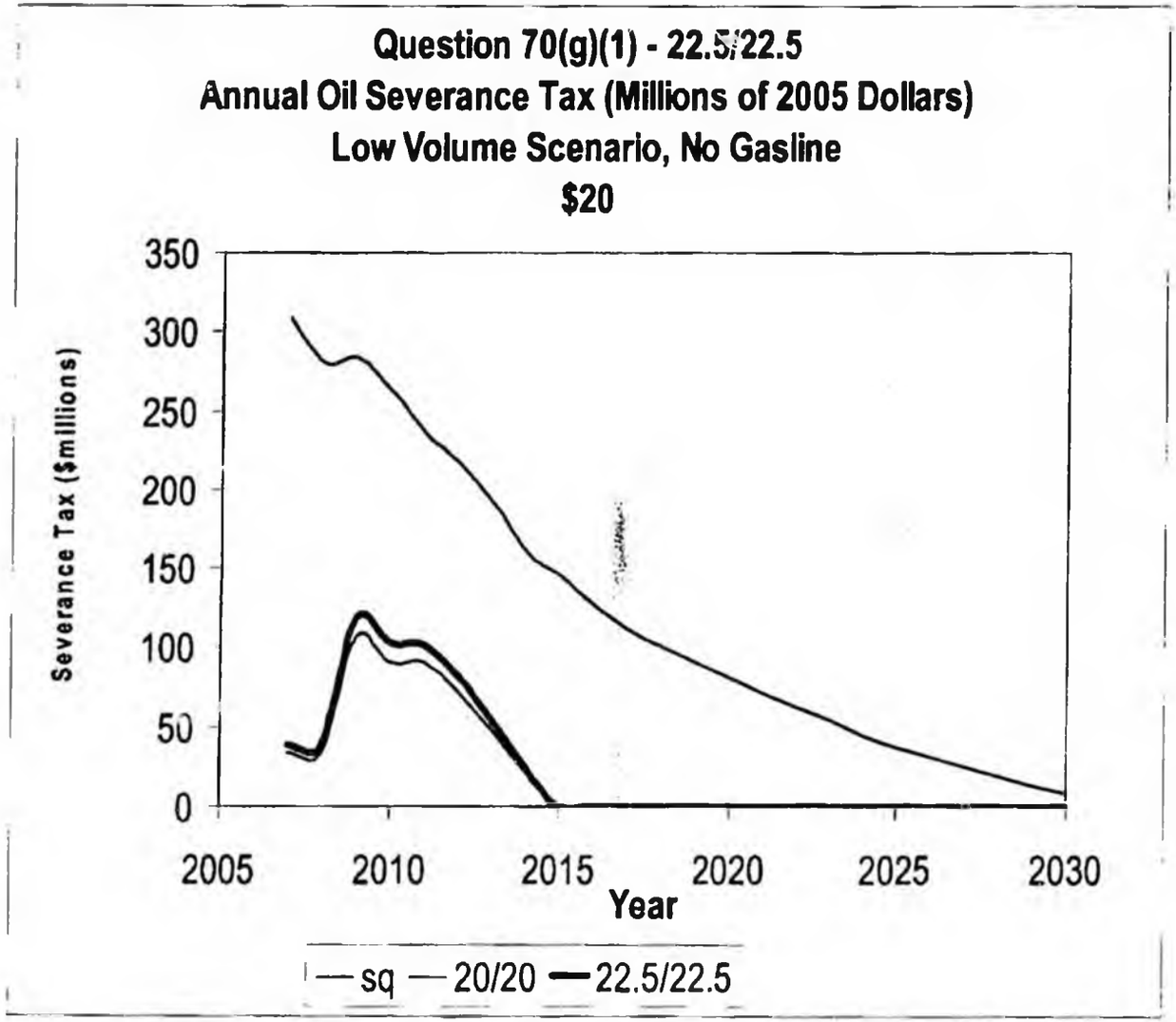
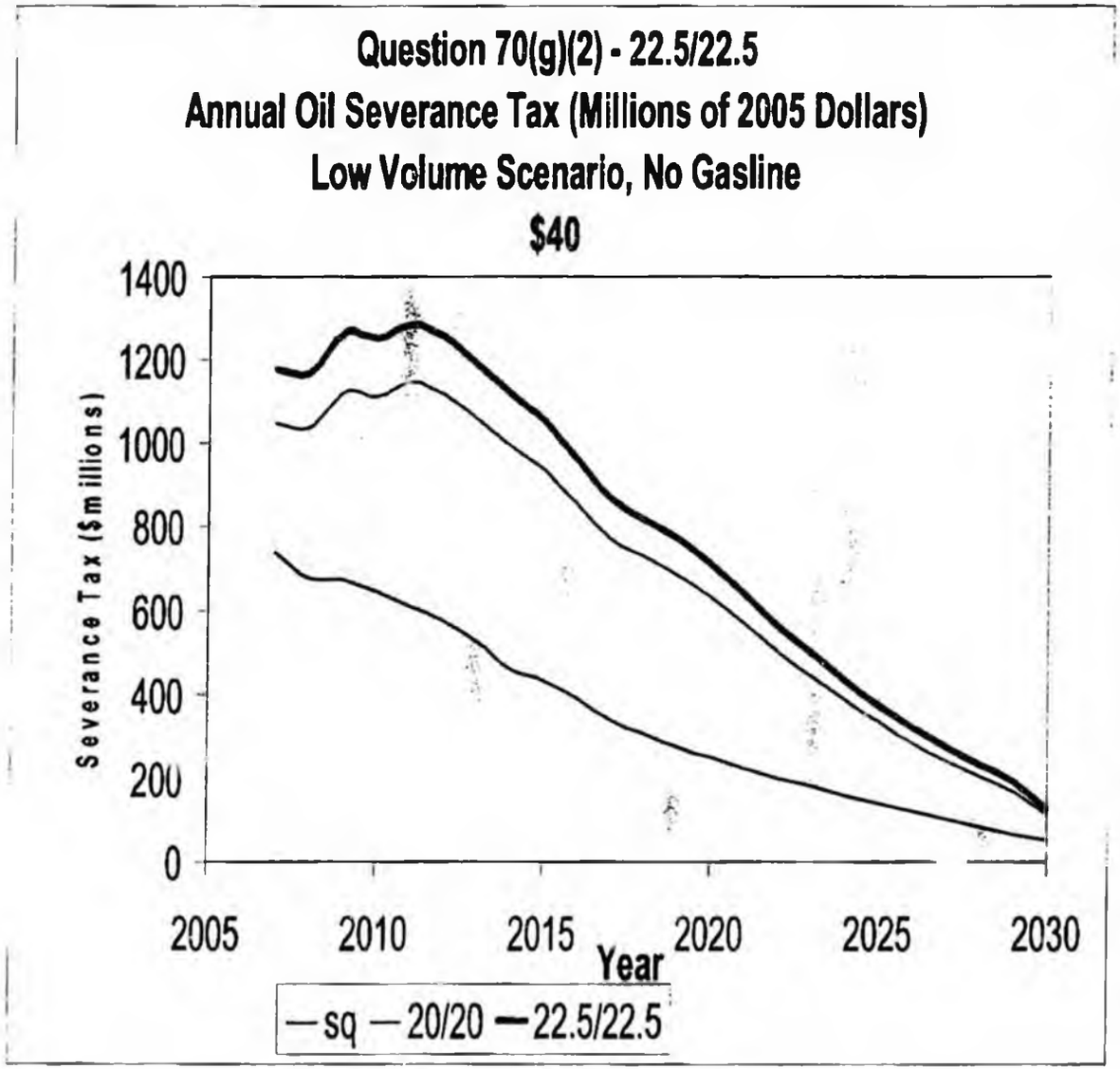


Alaska Department of Revenue, Tax Division
ATTACHMENT 03/13/2006

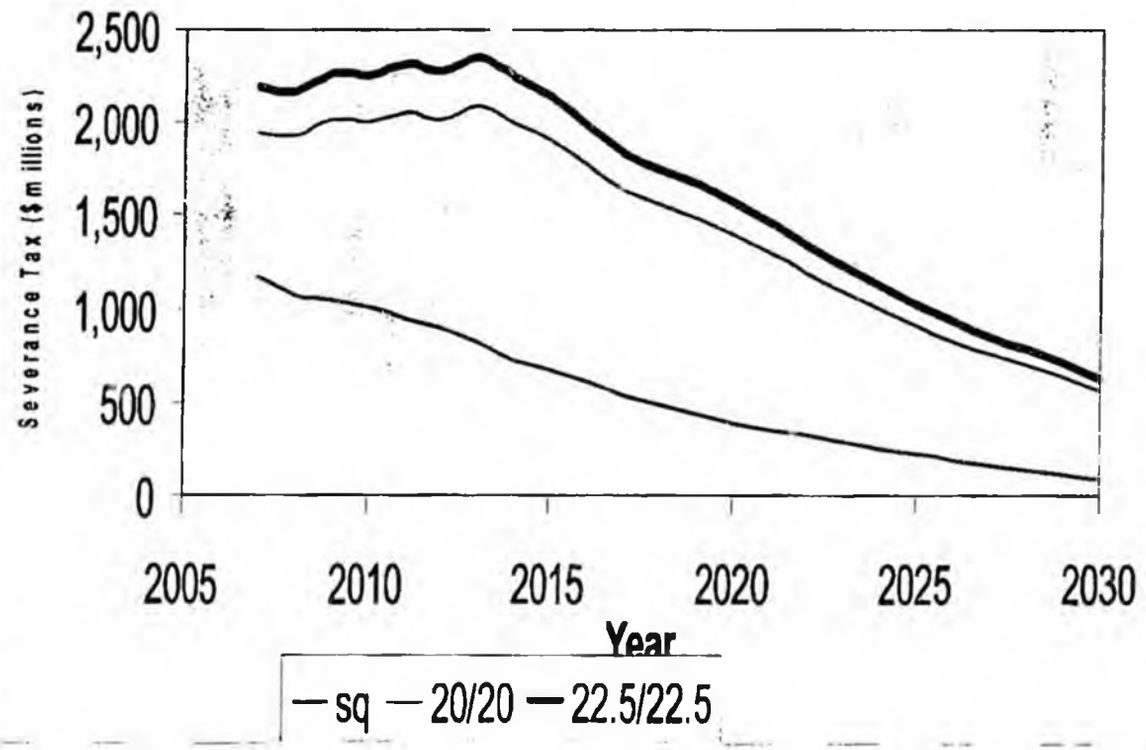
Annual Oil Severance Tax ($Millions)			
	sq	20/20	22.5/22.5
2007	309	34	38
2008	280	34	38
2009	283	106	119
2010	262	91	103
2011	235	90	102
2012	216	73	82
2013	190	47	53
2014	159	22	25
2015	146	0	0
2016	126	0	0
2017	111	0	0
2018	101	0	0
2019	91	0	0
2020	81	0	0
2021	72	0	0
2022	63	0	0
2023	54	0	0
2024	45	0	0
2025	38	0	0
2026	31	0	0
2027	26	0	0
2028	19	0	0
2029	14	0	0
2030	9	0	0
Totals	2,959	498	560



Alaska Department of Revenue, Tax Division
ATTACHMENT 03/13/2006

Annual Oil Severance Tax ($Millions)			
	sq	20/20	22.5/22.5
2007	737	1,045	1,176
2008	679	1,038	1,168
2009	673	1,124	1,264
2010	646	1,112	1,251
2011	606	1,143	1,286
2012	576	1,117	1,256
2013	523	1,056	1,187
2014	459	992	1,116
2015	431	937	1,054
2016	388	853	960
2017	340	770	867
2018	306	726	817
2019	275	683	768
2020	248	629	708
2021	224	566	636
2022	201	499	562
2023	180	[illegible]	494
2024	156	384	432
2025	138	332	373
2026	119	284	320
2027	103	243	273
2028	83	204	230
2029	67	169	190
2030	52	113	127
Totals	8,211	16,458	18,515

Question 70(g)(3) - 22.5/22.5
Annual Oil Severance Tax (Millions of 2005 Dollars)
Low Volume Scenario, No Gasline
$60



Alaska Department of Revenue, Tax Division
ATTACHMENT 03/13/2006

Annual Oil Severance Tax ($Millions)			
	sq	20/20	22.5/22.5
2007	1,165	1,945	2,188
2008	1,069	1,924	2,165
2009	1,042	2,013	2,264
2010	1,003	1,998	2,247
2011	941	2,056	2,313
2012	896	2,019	2,271
2013	815	2,088	2,349
2014	716	1,987	2,235
2015	674	1,898	2,135
2016	607	1,761	1,981
2017	533	1,625	1,828
2018	480	1,552	1,746
2019	432	1,483	1,669
2020	390	1,396	1,571
2021	353	1,292	1,453
2022	318	1,181	1,329
2023	286	1,081	1,217
2024	248	990	1,114
2025	219	903	1,016
2026	191	824	927
2027	165	755	849
2028	134	691	778
2029	108	632	711
2030	85	555	624
Totals	12,870	34,649	38,980

Question 70(h)(1)
Annual Oil Severance Tax (Millions of 2005 Dollars)
Low Volume Scenario, No Gasline
$40

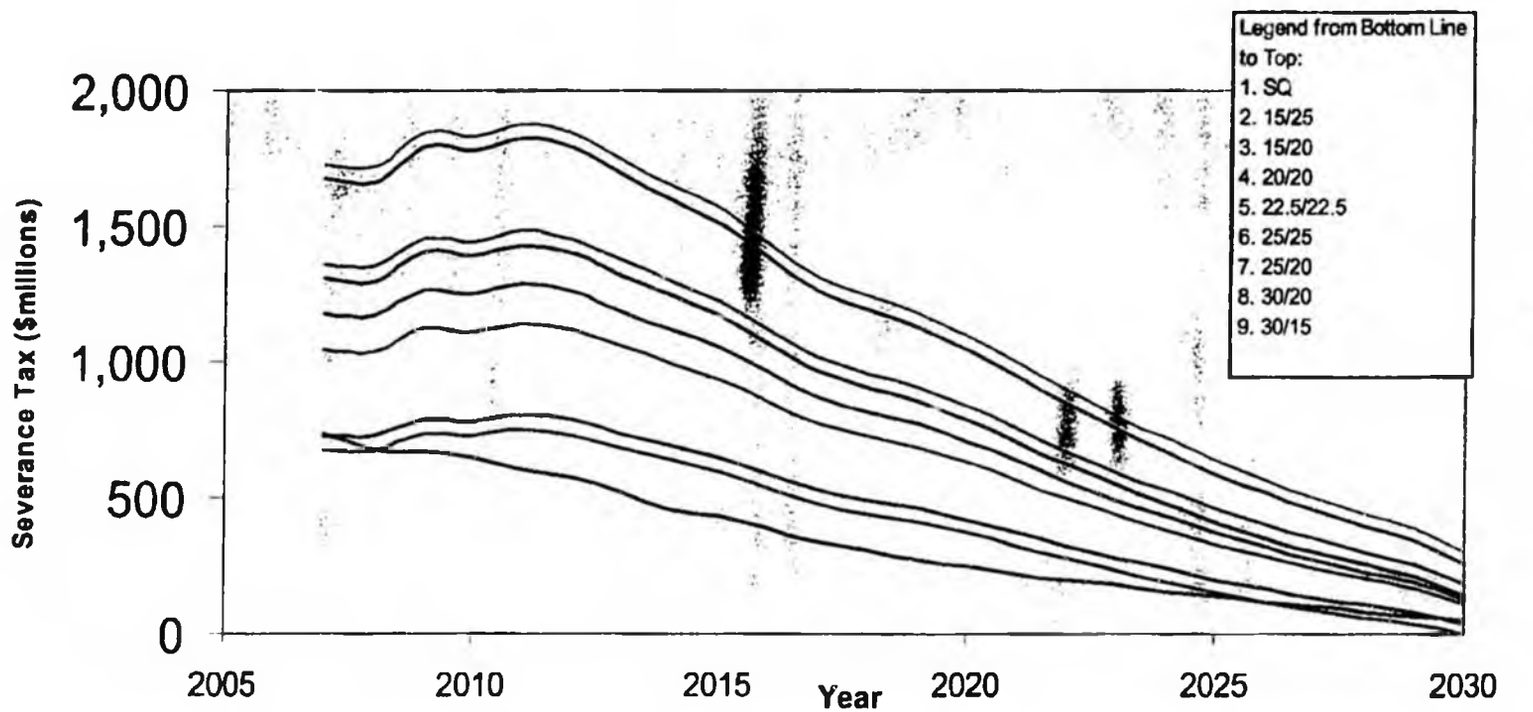
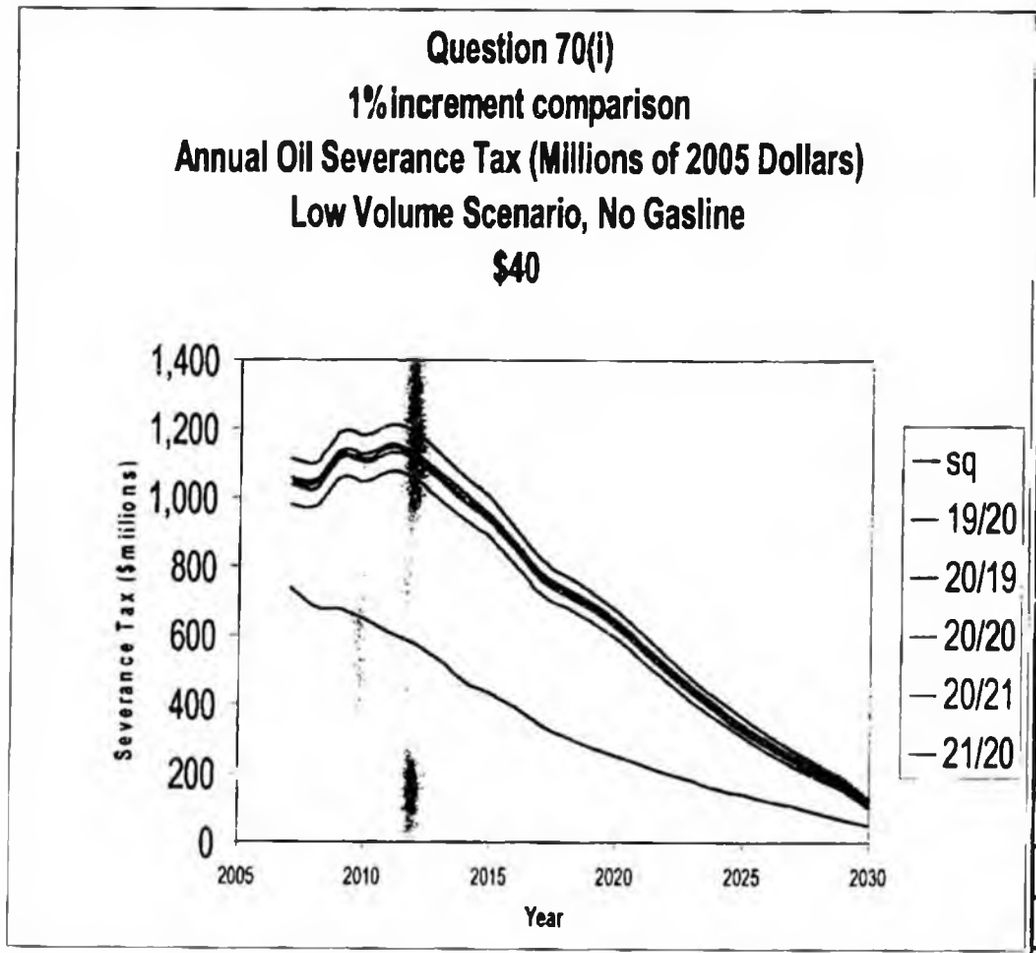


Table with Values on Next Slide

Alaska Department of Revenue, Tax Division
ATTACHMENT 03/13/2006

Question 70(h)(2) Table: Annual Oil Severance Tax ($Millions), $40/bbl									
Fiscal Yr	sq	15/25	15/20	20/20	22.5/22.5	25/25	25/20	30/20	30/15
2007	737	676	730	1,045	1176	1307	1,361	1,677	1731
2008	679	671	725	1,038	1168	1298	1,352	1,665	1719
2009	673	735	789	1,124	1264	1405	1,459	1,794	1848
2010	646	725	780	1,112	1251	1390	1,444	1,776	1830
2011	606	748	803	1,143	1286	1429	1,483	1,823	1878
2012	576	729	783	1,117	1256	1396	1,450	1,784	1838
2013	523	684	738	1,056	1187	1319	1,373	1,691	1745
2014	459	638	691	992	1116	1240	1,293	1,595	1648
2015	431	597	650	937	1054	1171	1,224	1,511	1564
2016	388	536	588	853	960	1067	1,119	1,384	1436
2017	340	475	527	770	867	963	1,014	1,258	1309
2018	306	443	494	726	817	908	958	1,191	1241
2019	275	411	462	683	768	854	904	1,125	1176
2020	248	372	422	629	708	787	837	1,044	1094
2021	224	326	375	566	636	707	756	947	997
2022	201	277	326	499	562	624	673	846	895
2023	180	233	281	439	494	549	597	755	803
2024	156	193	240	384	432	480	528	671	719
2025	138	154	202	332	373	415	462	592	639
2026	119	120	167	284	320	355	402	520	567
2027	103	89	136	243	273	303	349	456	503
2028	83	62	107	204	230	256	301	398	444
2029	67	35	81	169	190	211	256	344	389
2030	52	0	39	113	127	141	186	260	305
Totals	8,211	9,930	11,134	16,458	18,515	20,572	21,782	27,107	28,317



Question 70 - Annual Oil Severance Tax ($Millions)						
	sq	19/20	20/19	20/20	20/21	21/20
2007	737	982	1,056	1,045	1035	1109
2008	679	975	1,049	1,038	1027	1101
2009	673	1,057	1,135	1,124	1113	1191
2010	646	1,045	1,123	1,112	1101	1178
2011	606	1,075	1,154	1,143	1132	1211
2012	576	1,050	1,127	1,117	1106	1183
2013	523	992	1,066	1,056	1045	1119
2014	459	932	1,003	992	982	1052
2015	431	879	947	937	926	994
2016	388	800	864	853	843	906
2017	340	722	781	770	760	819
2018	306	680	736	726	716	772
2019	275	639	693	683	673	727
2020	248	588	639	629	619	671
2021	224	527	576	566	556	604
2022	201	465	509	499	489	534
2023	180	407	449	439	429	471
2024	156	355	394	384	375	413
2025	138	306	341	332	322	358
2026	119	261	294	284	275	308
2027	103	221	252	243	233	264
2028	83	185	214	204	195	224
2029	67	151	178	169	159	186
2030	52	98	122	113	104	127
Totals	8,211	15,393	16,700	16,458	18,515	20,572

Alaska Department of Revenue, Tax Division
ATTACHMENT 03/13/2006

Question 70(j) - Average Effective Tax Rates*, Low Volume Scenario, No Gasline			
Tax Rate/Credit Rate	$20/bbl	$40/bbl	$60/bbl
Status Quo	4.1%	4.5%	4.4%
PPT 20/20	0.6%	9.3%	13.0%
PPT 25/20	1.2%	12.4%	16.8%
PPT 30/20	1.8%	15.5%	20.5%
PPT 30/15	2.5%	16.3%	21.0%
PPT 15/20	0.1%	6.2%	9.2%
PPT 25/25	0.7%	11.6%	16.3%
PPT 15/25	0.0%	5.4%	8.7%
PPT 22.5/22.5	0.6%	10.4%	14.6%
PPT 19/20	0.4%	8.6%	12.3%
PPT 20/19	0.7%	9.4%	13.1%
PPT 20/21	0.5%	9.1%	12.9%
PPT 21/20	0.7%	9.9%	13.8%

Alaska Department of Revenue, Tax Division
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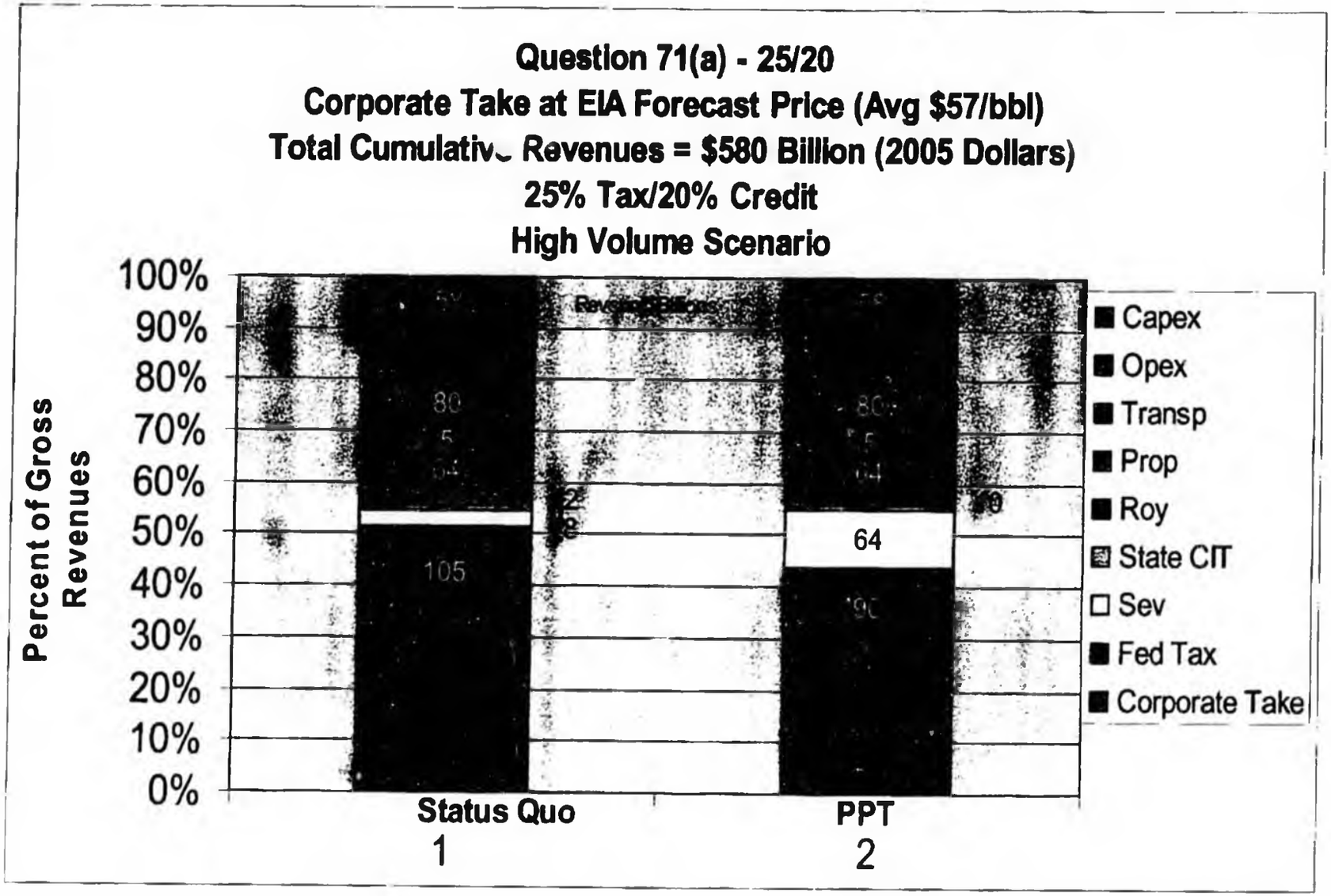
*Average Effective Tax Rate = Severance Tax divided by Gross Wellhead Value Less Royalty



Alaska Department of Revenue, Tax Division
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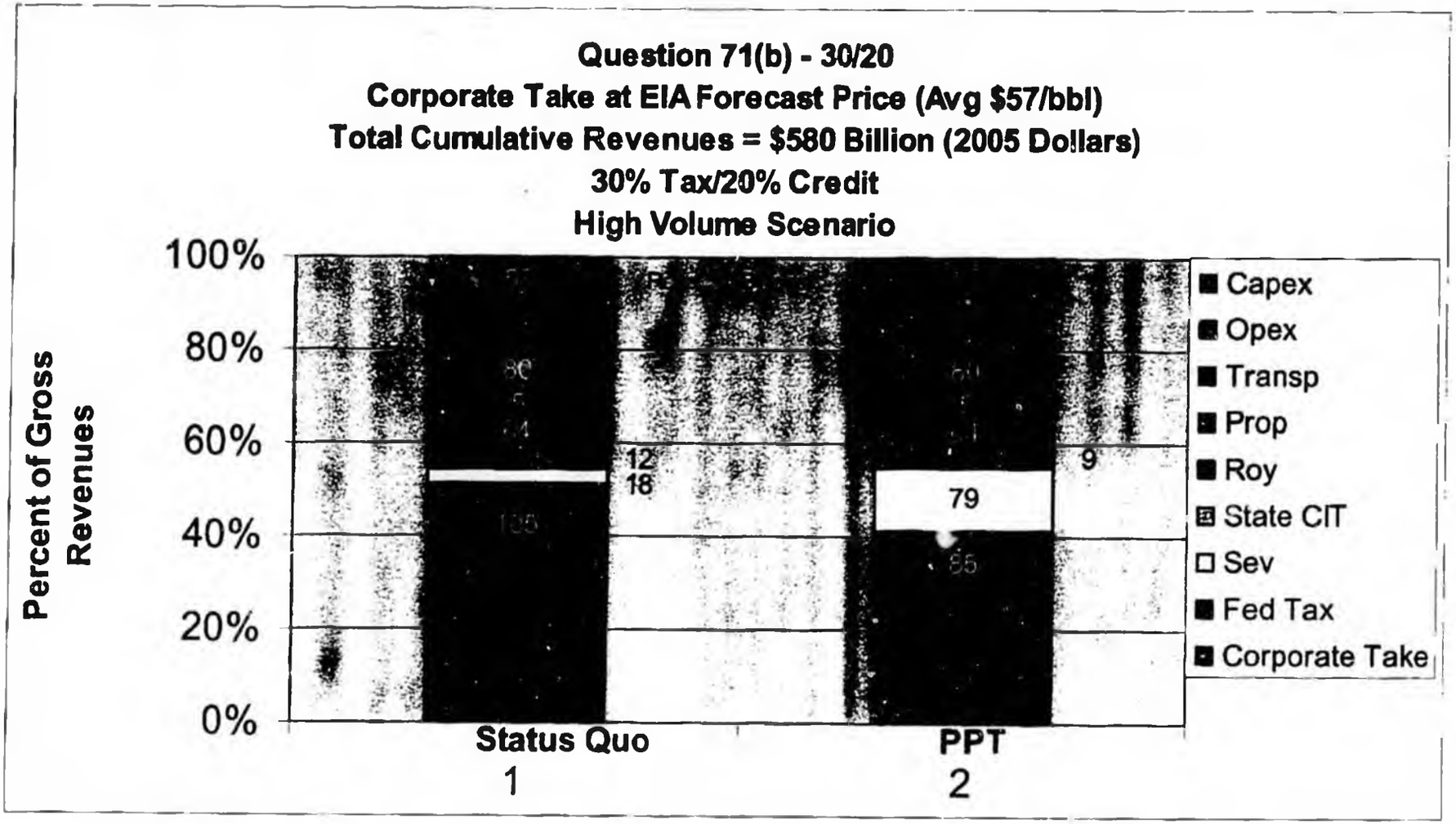

Alaska Department of Revenue, Tax Division
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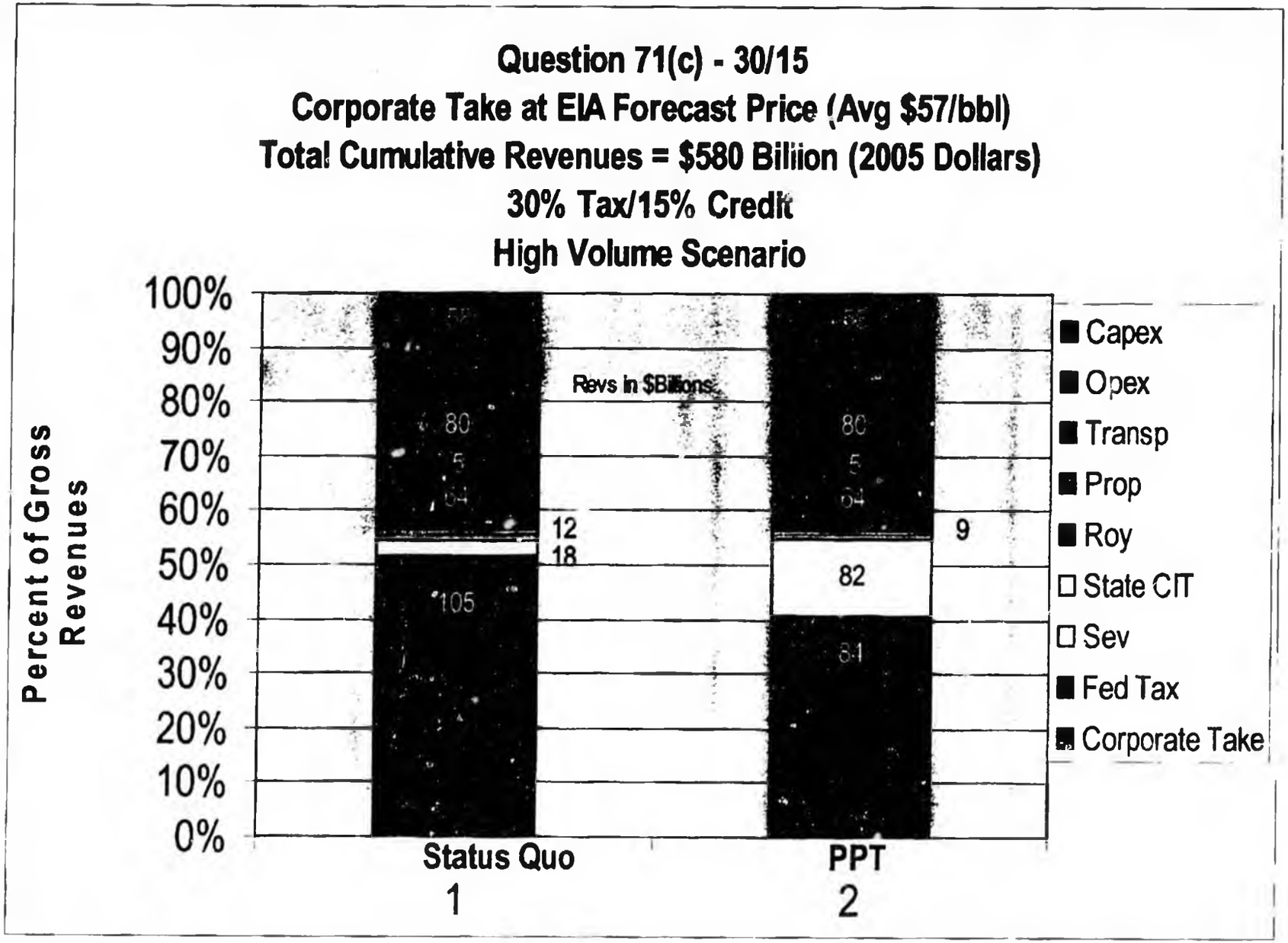

Alaska Department of Revenue, Tax Division
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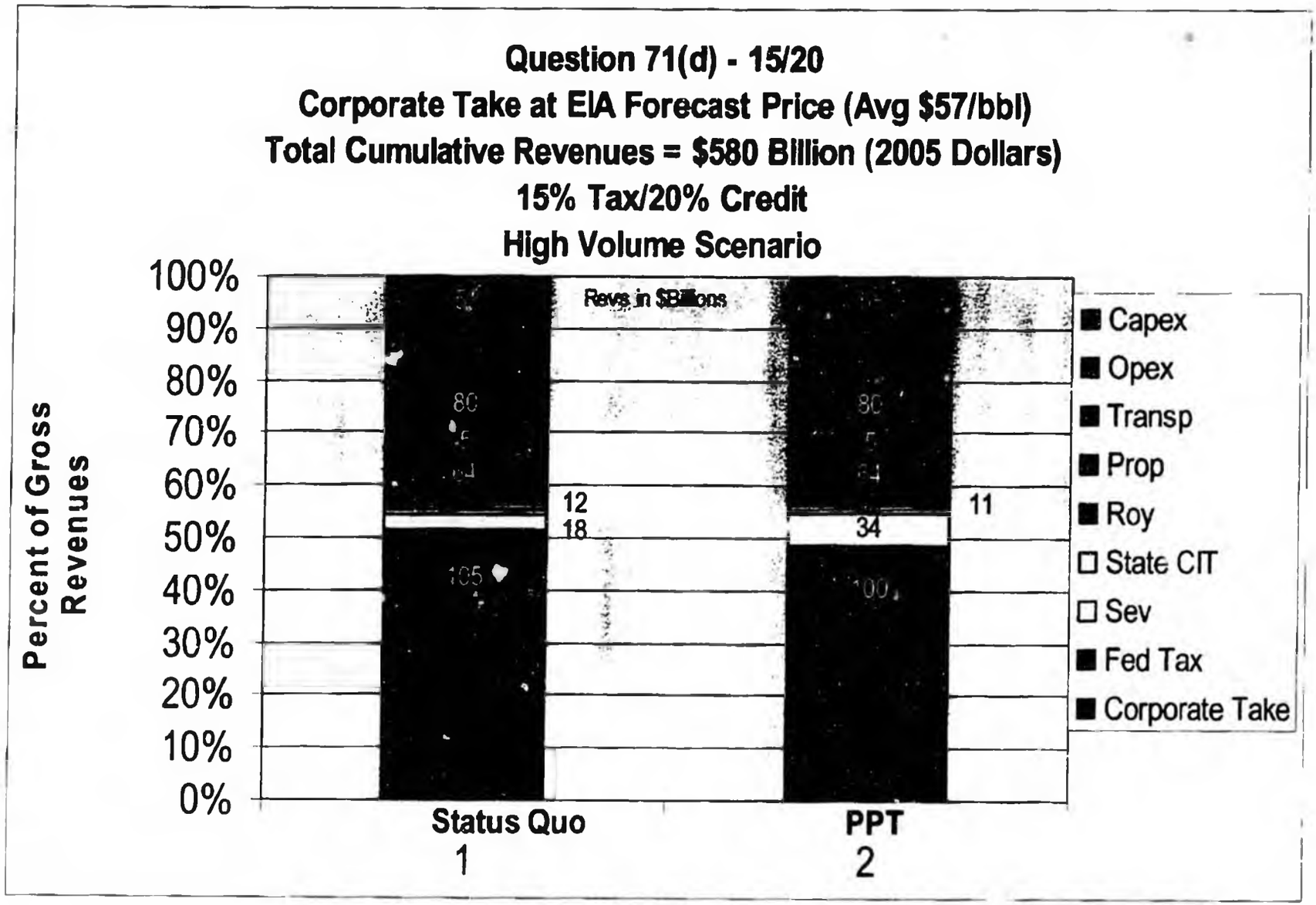

Alaska Department of Revenue, Tax Division
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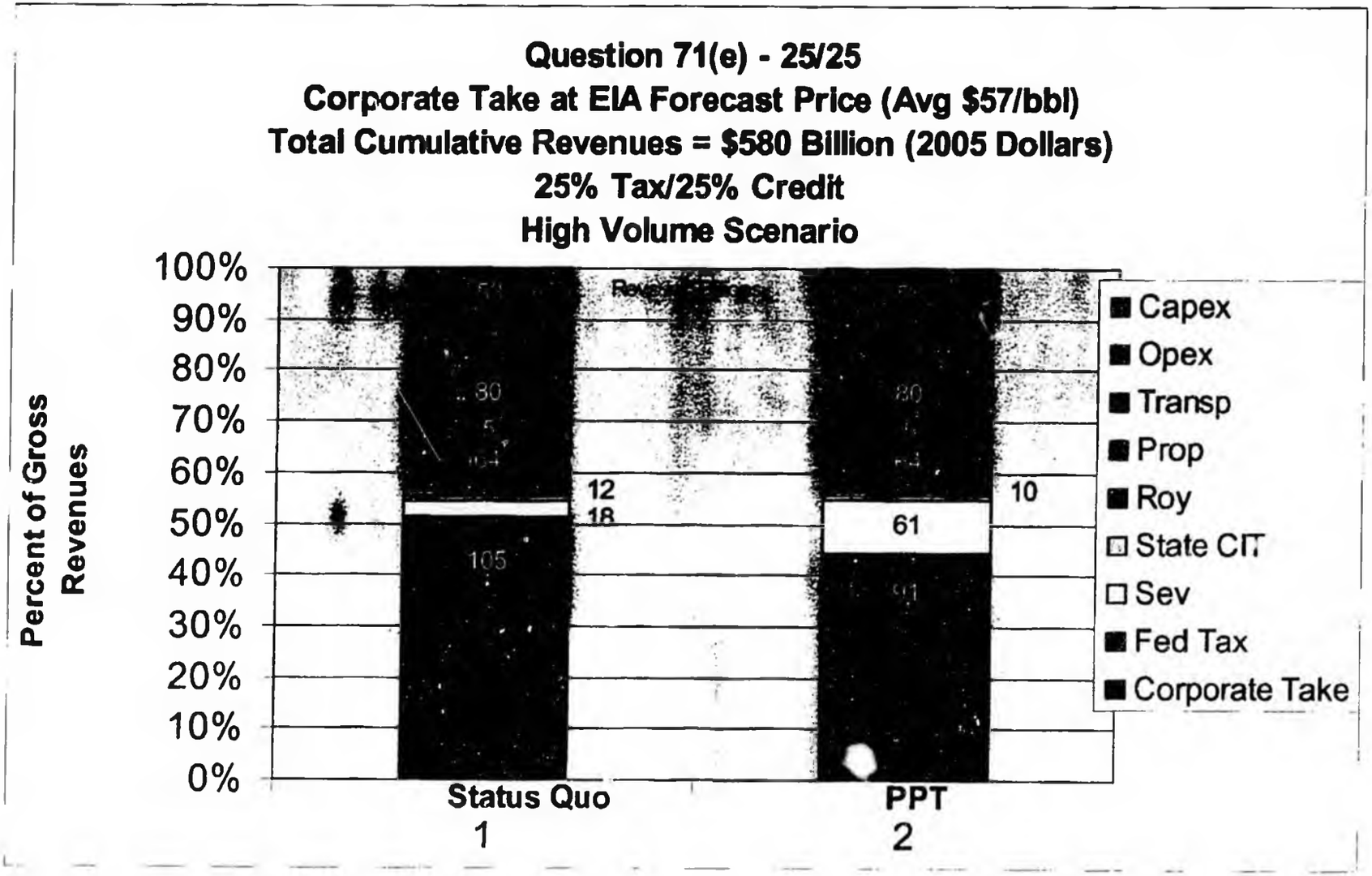

Alaska Department of Revenue, Tax Division
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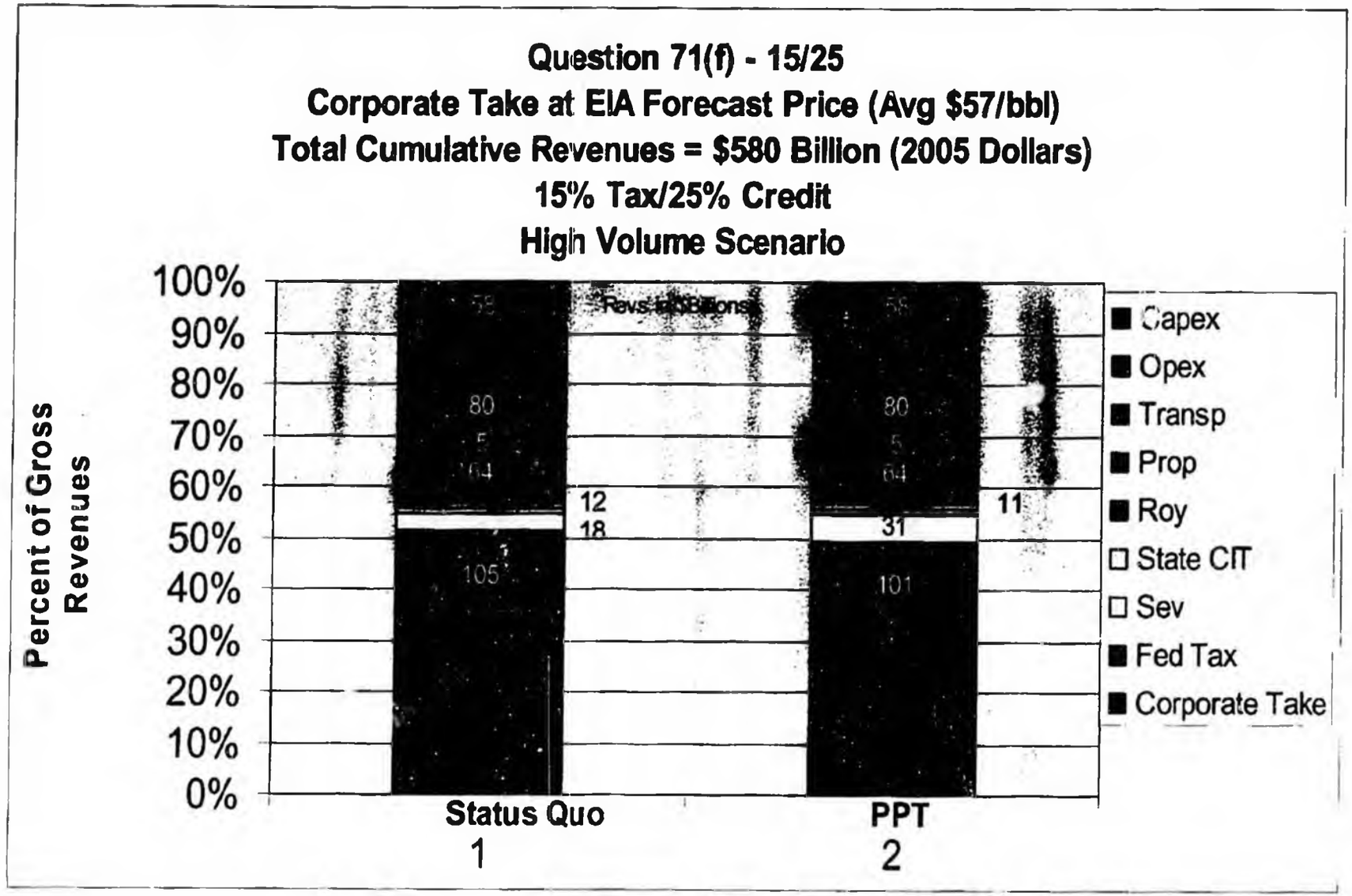

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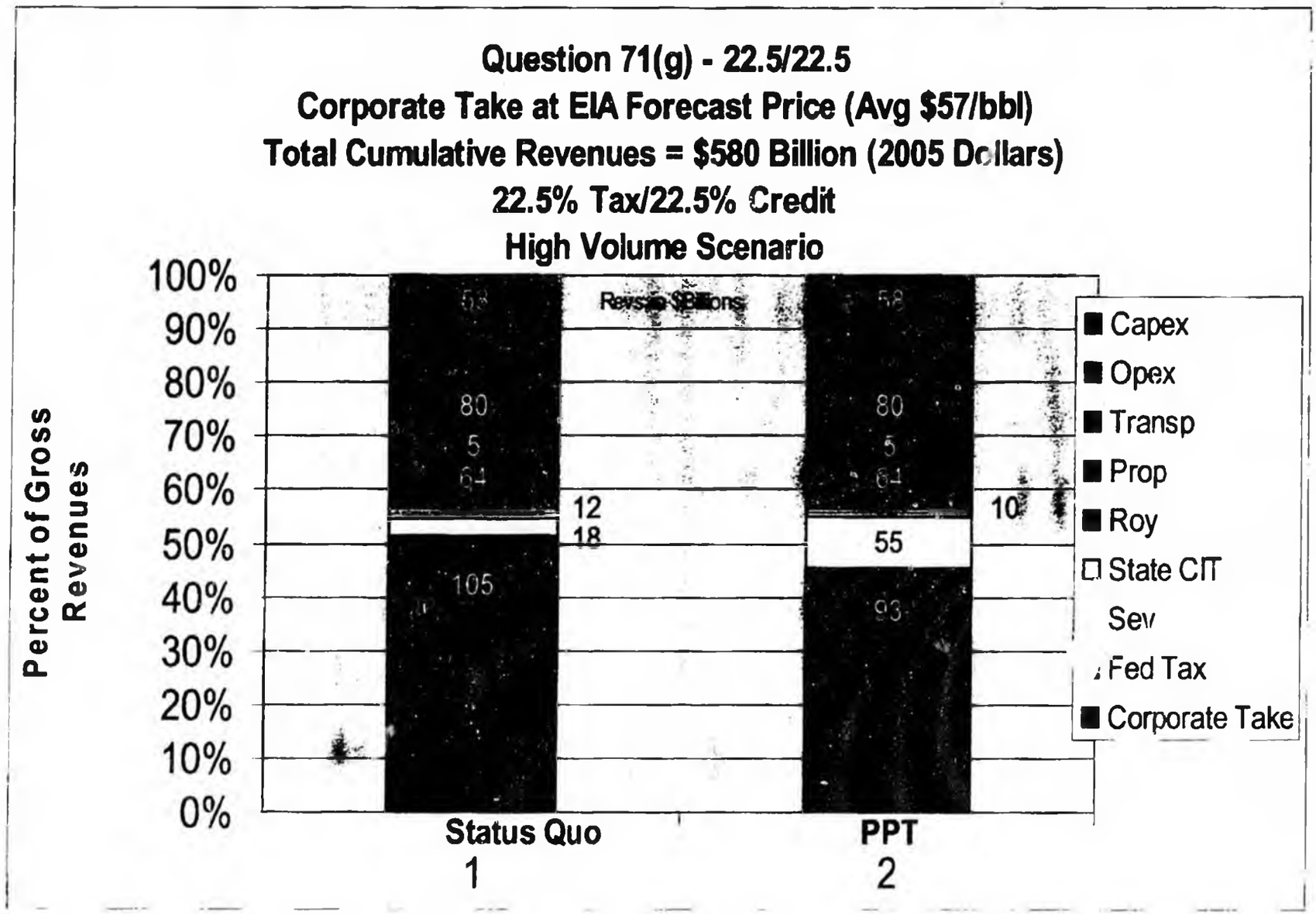
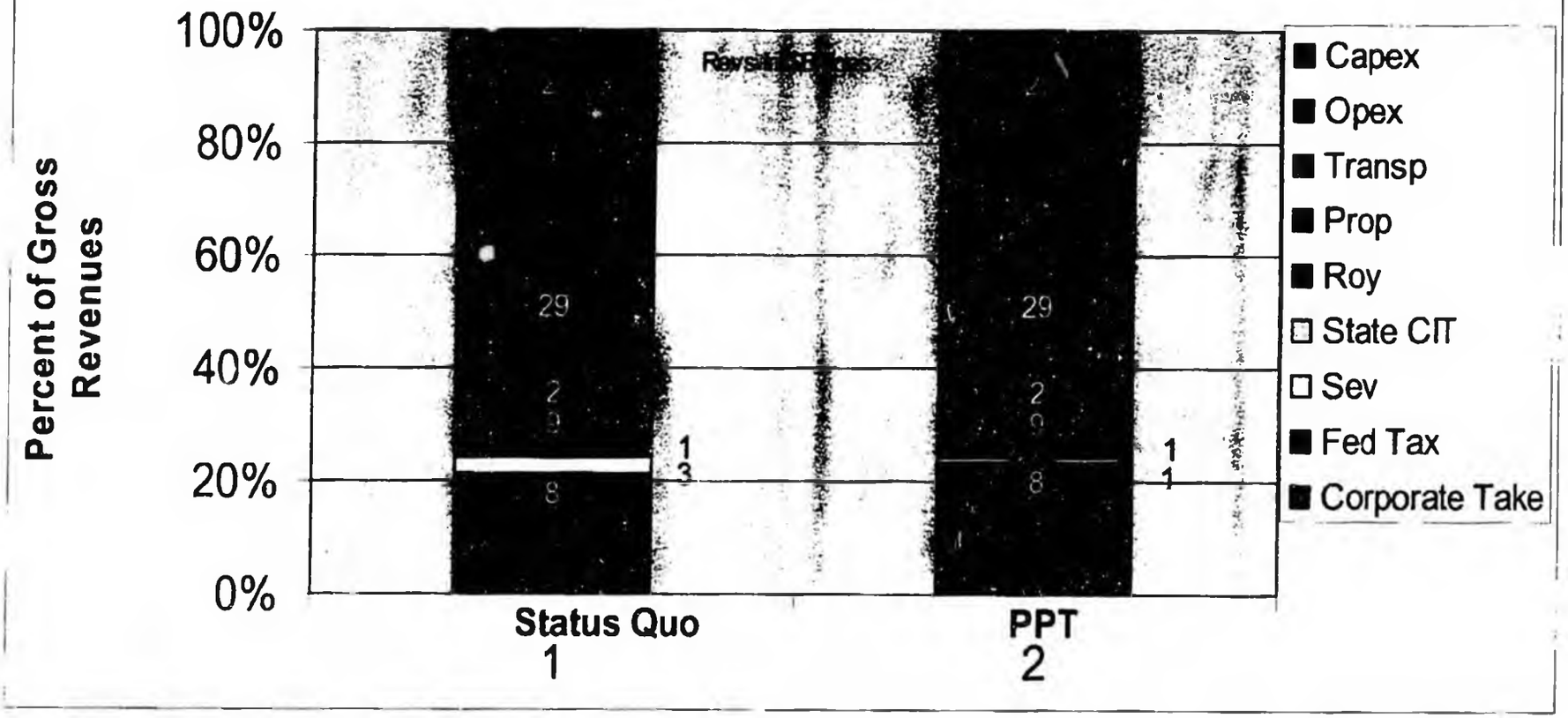


Alaska Department of Revenue, Tax Division
ATTACHMENT 03/13/2006

Question 72(a)
Price Corp Take @ 15% = $20.50/bbl ANS
Total Cumulative Revenues = $100 Billion (2005 Dollars)
20% Tax/20% Credit
Low Volume Scenario



Alaska Department of Revenue, Tax Division
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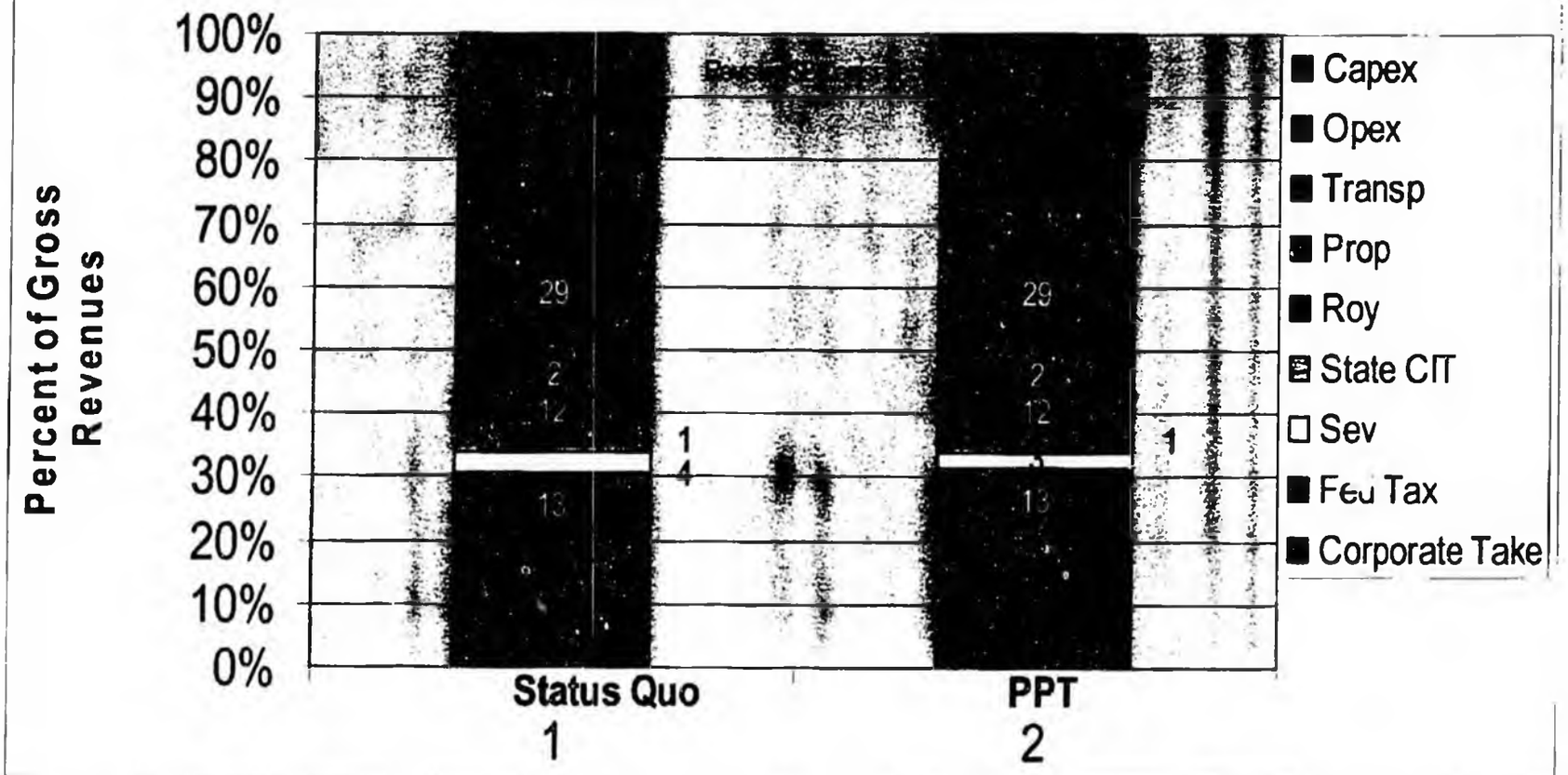
Department of Revenue

Question 72(b)
Price Corp Take @ 20% = $24.50/bbl ANS
Total Cumulative Revenues = $121 Billion (2005 Dollars)
20% Tax/20% Credit
Low Volume Scenario



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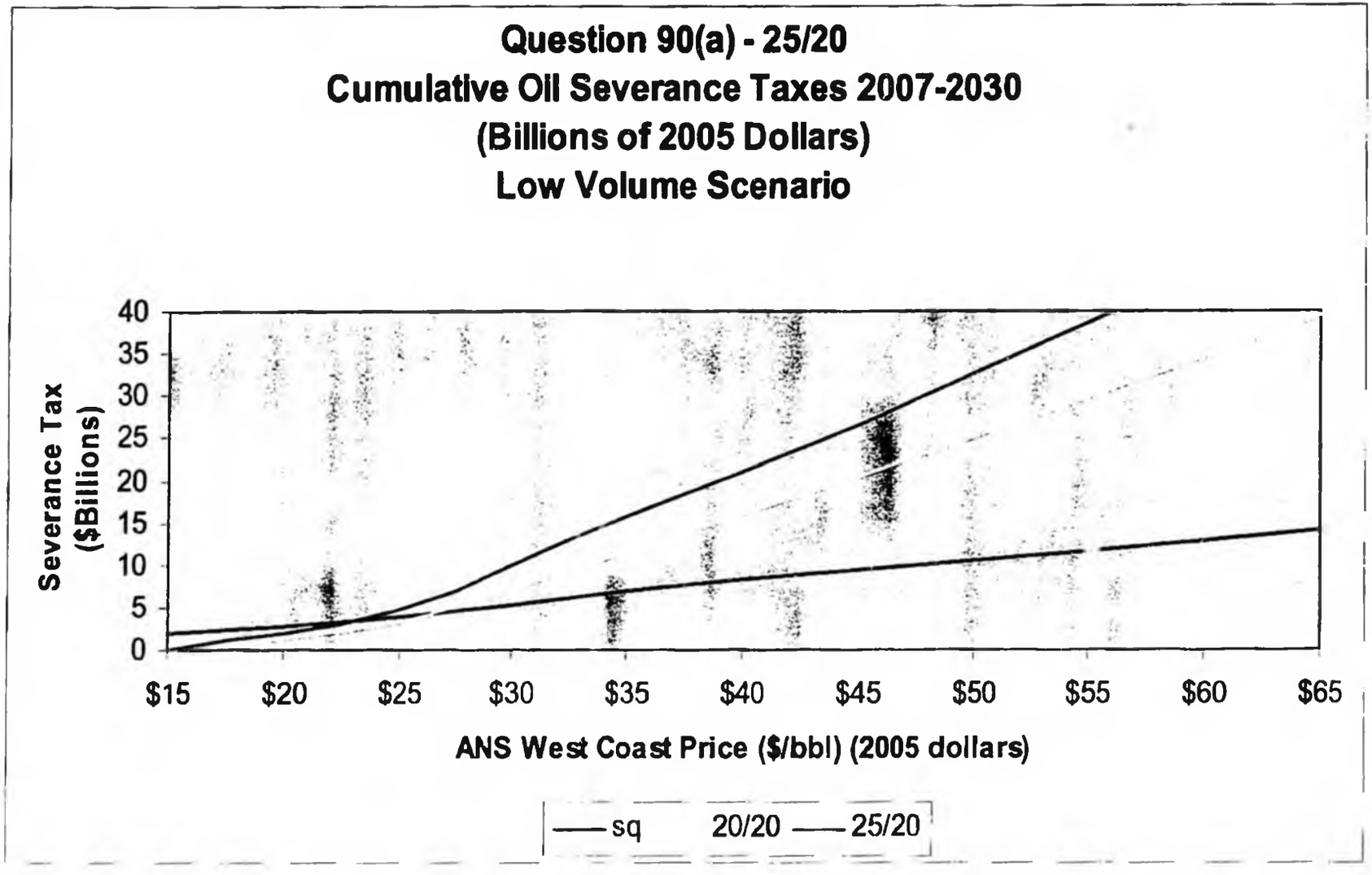

Alaska Department of Revenue, Tax Division
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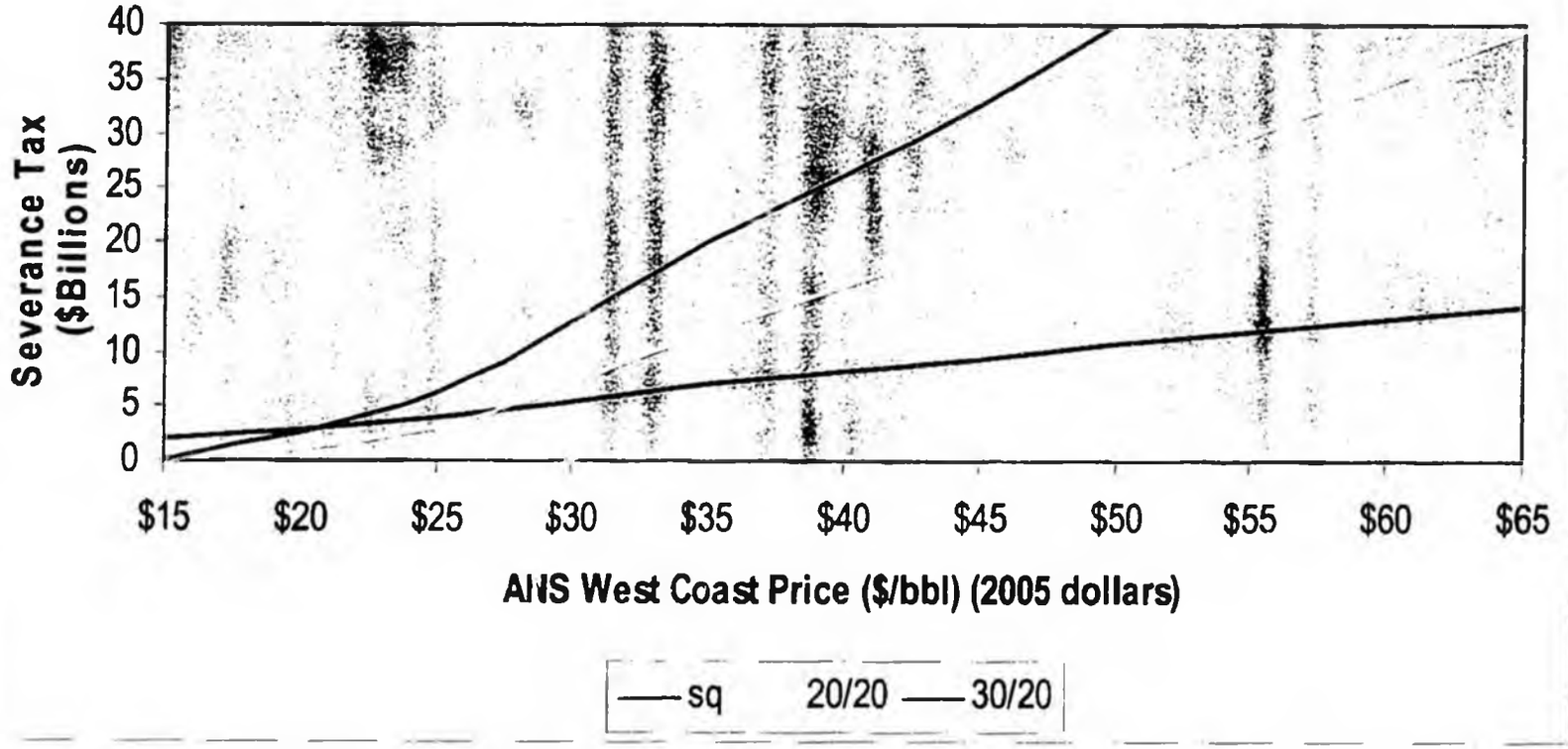
Question 90(b) - 30/20
Cumulative Oil Severance Taxes 2007-2030
(Billions of 2005 Dollars)
Low Volume Scenario



Alaska Department of Revenue, Tax Division
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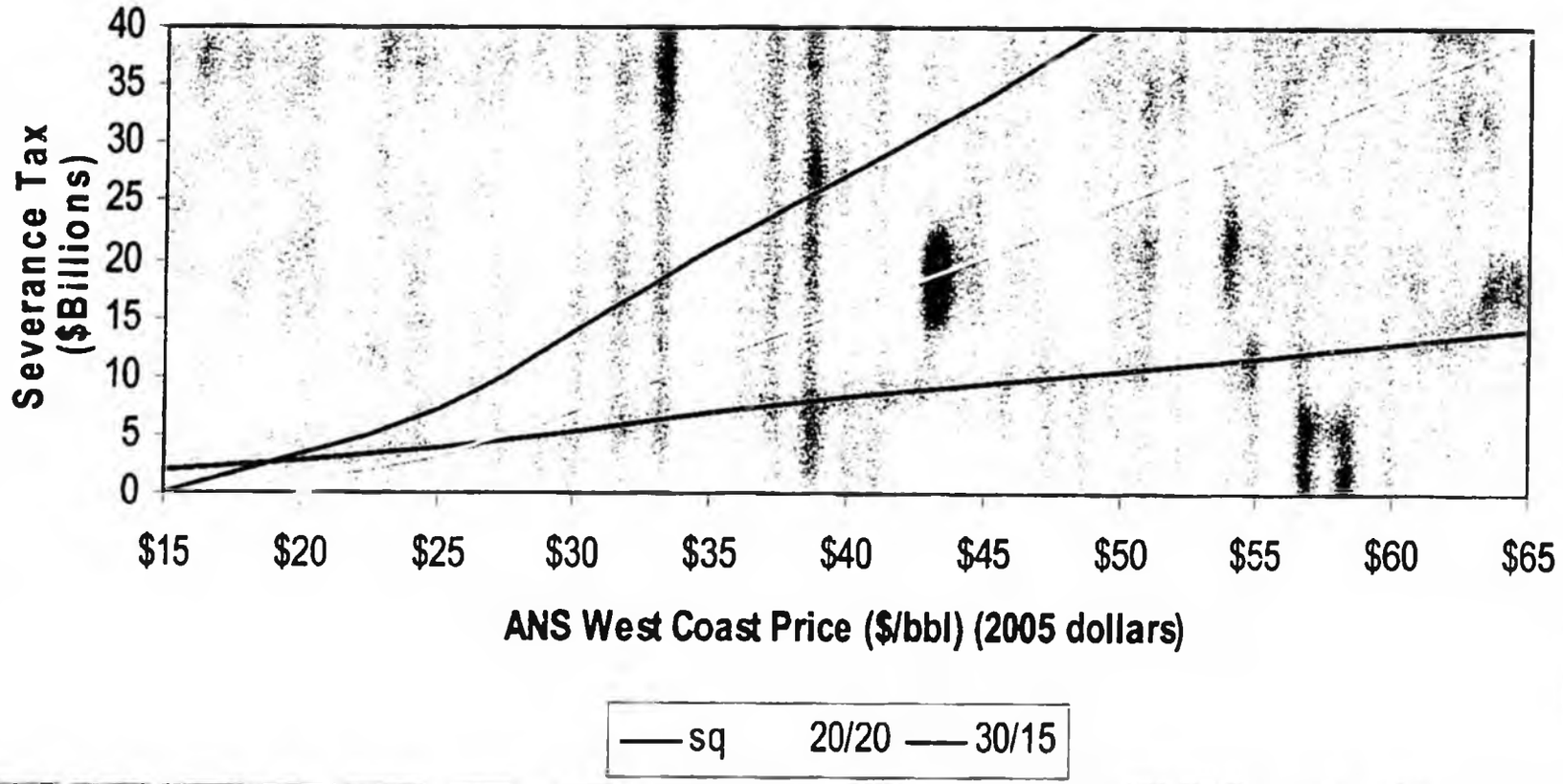
Question 90(c) - 30/15
Cumulative Oil Severance Taxes 2007-2030
(Billions of 2005 Dollars)
Low Volume Scenario



Alaska Department of Revenue, Tax Division
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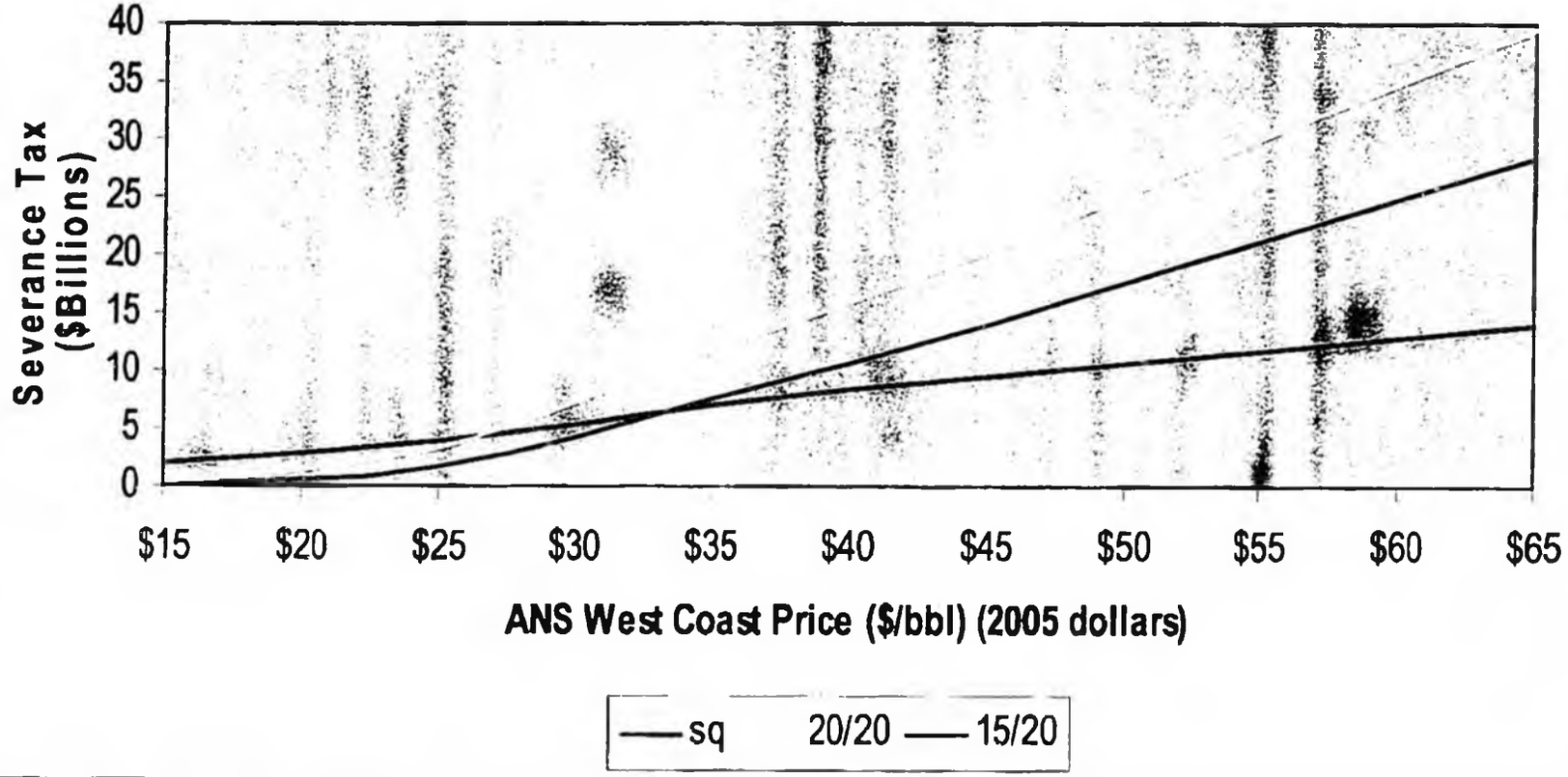
Question 90(d) - 15/20
Cumulative Oil Severance Taxes 2007-2030
(Billions of 2005 Dollars)

Low Volume Scenario



Alaska Department of Revenue, Tax Division
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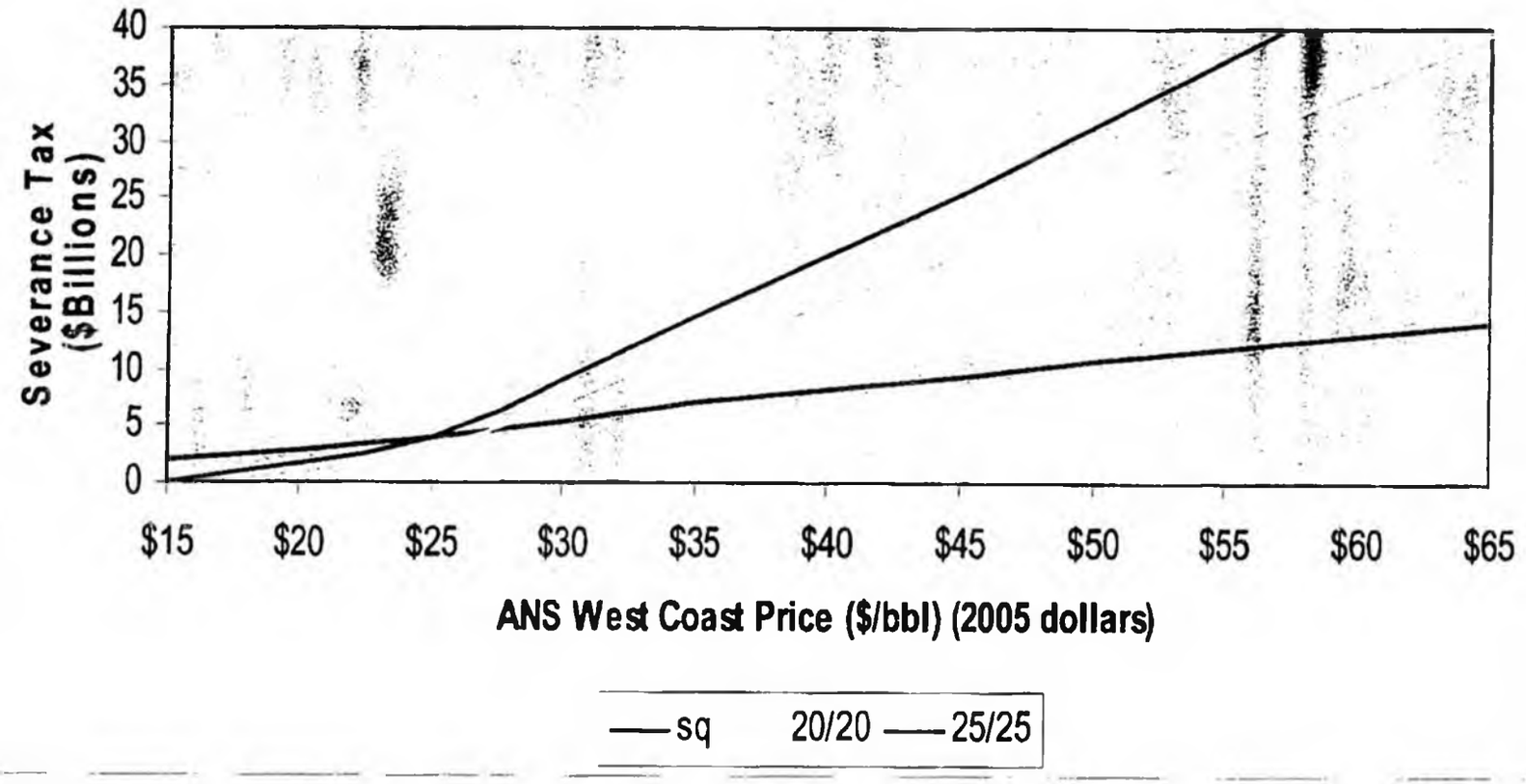
Question 90(e) - 25/25
Cumulative Oil Severance Taxes 2007-2030
(Billions of 2005 Dollars)
Low Volume Scenario



Alaska Department of Revenue, Tax Division
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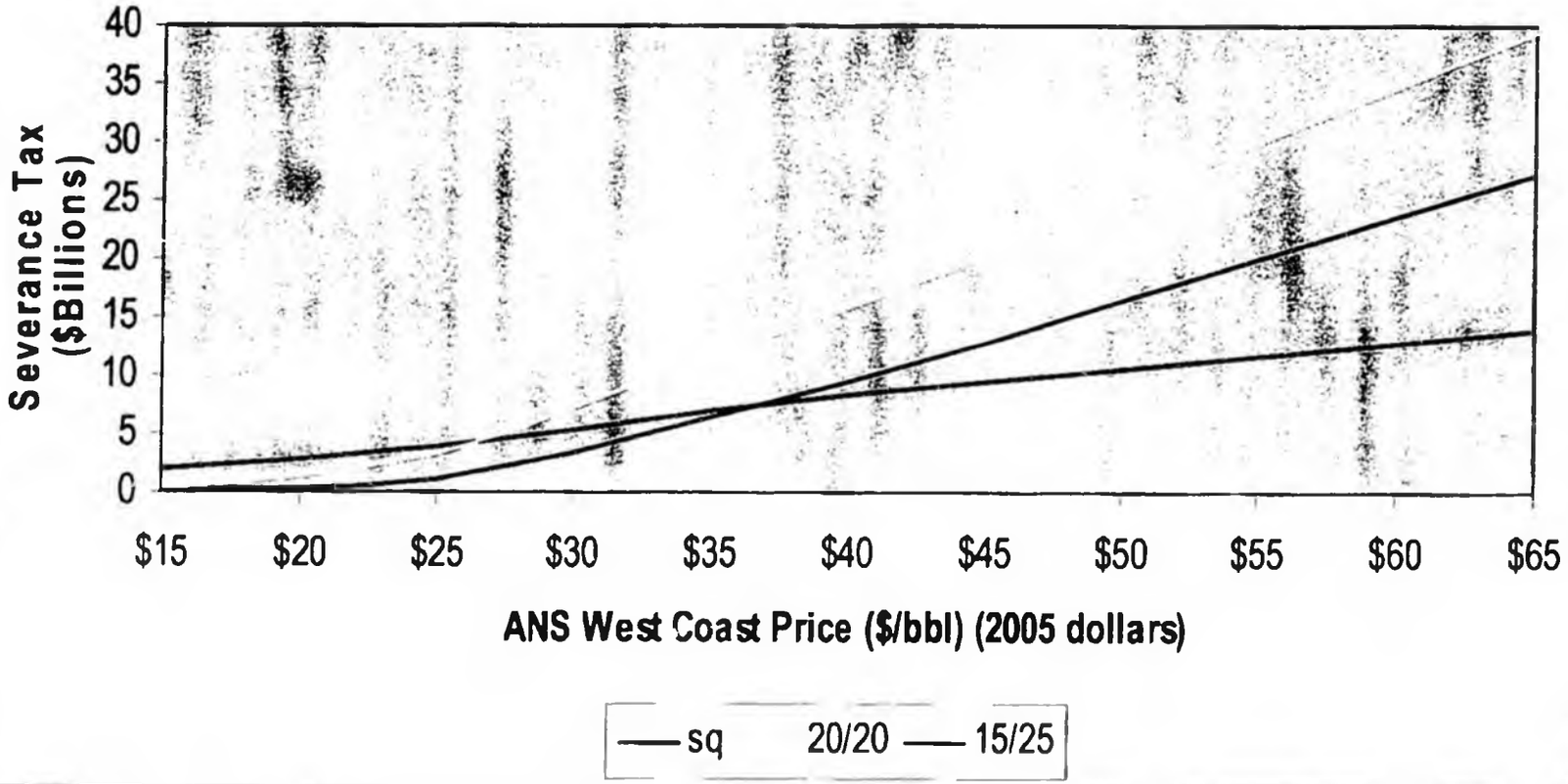
Question 90(f) - 15/25
Cumulative Oil Severance Taxes 2007-2030
(Billions of 2005 Dollars)
Low Volume Scenario



Alaska Department of Revenue, Tax Division
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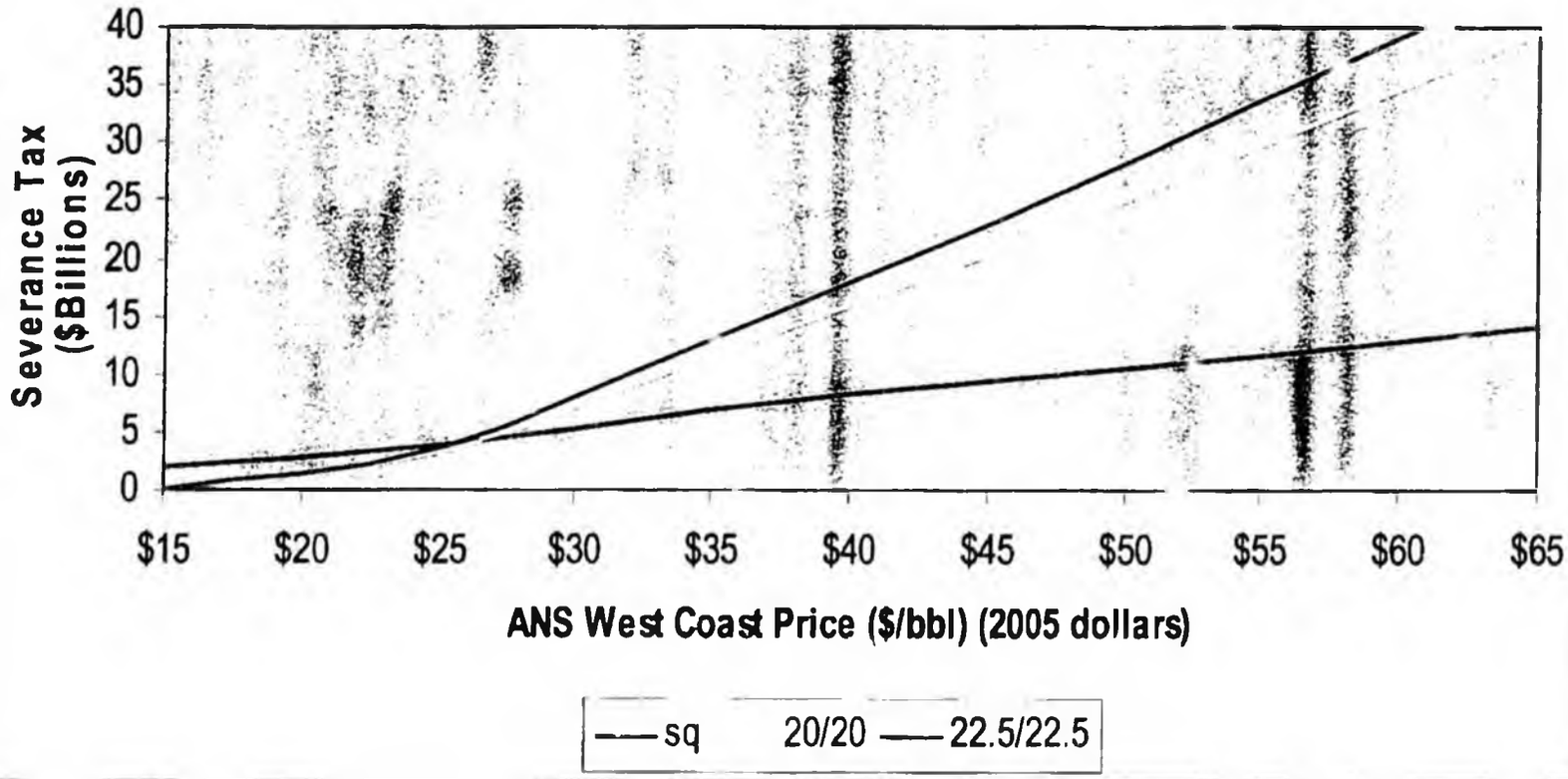
Question 90(g) - 22.5/22.5
Cumulative Oil Severance Taxes 2007-2030
(Billions of 2005 Dollars)
Low Volume Scenario



Alaska Department of Revenue, Tax Division
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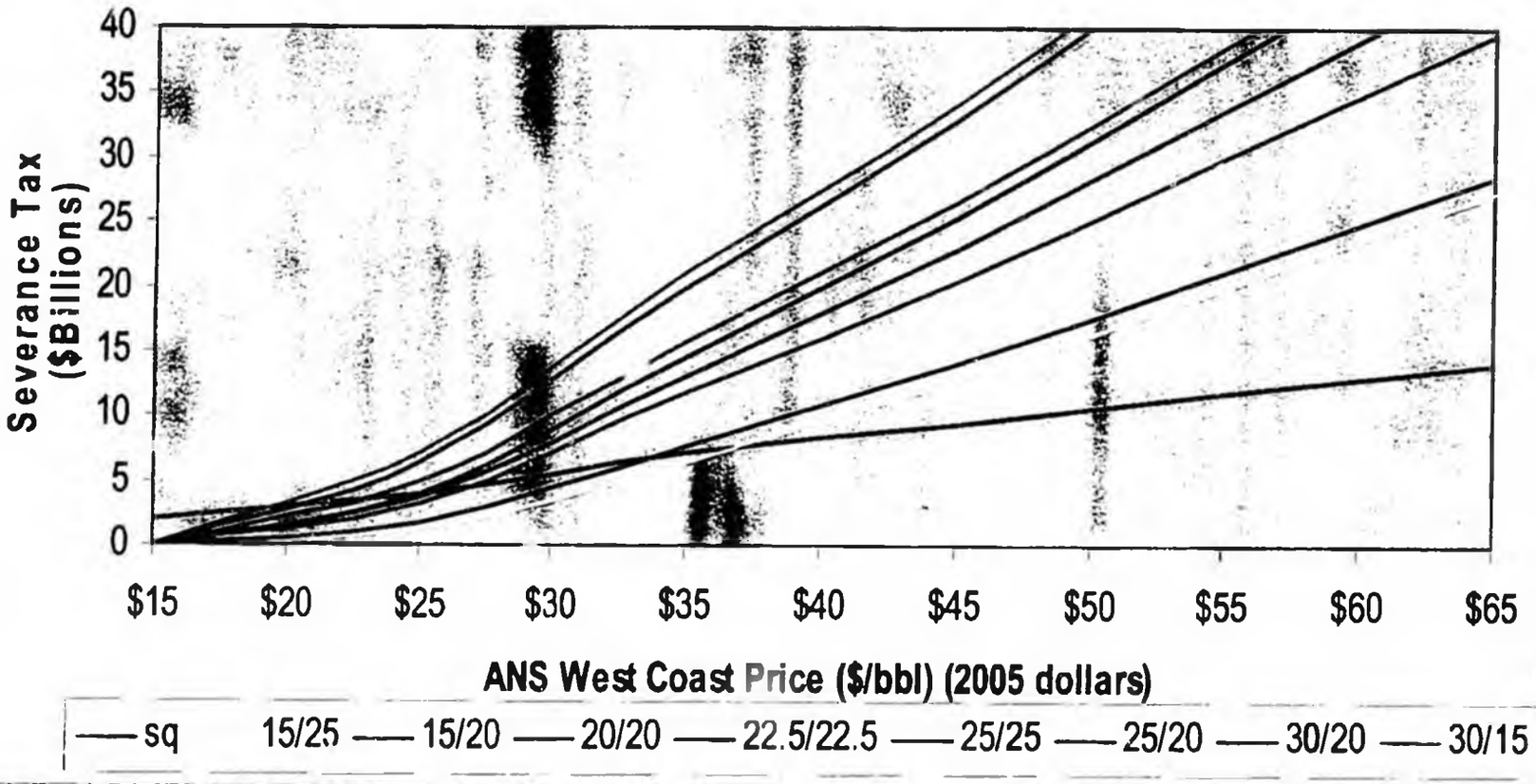
Question 90(h)
Cumulative Oil Severance Taxes 2007-2030
(Billions of 2005 Dollars)
Low Volume Scenario



Alaska Department of Revenue, Tax Division
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Question 90(i) - Cumulative Severance Tax Revenues, Low Volume Scenario, No Gasline (in Millions of Dollars)			
Tax Rate/Credit Rate	$20/bbl	$40/bbl	$60/bbl
Status Quo	2,959	8,211	12,870
PPT 20/20	498	16,456	34,649
PPT 25/20	1,041	21,782	44,521
PPT 30/20	1,614	27,107	54,393
PPT 30/15	2,133	28,317	55,603
PPT 15/20	43	11,134	24,777
PPT 25/25	622	20,572	43,311
PPT 15/25	-	9,930	23,567
PPT 22.5/22.5	560	18,515	38,980
PPT 19/20	399	15,393	32,674
PPT 20/19	580	16,700	34,891
PPT 20/21	424	16,216	34,407
PPT 21/20	605	17,523	36,623

Alaska Department of Revenue, Tax Division
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Question 58

By: G. Rogers, March 1, 2006, source DNR

NPS LEASES, NPS RATES & ROYALTY RATES & STATUS

	Unit - lease number	Royalty Rate	NPS Rate	NPS Status
	Duck Island			
1	312828	20%	79.5935%	in payout
2	312834	20%	48.8703%	in payout
	Milne Point			
3	355016	12.5%	40.0000%	in payout
4	355017	12.5%	40.0000%	in payout
5	355018	12.5%	30.0000%	in payout
6	355021	12.5%	30.0000%	in payout
7	388235	12.5%	30.0000%	in payout
	Kuparuk River			
8	355023	12.5%	30.0000%	not in payout
9	355024	12.5%	30.0000%	not in payout
10	355030	12.5%	30.0000%	not in payout
11	355032	12.5%	30.0000%	not in payout
	Colville River			
12	364470	12.5%	30.0%	non producing
13	364471	12.5%	30.0%	non producing
14	364472	12.5%	30.0%	non producing
15	364477	12.5%	30.0%	non producing
16	364478	12.5%	30.0%	non producing
	Point Thompson Unit			
17	312866	20%	52.352%	non producing
18	343109	12.5%	40%	non producing
19	343110	12.5%	40%	non producing
20	343111	12.5%	40%	non producing
21	343112	closed	closed	non producing