Exhibit 8.

Filling the Gaps:

ConocoPhillips Presentations to Senate Resources and

House Resources Committees

(Feb. 20 and Mar. 26, 2013)*

"ACES Observations" (Senate Resources Committee, Feb. 20, 2013)
[Exhibit 8, Sheet 1]

"North Slope Investment Challenges" (House Resources Committee, Mar. 26, 2013)
[Exhibit 8, Sheet 2]

Salient CP Chart Deficiencies
[Analysis of Exhibit 8, Sheet 1]

Questions about the Earnings per Barrel Chart
[Analysis of Exhibit 8, Sheet 2]

Worksheet: Understanding CP's Earnings Per Barrel Chart
[Analysis of Exhibit 8, Sheet 3]

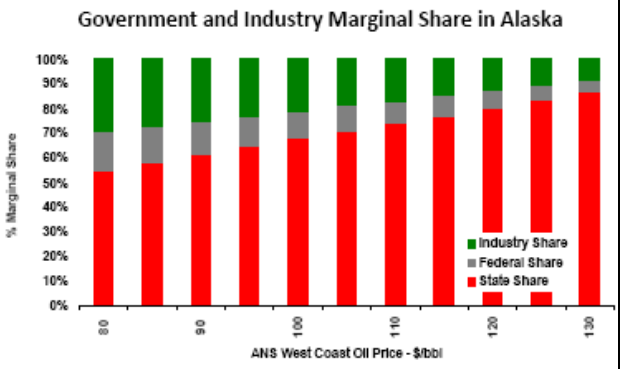
* This exhibit analysis does not reflect additional copies of the CP bar chart and subsequent testimony on that chart, which this writer located subsequent to completion of this report in April 2013. (For reference purposes, the analysis of the CP charts in this report has not been modified; for an updated analysis see: Richard Fineberg, *The Disappearing Chart: Why the Legislature's Gift to Oil Producers (SB 21) Should Be Repealed*, pp. 6-13.)

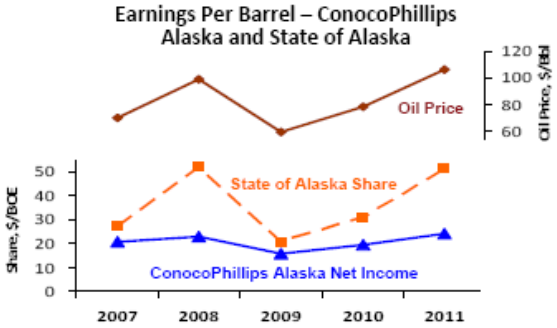
Exhibit 8.

ConocoPhillips: "ACES Observations" (Senate Resources, Feb. 20, 2013)

ACES Observations

- Positive Elements
  - Tax credits help offset Alaska's high cost environment
  - Tax credits provided for both new and legacy fields
- Negative Elements
  - High average tax rates
  - High marginal tax rates
  - Gross minimum tax
    - Tax still paid if revenues don't cover costs





Upper right plot based on Fall 2012 Revenue Sources Book data for FY2014
Lower right plot based on ConocoPhillips 2007 – 2011 10-K reports; State share is royalties (estimated), production tax, ad valorem tax and state income tax; oil prices are ConocoPhillips average realized prices on the West Coast

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ConocoPhillips

Senate Resources Committee

SB21

Bob Heinrich, VP Finance
Scott Jepsen, VP External Affairs
ConocoPhillips Alaska

February 20, 2013

ConocoPhillips

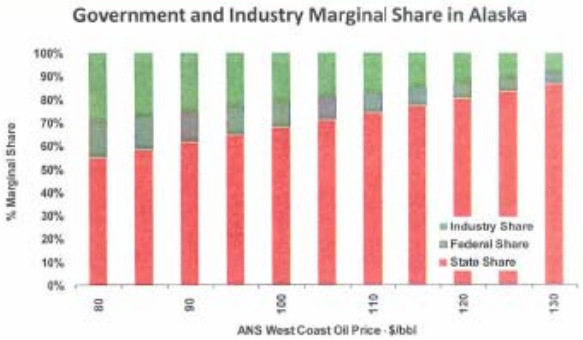
[Exhibit 8, Sheet 1 of 2]

Exhibit 8.

ConocoPhillips: "North Slope Investment Challenges" (House Resources, March 26, 2013)

North Slope Investment Challenges

- Challenged oil remains
  - Complex, high cost wells
  - Smaller reserve targets
  - Fault blocks, flank oil
  - Satellites, viscous oil
  - Facilities handling ~ three times as much water as oil
  - Significant resource
- ACES tax structure
  - High average & marginal tax rates
  - Progressivity eliminates upside
  - Tax credits attempt to offset high tax rates and high costs. Apply to both new and legacy fields



Upper right plot based on Fall 2012 Revenue Sources Book data for FY2014
Lower right plot based on ConocoPhillips 2007 – 2011 10-K reports; State share is royalties (estimated), production tax, ad valorem tax and state income tax; oil prices are ConocoPhillips average realized prices on the West Coast

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ConocoPhillips

House Resources Committee

CSSB21

Bob Heinrich, VP Finance
Scott Jepsen, VP External Affairs
ConocoPhillips Alaska

March 26, 2013

ConocoPhillips

ConocoPhillips Chart Deficiencies: Filling in the Gaps

Analysis of Exhibit 8 (Sheet 1 of 3)

The background of the CP chart showing "Earnings Per Barrel" is discussed in report Section 5A; an earlier version of the chart, from the *Fairbanks Daily News-Miner* Nov 2, 2012, is shown in Exhibit 7. *(For an updated analysis with additional information and commentary on the companion bar chart, see the author's July 1 presentation, The Disappearing Chart: Why the Legislature's Gift to Oil Producers [SB 21] Should Be Repealed [text pp. 6-13, slides 11-18]. – RAF)*

Salient CP Chart Deficiencies

1. *Sources of charts ConocoPhillips presented to House Resources, March 26, 2013 (Slide 2) and Senate Resources, February 20, 2013 (Slide 8) are stated without providing hard-number data or specific references. CP's sourcing information on both slides reads:*

- "Upper right plot based on Fall 2012 Revenue Sources Book data for FY 2014."
- "Lower right plot based on ConocoPhillips 2007 – 2011 10-K reports; state share is royalties (estimated), production tax, ad valorem tax and state income tax; oil prices are ConocoPhillips average price realized on the West Coast."

2. *These two ConocoPhillips charts are incomplete because neither one shows estimated costs,(which increased dramatically during the years covered by these charts (see Exhibit 1).*

- This is an important omission because Alaska's production tax has been cost-based since 2006.
- Costs generally rise and fall with oil prices, but do not necessarily vary directly. It is therefore important to explore the relationships between oil price and field costs and their effect on the producer's bottom line?

3. *The bar chart in the upper panel of both slides is not drawn to scale.*

- The bar chart shows percentages of total revenue rather than dollars (for example, showing the $80 bar at the left to be equal to the $130 bar at the right). This panel therefore presents a distorted picture that makes it appear that ConocoPhillips net revenue per barrel decreased dramatically between 2007 and 2011 – contrary to the ConocoPhillips Net Income from Alaska production shown on the chart below in blue.
- On March 26, 2013 CP's Bob Heinrich told House Resources that between 2007 and 2011, "Our earning stayed between $22 to $25 per barrel" and "have essentially hardly moved " But when CP displayed a similar chart last November, Scott Jepsen wrote that over the same period ConocoPhillips' net income from Alaska "increased from about $22 per barrel to about $25 per barrel" – an increase of approximately 14 percent (exceeding inflation, despite declining production). .

4. *ConocoPhillips has presented data in the top chart forecasted for a different year (fiscal year 20 14) from the years covered in the bottom chart (2007 through 2011), making analysis difficult.*

- The presentation of different fiscal years in the two charts shown on this slide makes it difficult to assess hard-dollar impacts of the changing oil prices.
- The failure to present specific data makes it even more difficult to assess hard-dollar impacts of the increasing oil prices shown in the top chart.

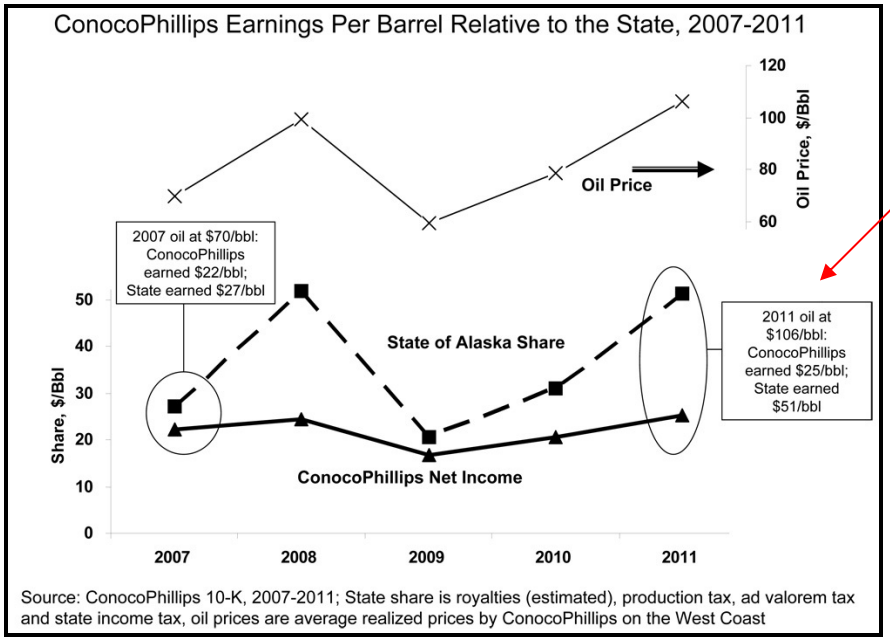
While the level of progressivity at high oil prices under ACES may need to be adjusted, the simplified charts being used in Juneau lack data. Legislators therefore do not have sufficient basis for estimating effects of proposed tax changes, which cannot be meaningfully assessed without field cost and bottom-line earnings information (not to mention a clear understanding of the importance of geology and economies of scale).

ConocoPhillips Chart Deficiencies: Filling in the Gaps

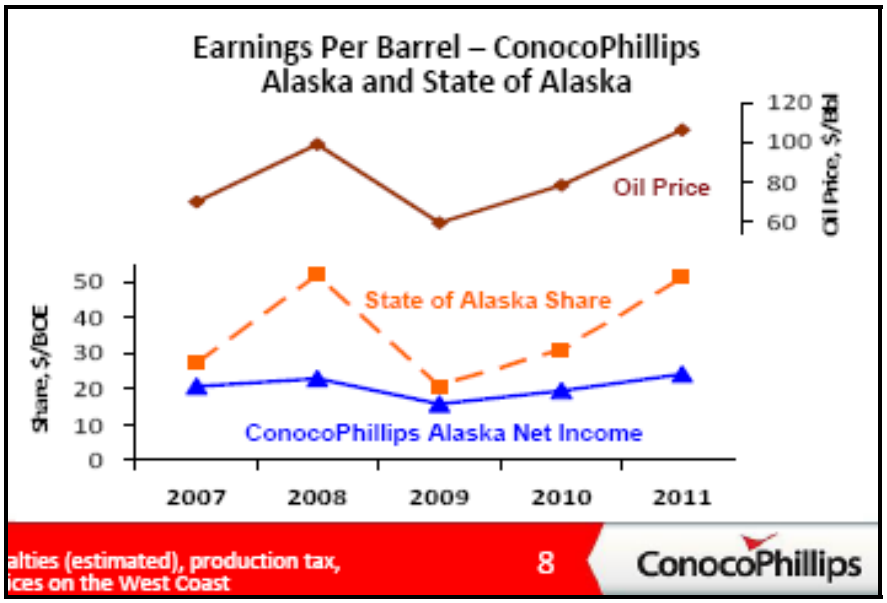
Analysis of Exhibit 8 (Sheet 2 of 2)

Questions about the Earning Per Barrel Chart

"The numbers show why oil tax reform is needed," *Fairbanks Daily News-Miner* (Nov. 2, 2012)



"ACES Observations" and "North Slope Investment Challenges," CP Presentations to the Senate and House Resource Committees (Feb. 20 and March 26, 2013)



"2011 oil at $106/bbl: ConocoPhillips earned $25/bbl; State earned $51/bbl"

With billions of dollars at stake and 3 companies in control of North Slope production, here are questions that deserve consideration:

Why don't CP's Alaska revenue "take" figures match State data? *(See Workhseet 2.)*

Why do these charts omit field costs, which have increased since 2007 at approximately eight times the rate of general inflation? *(See Exhibit 1.)*

Do CP profit totals count the smaller but significant profits from pipeline tariffs? *(See Exhibit 2.)*

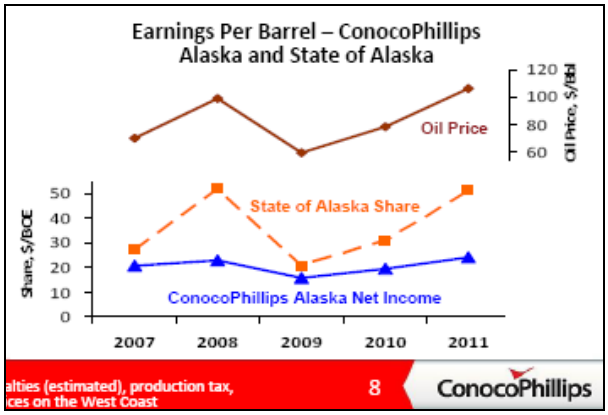
Has the State determined whether pipeline overcharges, which reduce State revenue, might also inhibit North Slope Development?

Have CP numbers been verified by audits with quality control checks?

ConocoPhillips Chart Deficiencies: Filling in the Gaps

Analysis of Exhibit 8 (Sheet 3 of 3)

Worksheet: Understanding CP's Earnings Per Barrel Chart



Due to fluctuating prices and production, State fiscal year (FY) data may not be comparable to calendar year i(CY) data. When ADOR does not provide comparable CY data, conversion to CY display uses the following weighted average formula:

CY13 = ([FY12]*5+ FY13]*7)/12)

	Trial Calendar Year 2011 Cost Estimates	
	Cost Estimate A	*Cost Estimate B **
1. Price per barrel (CP estimate)	$106.00	$106.00
2. Transportation (TAPS plus Marine)	$8.13	$8.13
3. Field Costs (Unaudited OPEX + CAPEX) *	$24.20	$22.45
4. Alaska Share (CP estimate)	$51.00	$51.00
5. CP Profits (CP Estimate)	$25.00	$25.00
6. Federal Income Tax *	$13.46	$6.65
7. Sum of Implied Cost Elements	$121.79	$113.23
8. Estimated Unaccounted Cost per-barrel	$15.79	$7.23
9. Annualized North Slope Unaccounted Costs	$3,394,158,770.00	$1,554,190,909,940.00

* *For differences in Trial Cost Estimates A and B, see notes to Lines (3) and (6), below..*

(1) Scott Jepsen, "ConocoPhillips Earnings Per Barrel Relative to the State, 2007-2011" (chart with "The numbers show why tax reform is needed: ConocoPhillips has a profit, but state takes much more" (Community Perspective), *Fairbanks Daily News-Miner*, Nov. 2, 2012 (see Exhibit 7).

(2) Weighted average transportation cost estimates from Alaska Dept. of Revenue, *Fall 2011 Revenue Sources Book*, p. 31 (FY 2011 history) and *Fall 2012 Revenue Sources Book*, p. 35 (FY 2012 history).

(3) Weighted average operating and capital cost estimates from Alaska Dept. of Revenue, *Fall 2011 Revenue Sources Book*, p. 31 (FY 2011 history) and *Fall 2012 Revenue Sources Book*, p. 35 (FY 2012 history). Field costs calculated as: (North Slope operating and capital expenditures) / ([Total ANS daily production] * 365).

Note: Trial Cost Estimate B subtracts $360 million credits used against tax liability from field costs.

(4) "ConocoPhillips Earnings Per Barrel Relative to the State, 2007-2011."

(5) "ConocoPhillips Earnings Per Barrel Relative to the State, 2007-2011."

(6) Federal income payments are calculated from CP's stated after-tax profit (ATP) using the following formula: Income tax = ((ATP / [1- tax rate]) – ATP).

Note: Trial Cost Estimate A FIT calculated at nominal 35%; Cost Estimate B estimated at effective 21%.

(7) Sum of lines (2) through (6).

(8) Line (7) - Line (1).

(9) Line (8) * (estimated CY 2011 production, derived from weighted average fiscal year totals).