

# Prudhoe Bay & Alaska Policy Enabling the next 40 years

Meet Alaska Conference & Tradeshow  
January 13, 2017



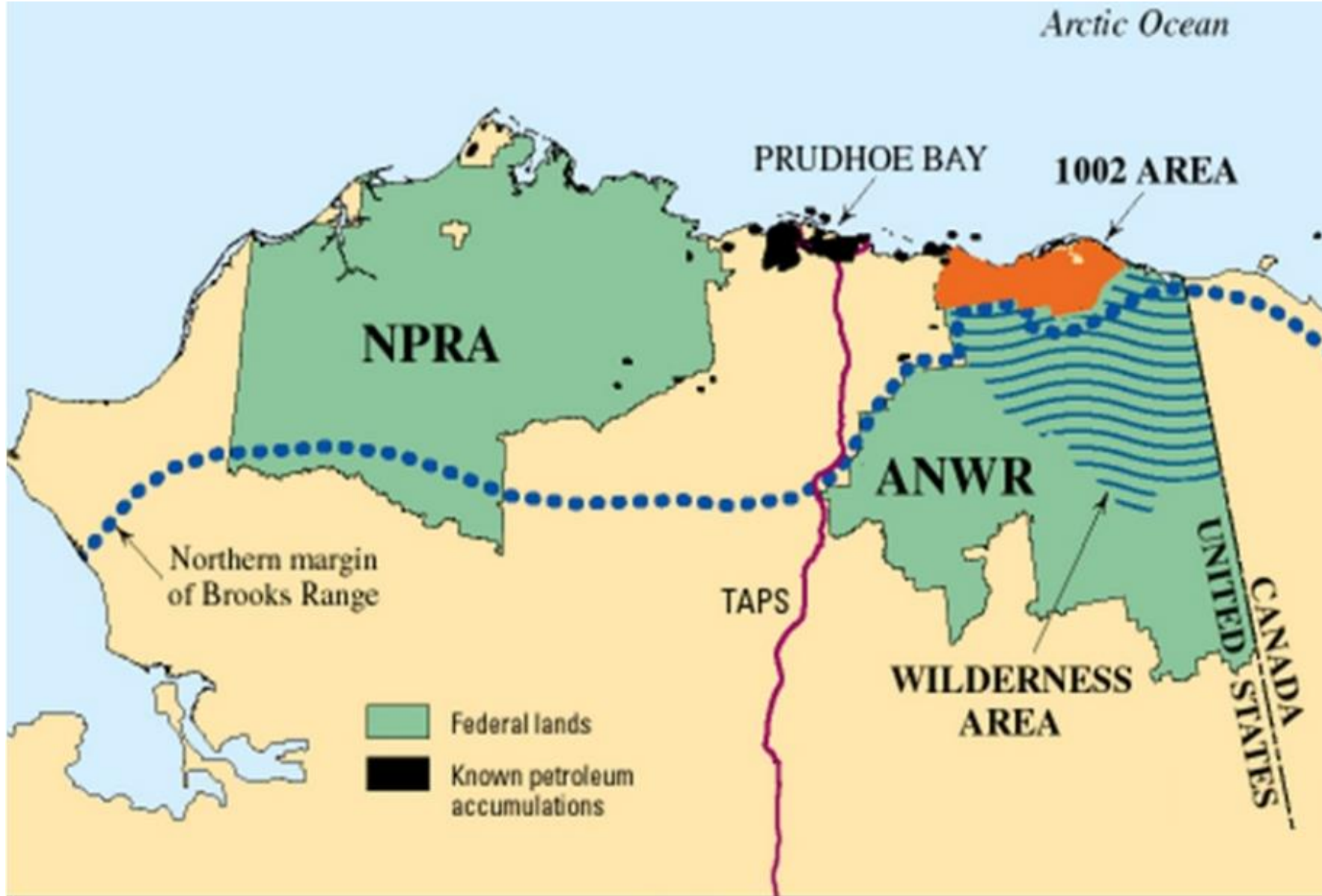
In 1977...



- Who was the President of the Alaska Federation of Natives?

34 year old Byron Mallott

# The Alaska Resource Opportunity



In 1977...



- The average price per barrel of oil was???

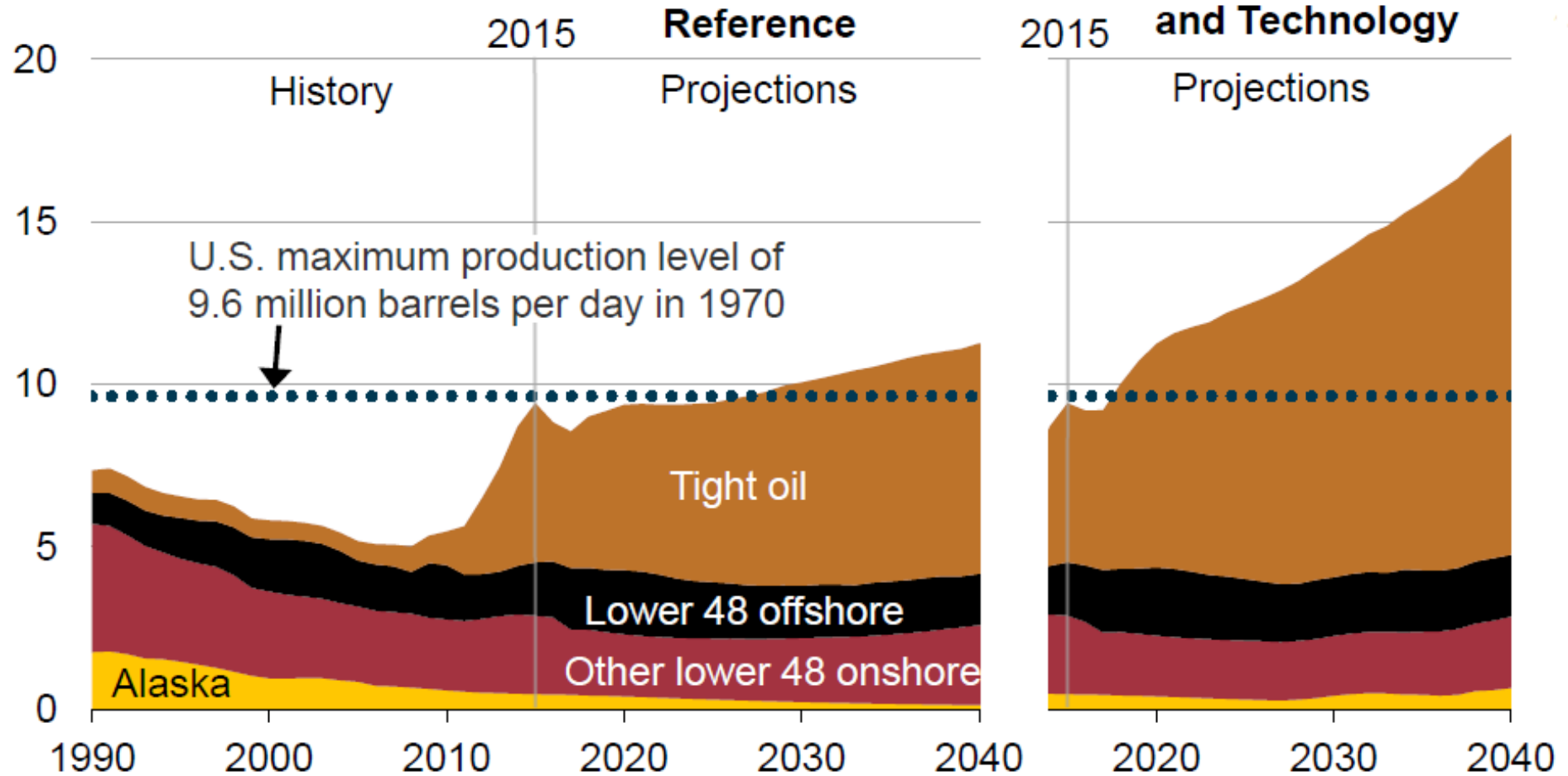
\$~14/bbl



# Alaska – How do we Stack up?



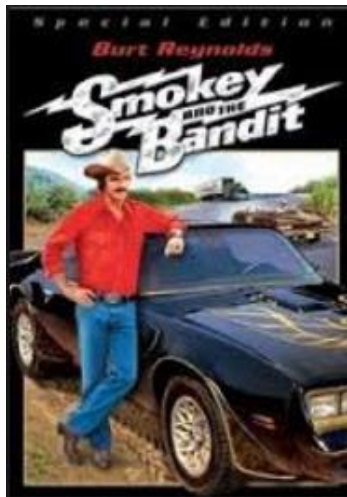
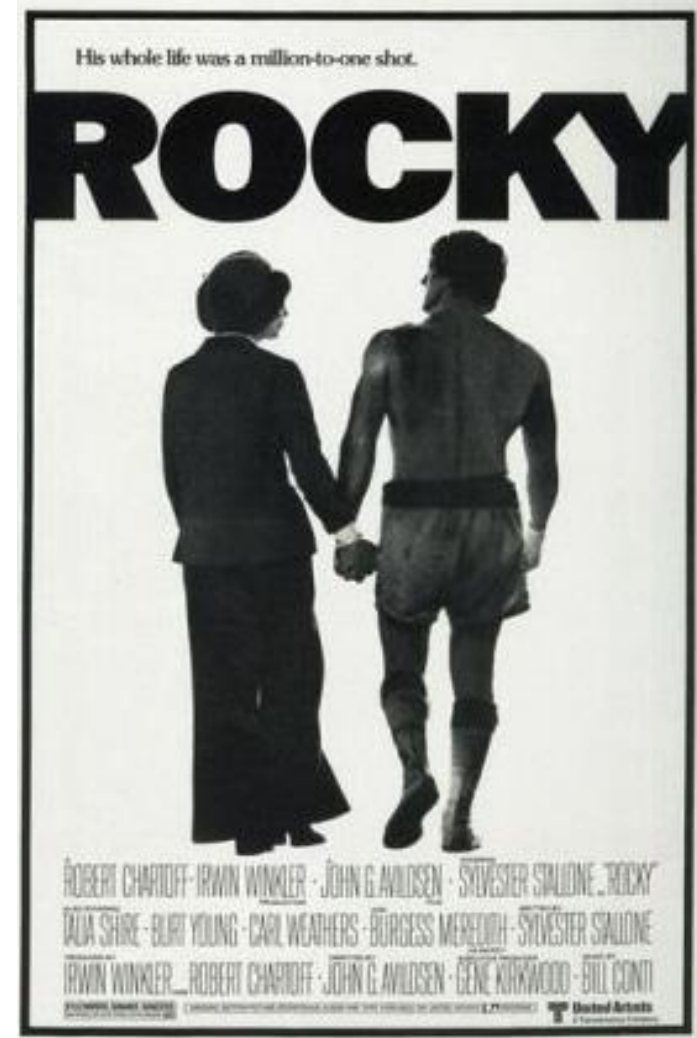
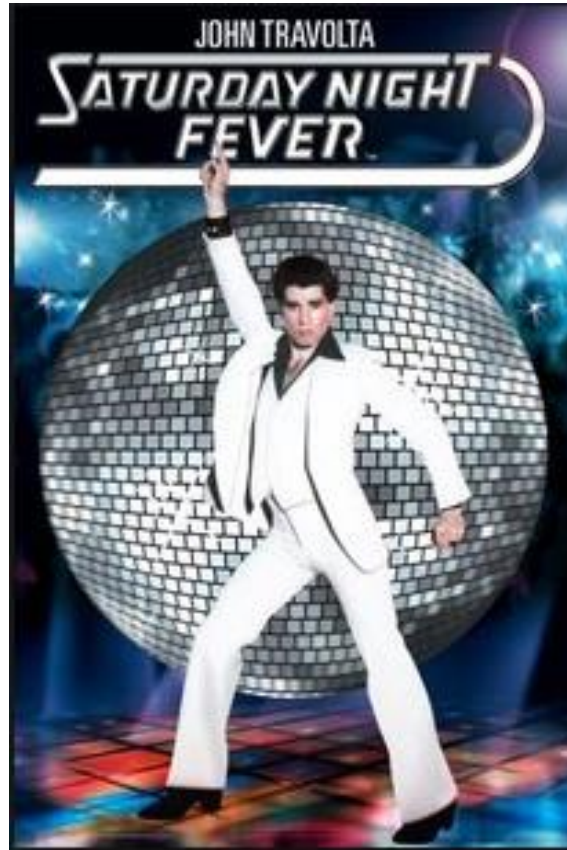
U.S. crude oil production  
million barrels per day



Source: EIA, Annual Energy Outlook 2016



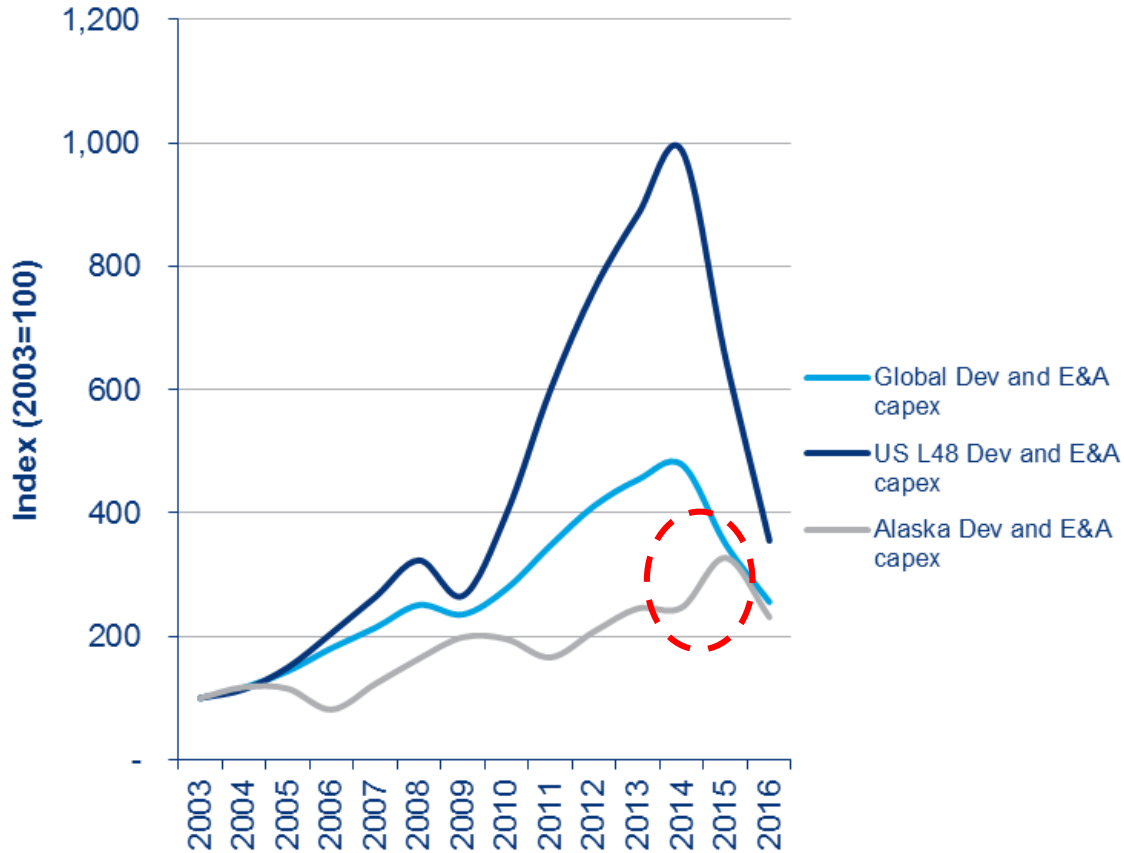
In 1977...



# Relative Investment & Production Trends

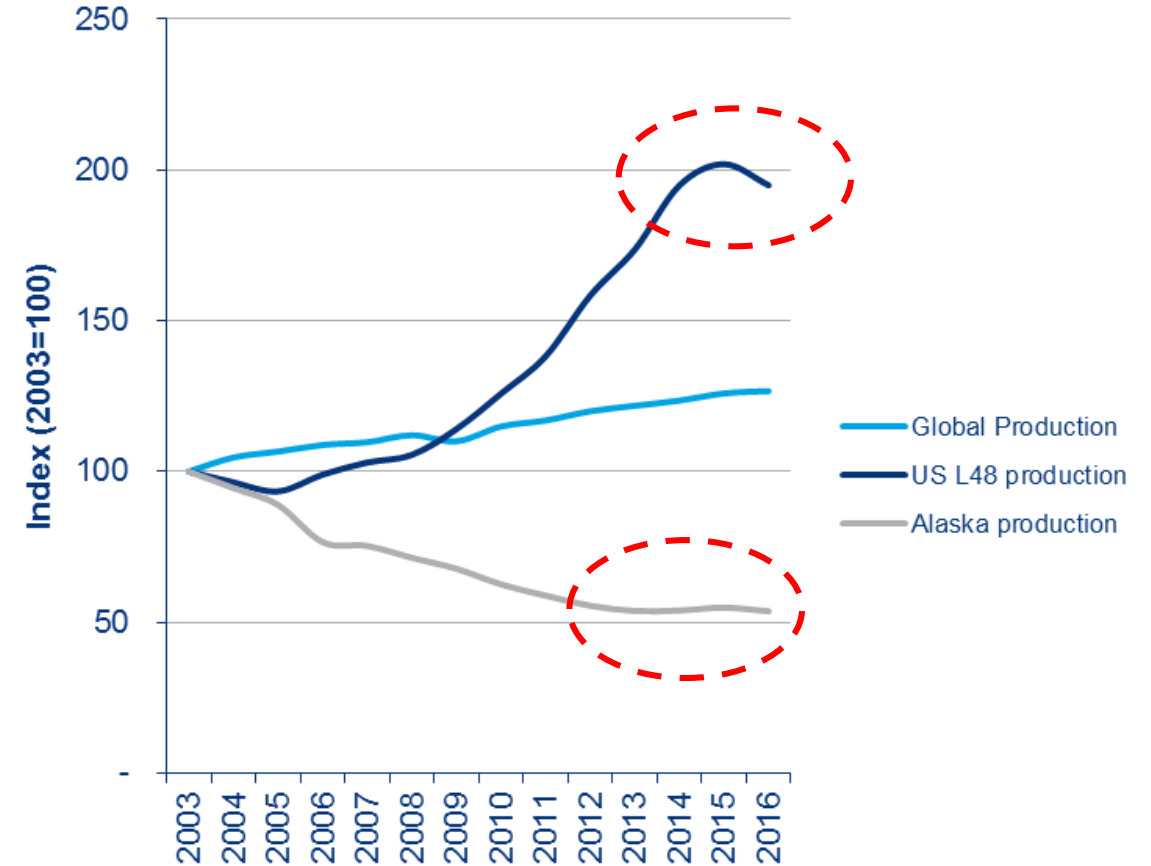


## Investment trends by region



Source: Wood Mackenzie

## Production trends by region



Source: Wood Mackenzie

Source: Wood Mackenzie, Upstream Data Tool



# In 1977...

- Governor Jay Hammond Sought \_\_\_\_\_\$ per barrel for oil production taxes?

## 75 Cents

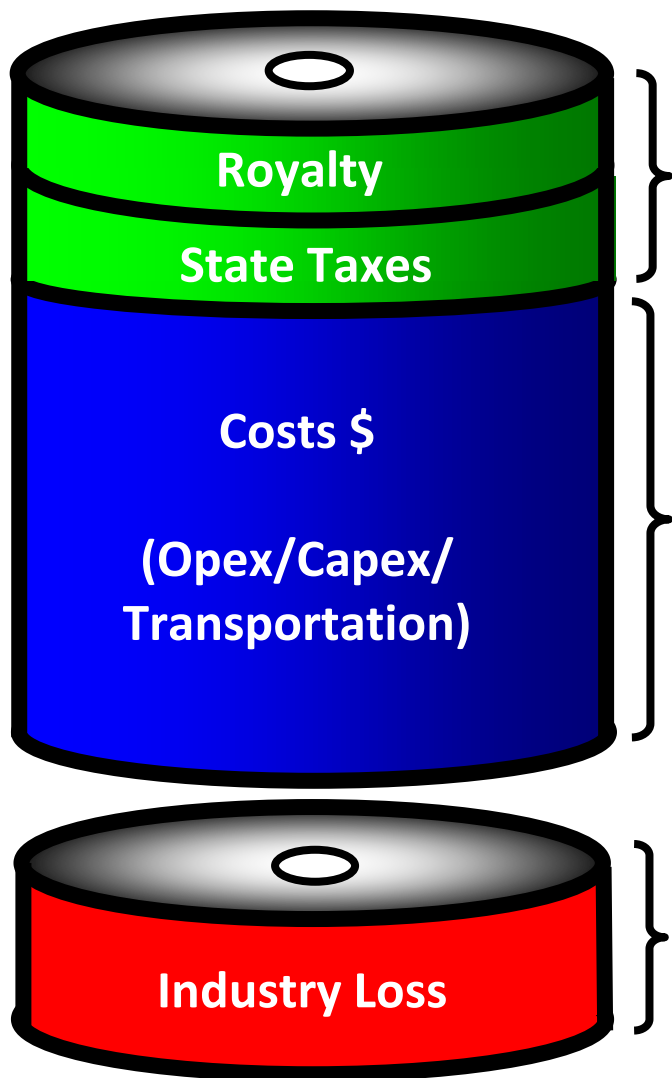
- The new law passes without Hammonds signature – Imposes a tax of 80 cents per barrel



# Distribution one barrel in Alaska



*Example at \$43 per barrel*



**Alaska State Revenue \$7**

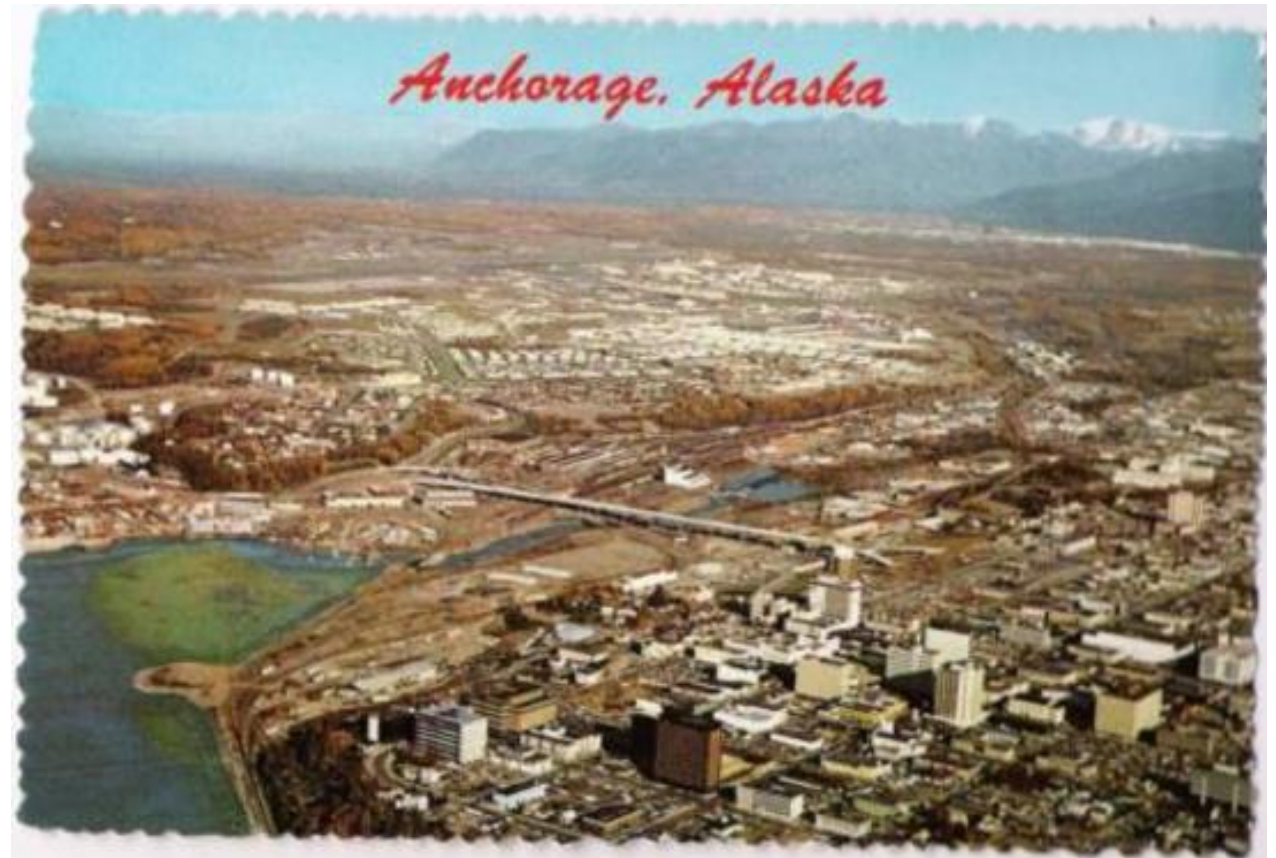
**Production Costs \$48**

**Industry Loss (\$12)**

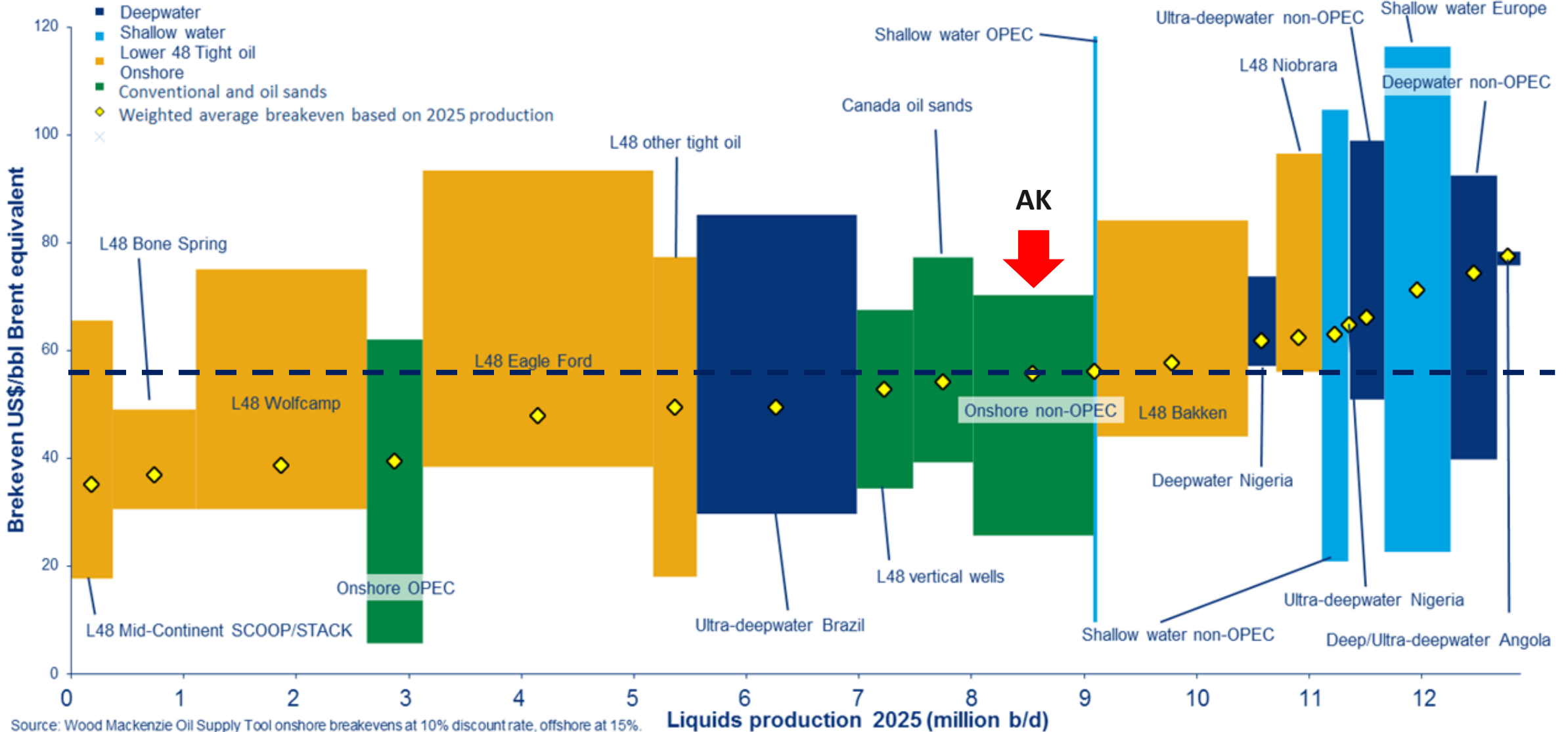
In 1977...

- How much did a two bedroom condo sell for in Alaska ?

\$53,000



# Incremental Oil Supply 2025



# Suggested Principles for Alaska Policy



- Encourage more oil down TAPS
- Extend the life of backbone fields - Prudhoe Bay & Kuparuk
- Encourage more independents looking for oil and gas
- Don't pick winners and losers