

# 2020 Legislative Luncheon

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Alaska Oil & Gas Association

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# AOGA Membership



# Cook Inlet

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# Interior/Valdez

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PETRO ST  R INC.



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# North Slope



**ExxonMobil**



**ConocoPhillips**  
Alaska



**Hilcorp**



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# Oil & Gas Generates Positive Revenue

Revenue Source	2014	2015	2016	2017	2018	2019	Average
Production Tax	2,606	382	177	126	741	587	770
Prop. Tax-State	128	125	112	120	122	120	121
Prop. Tax-Local	418	447	440	443	440	447	439
Corporate Income Tax	308	95	(59)	(59)	66	48	95
Taxes Subtotal	3,460	1,049	670	630	1,369	1,372	1,425
Royalty	2,471	1,570	1,237	1,016	1,341	1,460	1,516
Other Revenue	220	187	160	497	178	239	247
<b>TOTAL REVENUE</b>	<b>6,151</b>	<b>2,807</b>	<b>2,067</b>	<b>2,143</b>	<b>2,888</b>	<b>3,070</b>	<b>3,188</b>
Yearly Ave. Oil Price Dollar/Barrel of Oil	\$107.57	\$ 72.58	\$ 43.18	\$ 49.43	\$ 63.61	\$ 69.46	\$ 67.64

Sources: 2019 Fall Revenue Sources Book: Pages 34, 63 and 89

Royalties Include: Unrestricted Royalties to General Fund, Royalties to Permanent Fund, and Royalties to Public School Trust Fund

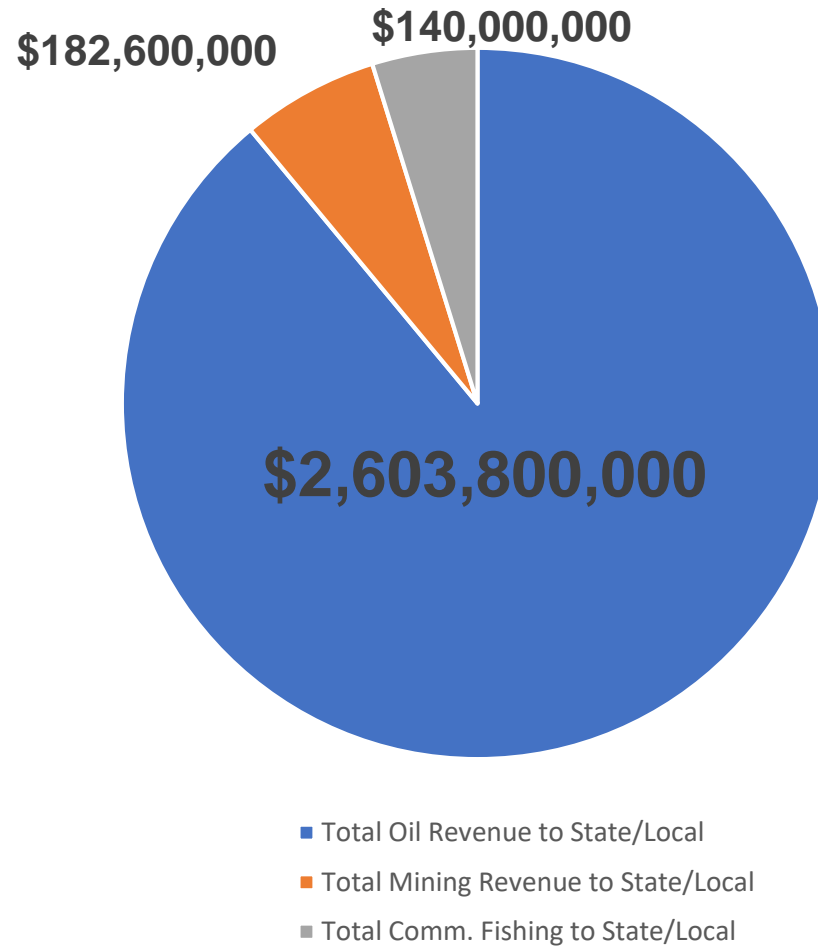
Other includes: Constitutional Budget Reserve Fund Deposits; Bonuses, Rents & Interest; NPRA Rents, Royalties and bonuses; and Oil & Gas Hazardous Fund (470 Fund)



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# Oil & Gas = Most Revenue by Industry

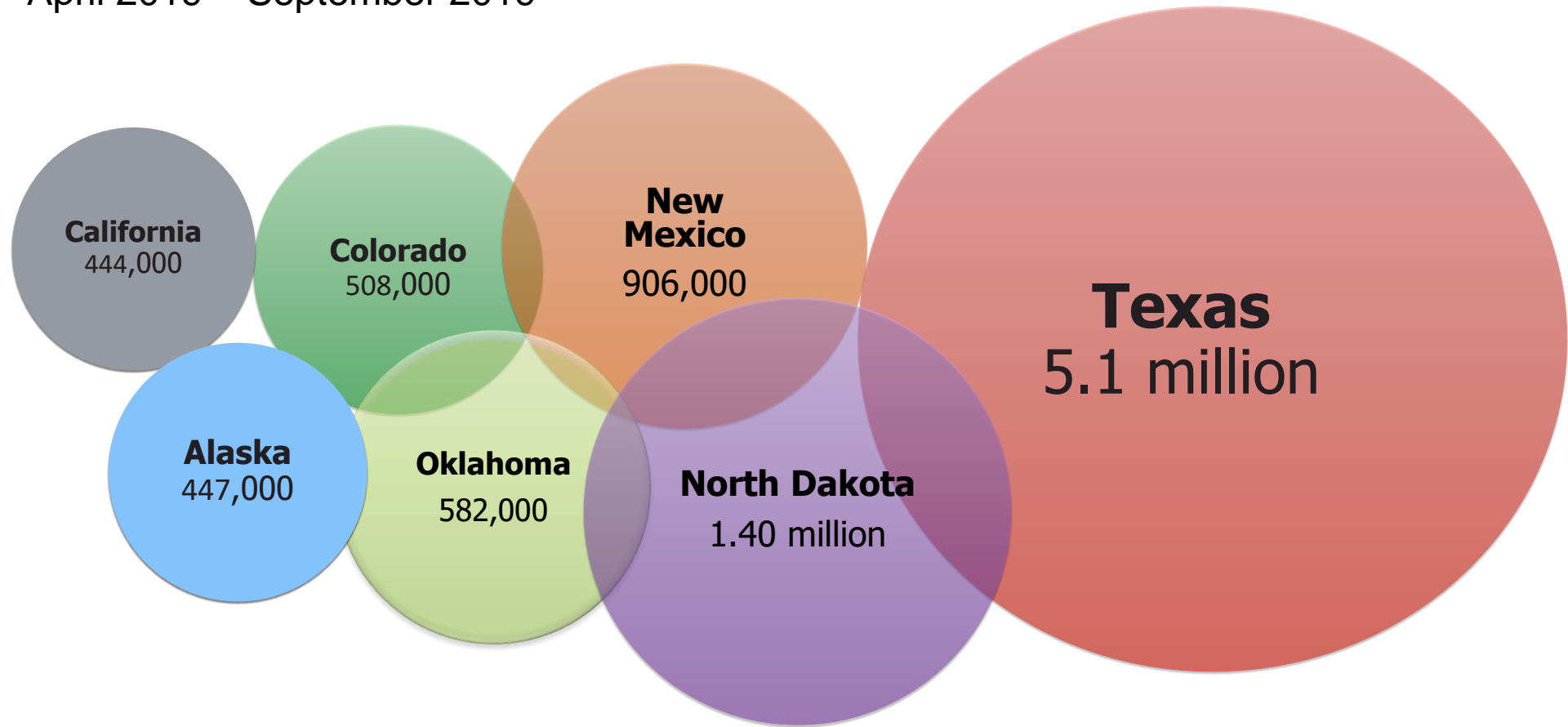
Projected FY 2020 Revenue Comparison



Source: DOR Revenue Sources Book & Presentations to House Resources Committee, April 2019

# Alaska: 6<sup>th</sup> in U.S. Production

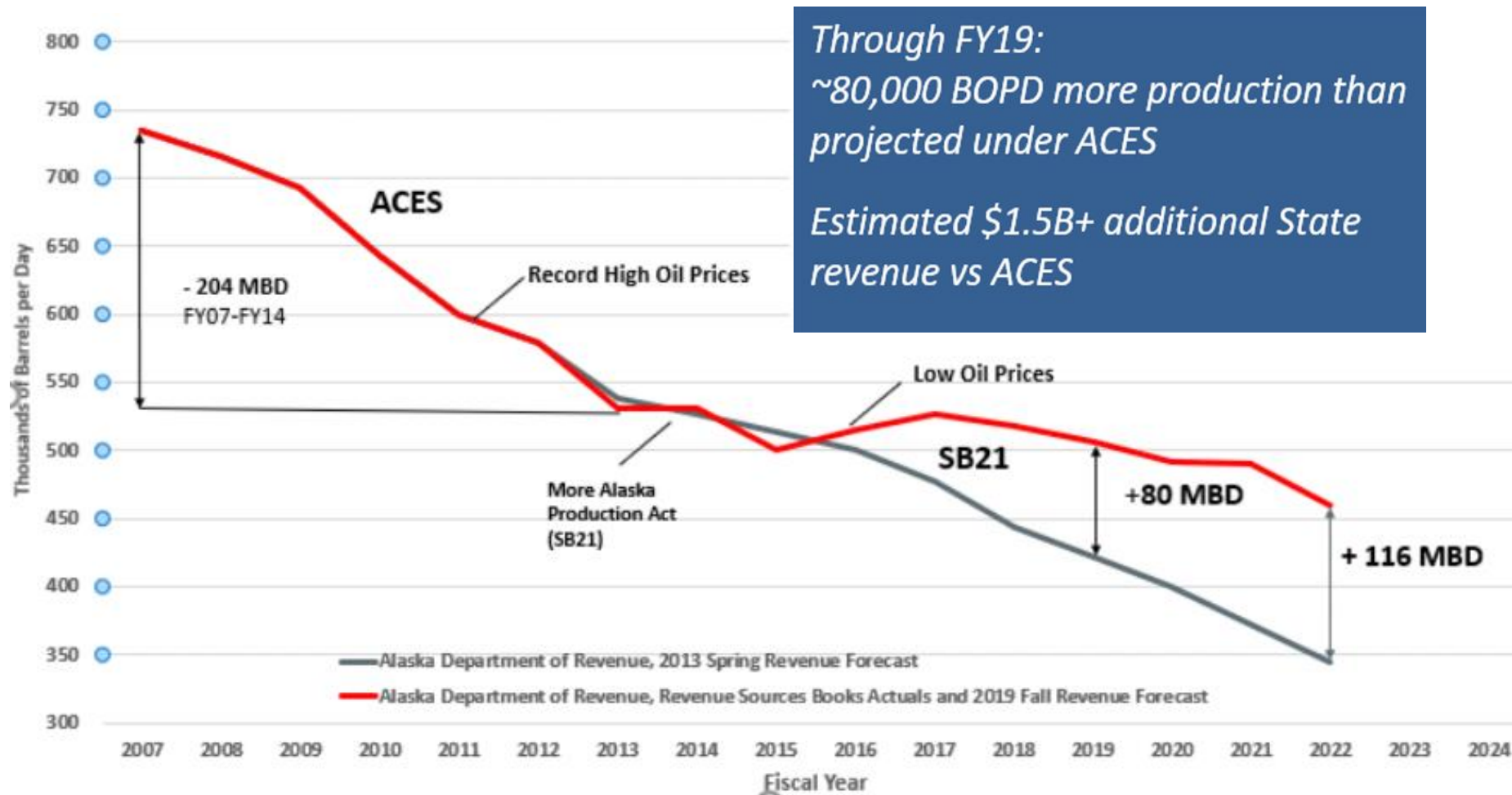
Six Month Average – Daily Production  
April 2019 – September 2019



Source: U.S. Energy Information Administration – [www.eia.gov/aeo](http://www.eia.gov/aeo)



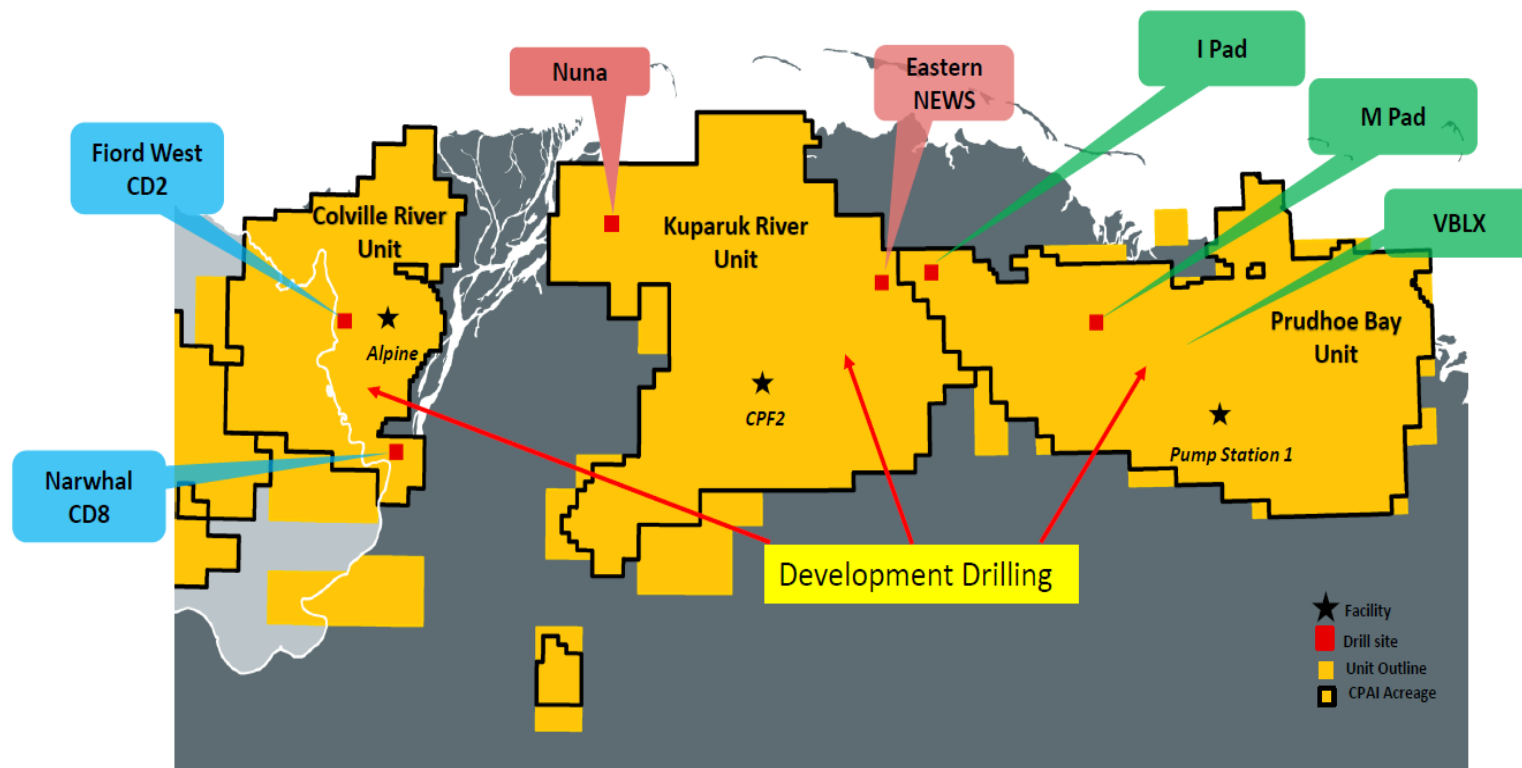
# More Production & Revenue than Forecast <sup>9</sup>



This slide updated since 1-23-20 AOGA Legislative Luncheon Presentation

# Core Fields are Key for Future

Investing in Core Fields: Prudhoe, Kuparuk River, Colville River (Alpine)

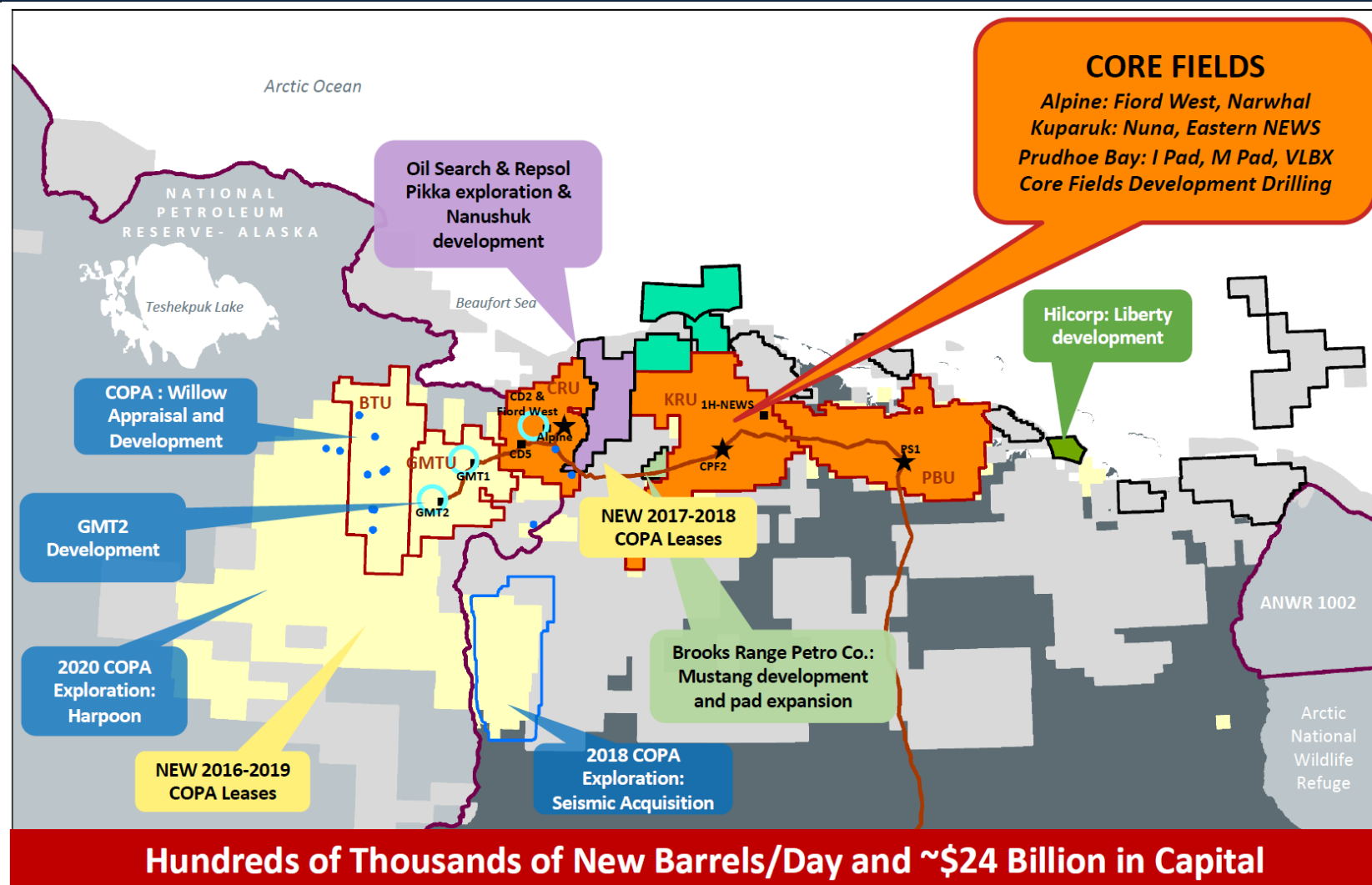


**Prudhoe Bay, Kuparuk River and Colville River Units thru 2029 (estimated\*) : \$11B capital  
380 MM Bbls produced peaking at ~150,000 BOPD**

\*All numbers are gross estimates.

ConocoPhillips

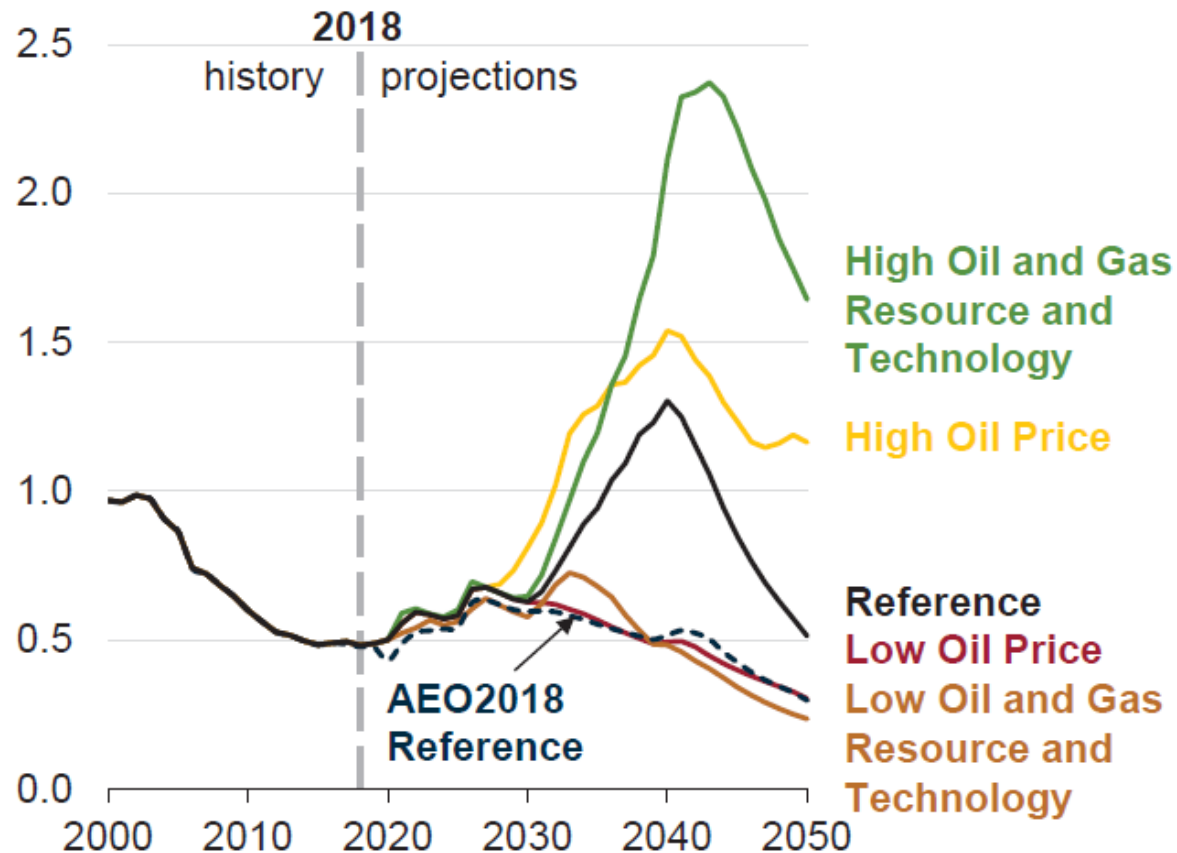
# North Slope “Renaissance”



Based upon publicly available sources and ConocoPhillips estimates.

# Production Forecasts from ANWR

Alaskan crude oil production  
million barrels per day



Source: U.S. Energy Information Administration – [www.eia.gov/aeo](http://www.eia.gov/aeo)

# Massive Natural Gas Resource

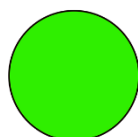
## Alaska North Slope Gas Potential


Known Reserves: Unit and Gas Reserves

Total Resource =

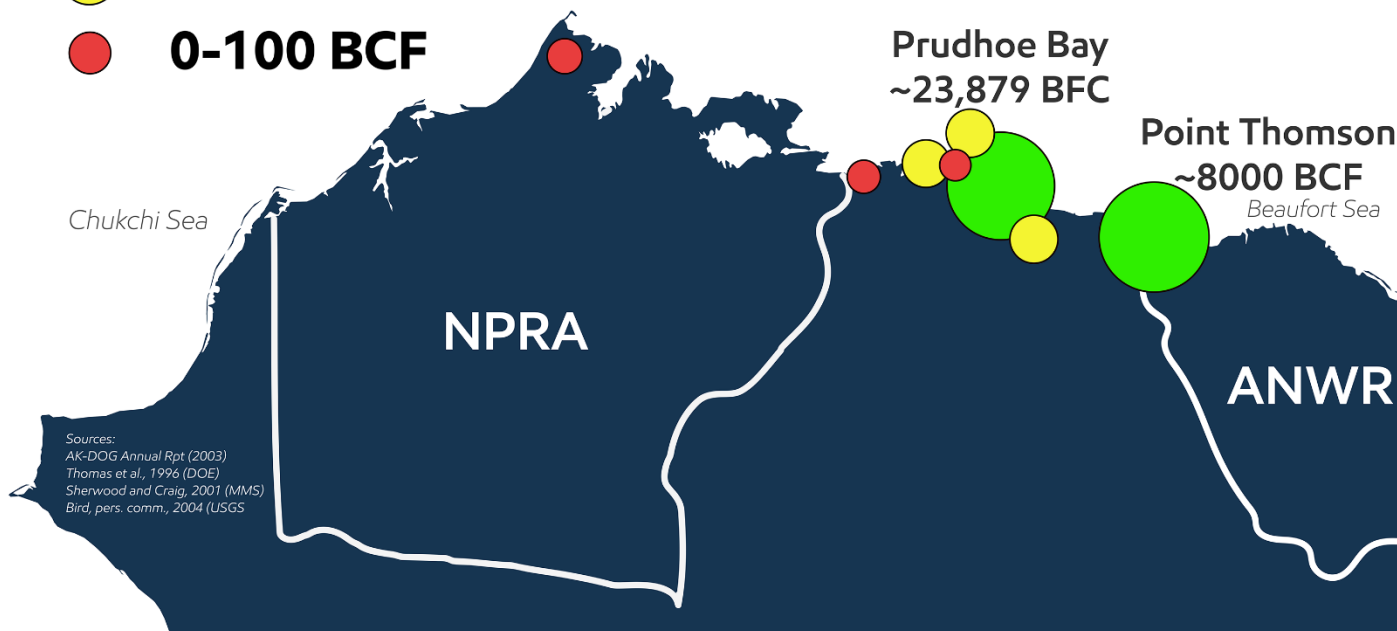
**35 TCF Proven**

**200 TCF Potential**

 **5,000 - 25,000 BCF**

 **400 - 1000 BCF**

 **0-100 BCF**





# Long-term Alaska Forecast – Gas is Key



# Potential Initiative – Biggest Risk to Future <sup>15</sup>

## Group submits petition books, setting stage for costly fight over Alaska oil taxes

“Major O&G tax changes should **be backed by substantial analysis** looking at both unique local factors as well as global comparables, not budgetary issues in any given year.”

- Ken Alper, Gov. Walker's Tax Director, HB 411 presentation, 2018

“Despite the seemingly simple and straightforward title of the initiative bill, **the language of the bill is difficult to interpret and raises a number of implementation and constitutional questions.**”

- Department of Law, Oct. 2019

“The initiative sponsors have not stated what is fair, how they justify it, how they measure it or how the initiative attains fairness. They better have some basis, because **economically it is a mess.**”

Roger Marks, Retired State Economist, Oct. 2019

