

A TALE OF TWO CHARTS: NORTH SLOPE PROFITABILITY, SB 21 AND ACES

By Richard A. Fineberg

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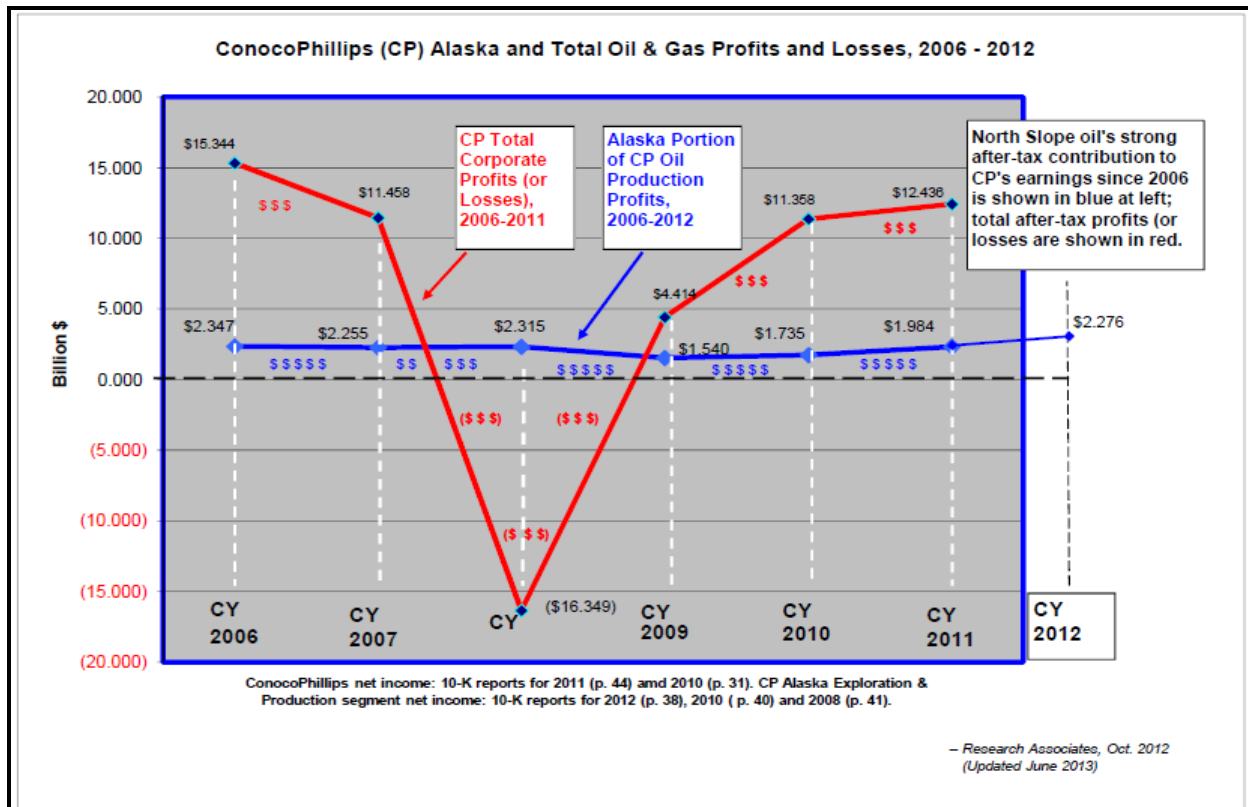
With fact and fiction swirling around SB 21 and ACES like a merry-go-round spinning off kilter at dizzying speed, two charts on North Slope profitability bring clarifying light to this confusing debate. Both charts deal with the extraordinary profits earned by ConocoPhillips, the North Slope's largest producer during most of this century, under the cost-based and progressive ACES petroleum tax system. Together with British Petroleum and ExxonMobil, ConocoPhillips is one of three transnational oil companies that collectively control more than 90 percent of North Slope oil production.

In 2013 the state Legislature voted to ditch ACES, under which both the state and industry achieved remarkable economic success. With an administration headed by a former ConocoPhillips lobbyist and ConocoPhillips employees in two key Senate positions, the Legislature ignored the important lessons derived from analysis of both charts.

The First Chart

The first chart shows the extraordinary annual profits from the production and transportation of North Slope oil, as reported by ConocoPhillips. This chart contrasts that company's erratic global returns in recent years to its strong and steady North Slope oil profits under ACES.

ConocoPhillips Alaska Profitability v. Company Global Returns



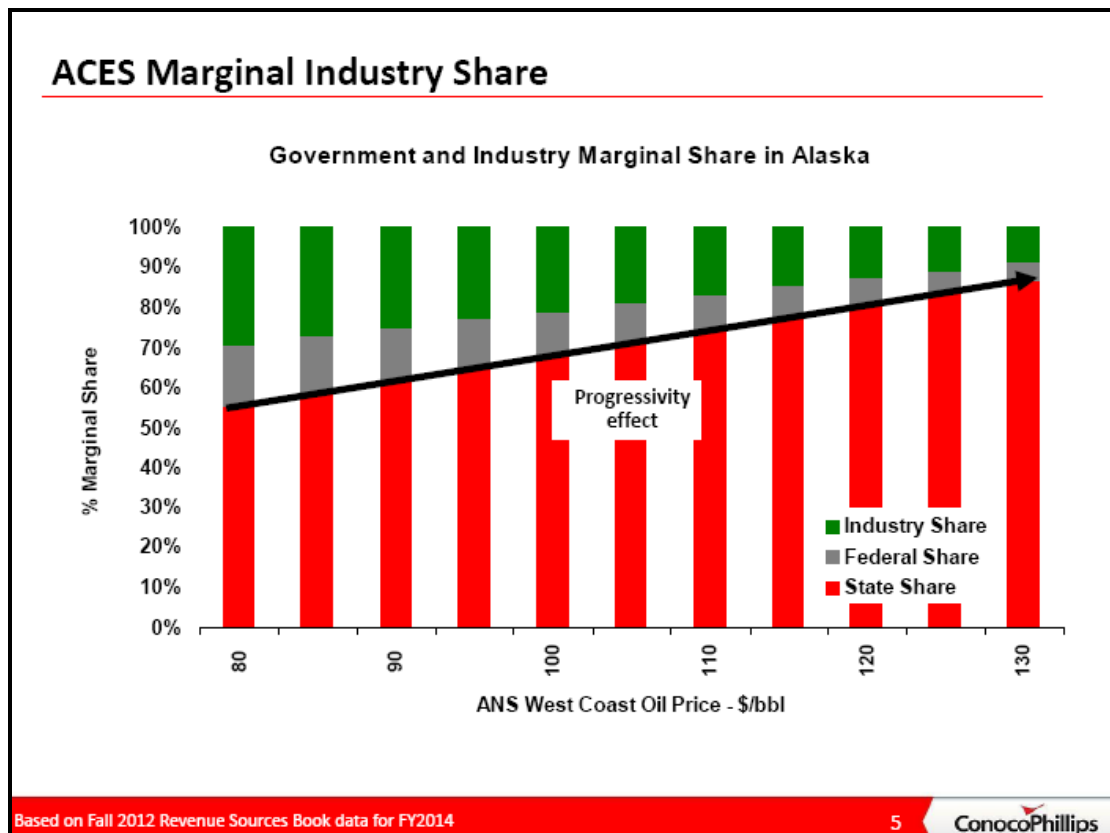
The ConocoPhillips profitability chart shows steady North Slope profits that ranged from \$1.5 billion to \$2.3 billion annually under ACES, refuting the claim that Alaska production was too heavily taxed. Profits under ACES soared over that company's global earnings, which plummeted in 2008 to a reported net loss of more than \$16 billion. Between 2007 and 2009 ConocoPhillips would have lost approximately \$6 billion without Alaska, but the North Slope kept that company afloat. The company's North Slope profits still exceed \$2 billion annually..

Based on data that ConocoPhillips filed annually with the federal Securities Exchange Commission (SEC), I put the first chart together in 2011, submitted it to legislators and updated it in the following two years. But when SB 21 was passed during the 2013 session, this chart did not receive consideration by legislative committees, contributing to confusion about North Slope profitability; the resulting misunderstanding about the highly profitable North Slope economics under the ACES regime was exemplified by the second chart, which made the rounds with defects unquestioned by the legislative majority.

The Second Chart (Distortion by Omission)

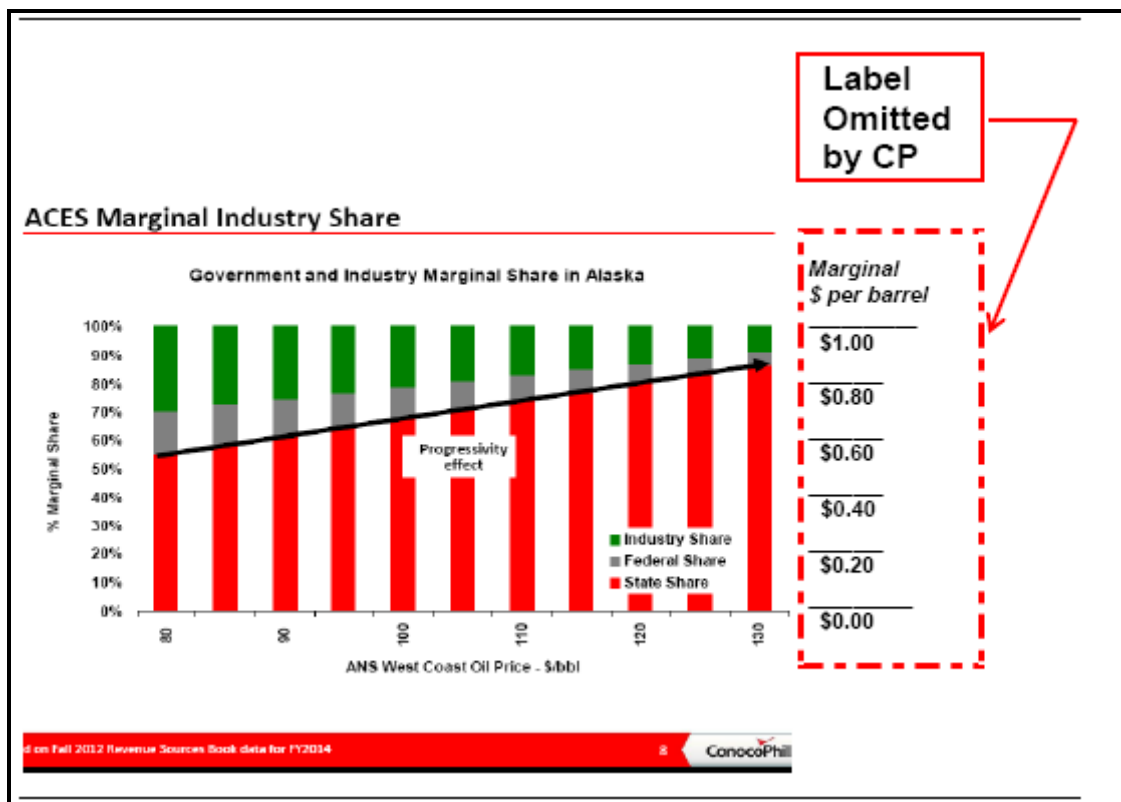
In contrast to the first chart, during the 2013 legislative session ConocoPhillips presented the second chart (below) to major committees in invited testimony on six occasions. Although ConocoPhillips described the chart accurately in oral testimony, this chart generally appeared in the legislative record without written testimony. Due to faulty labeling and lack of comprehensive data, this chart created the false impression that industry profits declined dramatically as oil prices increased from \$80 per barrel to \$130 per barrel.

ConocoPhillips, House Finance Committee, April 8, 2013 (Slide 5)



In all six presentations of this ConocoPhillips chart, the chart itself notably failed to define the ambiguous term “marginal” share. This term generally refers to small amounts, outside a main body of data or near the break-even point. But in the oil patch the term “marginal” may also refer to the much larger cash spread between costs and market prices. ConocoPhillips testified correctly that each of the bars in this chart represented the division between industry and government of an additional \$1 per barrel increase to the prices shown in each bar, which ranged from \$80 and \$130 per barrel. But with West Coast oil prices displayed on the horizontal axis and no price label on the vertical axis (which showed percentages in the left-hand margin), the diminishing green bar in this ConocoPhillips chart created the misleading impression that industry profits decreased as oil prices increased from \$80 to \$130 per barrel. But because each vertical bar represented only the percentages of a \$1 per barrel price increase -- not total net profits – in terms of bottom-line cash the opposite is actually the case: As prices rise between \$80 and \$130 per barrel, the industry was actually receiving *additional* marginal revenue payments, although in smaller amounts.

Setting the record straight on this strange ConocoPhillips chart omission, in the chart below I have added a clarifying label in the right-hand column of the second chart:



The Department of Revenue 2012 *Revenue Sources Book* numbers, cited by ConocoPhillips as the source for the widely circulated “ACES Marginal Industry Share” chart, produces total net revenue splits between state and industry that are very different from the marginal dollar splits depicted by ConocoPhillips in this chart. (See the following page for summary results from the worksheets attached to this report.)

Based on the worksheets in the appendix to this analysis, the salient results of the comparison between left-hand and right-hand bars in the ConocoPhillips “ACES Marginal Revenue Chart” (summarized below) show the government and industry marginal and total net revenue shares under ACES at \$80 per barrel next to the corresponding figures when the oil price increases to \$130 per barrel. Because the ConocoPhillips chart shows only the disposition of an additional \$1.00 per barrel gained from rising oil prices (rather than the much greater bottom-line total net revenue per barrel), the industry’s share of the \ revenue shown in the diminishing green swath does not represent a two-thirds **decrease** in industry net revenue at the prices shown. In fact, the improperly labelled industry revenue in the ConocoPhillips chart actually contributes to a bottom-line **increase** in industry after-tax profits of 70.6% (from \$16.18 to \$27.60 per barrel).

Marginal and Total Net Revenue Shares	\$80 per barrel	\$130 per barrel	Change between \$80 and \$130 per barrel
	<i>/- - - - - (Percentage or \$ per barrel) - - - - - /</i>		
ANS West Coast Price	\$80	\$130	\$50 per barrel (62.5% price increase)
Marginal Share <i>[shown in chart]</i>	\$1	\$1	(no change)
<i>Total Net Revenue</i> <i>[not shown in chart]</i>	\$44.77	\$101.45	122.7% increase
Industry Share of Marginal Net Revenue <i>[shown in chart]</i>	30.3%	9.6%	68.4% decrease
<i>Industry % Share of Total Net Revenue</i> <i>[not shown in chart]</i>	<i>36.1%</i>	<i>27.2%</i>	<i>24.7% decrease</i>
Industry \$ Share of Total Net Revenue <i>[not shown in chart]</i>	\$16.18	\$27.60	70.6% increase
State Share of Marginal Net Revenue <i>[shown in chart]</i>	53.3%	85.3%	60.0% increase
<i>State % Share of Total Net Revenue</i> <i>[not shown in chart]</i>	<i>44.41%</i>	<i>58.15%</i>	<i>30.9% increase</i>
<i>State \$ Share of Total Net Revenue</i> <i>[not shown in chart]</i>	<i>\$19.98</i>	<i>\$58.99</i>	<i>195.2% increase</i>

Even if ConocoPhillips displayed total net revenue figures instead of basing the chart analyzed here on the much smaller marginal slice, this chart would have presented a distorted picture of profitability by displaying the data in percentage terms, rather than in hard-dollar figures. To accurately represent the hard-dollar impact of a \$50 per barrel increase in oil price, the bar representing \$130 per barrel would have to be 62.5% taller than the \$80 per barrel bar ($\$130 / \$80 = 1.625$). Note that the figures from which the preceding chart was derived were conservatively reckoned and therefore understate industry profits. For example, federal income taxes were estimated at 35%, even though tax deductions significantly reduce effective federal corporate income tax rates.

Examination of the numbers ConocoPhillips used for this slide reveals another interesting fact: Although advocates of SB 21 cite increasing costs as a major reason for abandoning the progressive ACES tax regime, the steep decline in marginal revenues shown in the ConocoPhillips chart is produced by holding costs constant as prices increase. For example in the second worksheet attached to this report, which uses state cost, royalty and tax estimates at \$130 per barrel, field costs remained constant at approximately \$36 per barrel. To investigate the effects of escalated costs at higher prices under the ACES tax regime, in the third worksheet I increased field costs by 62.5% to matching the oil price increase rate. This analysis showed that state revenue dropped by more than \$16 (from \$58.99 to \$42.18 per barrel), but the industry take decline by less than \$4 (from \$27.71 to \$23.93 per barrel) In other words, because the progressive ACES tax rate declines when costs increase, in this scenario the state absorbed the lion's share of the reduced total net revenue "take." This example demonstrates that under ACES progressivity the state absorbs a significant portion of the revenue loss due to increasing costs or declining oil prices, protecting the industry against this risk – an important investment incentive in an uncertain economic future.

A careful look at the numbers behind the misleading results shown in this ConocoPhillips chart also shows that although advocates of SB 21 cite increasing costs as a major reason for abandoning the progressive ACES tax regime, the steep decline in marginal revenues shown in the ConocoPhillips chart was produced by holding costs constant as prices increase. However, the comparison between constant and escalating costs at \$130 per barrel, shown in the second and third appendix worksheets, shows that the progressive ACES tax rate declines when costs increase. Consequently, under ACES the state absorbs a significant portion of the revenue loss – an important investment incentive in an uncertain future. This finding underscores the importance of carefully auditing costs and revenues.

In any event, at the prices shown in the misleading ConocoPhillips chart the progressive ACES regime enables both state and industry to profit from increasing prices while protecting the industry against losses due to declining oil prices. ConocoPhillips presented this chart to legislative committees six times in 2013, but legislators did not explore or clarify the glaring discrepancy between industry's increasing profitability under ACES and the false impression, created by that chart's faulty display.

Additional Issues

It should also be noted that the effects of increasing production costs underscore the need to correct the state's auditing deficiencies. This problem, discussed elsewhere on this web site, is beyond the scope of this report.

Another important matter that this chart (like many others) glosses over is the issue of transportation costs. Decisions against the industry earlier this year on litigation over TAPS economics – at the Federal Energy Regulatory Commission (FERC) on TAPS tariffs and the state Supreme Court on TAPS property tax valuation – confirm the importance of examining these issues carefully.

On the transportation front the three major companies that control more than 90 percent of North Slope production also own 98.6 percent of the Trans-Alaska Pipeline System (TAPS) and are acquiring the final 1.4 percent. Perpetual disputes over TAPS economic issues indicate the importance of looking carefully at the following aspects of this unique economic structure:

Control of this key transportation link by the three major producing companies threatens the state's uncertain economic future by inhibiting participation of new companies in future North Slope development. In 1993 Conoco (then the only independent North Slope field operator) traded its property to BP and left Alaska. Three years later Conoco Chairman and CEO Archie Dunham told an interviewer, "It broke my heart to trade Milne Point, but we had to do it. All the value of that property was taken away from us in the pipeline tariffs." Conoco later returned to Alaska, merging with Phillips after that company acquired a major interest in TAPS to form the firm now known as ConocoPhillips.

In 2002, the Regulatory Commission of Alaska (RCA) determined that the 1985 TAPS tariff settlement with obliging state attorneys enabled pipeline owners to overcharge tariffs between 1977 and 1996 by \$9.9 billion more than required to meet costs plus allowable profit. While the major TAPS owners simply transferred much of that overcharge back to their producing units, the non-owner shippers paid the excess tariff out-of-pocket, placing them at a handicap to the pipeline owners. The state missed out on approximately \$3.3 billion of that unrecovered amount. But by then it was too late to collect refunds.

Conclusion

Apart from documentation of ConocoPhillips profitability and this critique of that company's misleading chart, it should be noted the consolidation of North Slope production control gives the three major North Slope producers extraordinary political power, as demonstrated by industry inundation of media airwaves with slanted and sometimes inaccurate advertisements urging a "no" vote on the referendum to repeal SB 21.

The analysis of these charts reveals facts that demonstrate the importance of clarifying the misinformation, confusion and unfounded speculation fostered by the industry and its supporters in the campaign to ditch ACES. As we face an uncertain future, this report also raises this question: In this era of information overload, does our political system enable tall tales to triumph? *

Facts matter: Fix the broken audit system; put a strong penalty on overcharges and fraudulent filings; after careful consideration – not smoke and mirrors – put a cap on progressivity at higher oil prices not yet seen (perhaps holding the production tax rate at 50% of the production tax value). To implement these necessary reforms, repeal SB 21 and restore ACES.

* Revisions to this paragraph clarify the shorter version in the original draft posting, which raised the same question.
-- RAF (Aug. 29, 2014).

Appendix

Worksheet 1 (*\$80 - \$81 per barrel – constant costs*)

Worksheet 2 (*\$130 - \$131 per bbl. – constant costs*)

Worksheet 3 (*\$130 - \$131 per bbl. – escalating costs*)

FY 2014 % of Net Revenue at \$80 per barrel (constant costs)

(Data from Fall 2012 ADOR Revenue Sources Book)

	(a)	(b)	(c)	(d)	(e)	(f)
		/----- Revenue -----/				
		<u>Industry</u>	<u>State</u>	<u>Federal</u>	<u>Total Net</u>	<u>How Calculated</u>
1	ANS WC Price	\$80.00				[Input]
2	Transportation	(\$8.81)				Fall 2012 Revenue Sources Book, pp. 99, 100, 108
3	Wellhead	\$71.19				= b1 + b2
4	Royalty	(\$9.51)	\$9.51			= b3 * .1336 (calculated from Fall 2012 RSB, p. 108)
5	Field Costs	(\$35.93)				Fall 2012 Revenue Sources Book, p. 108
6	PTV	\$35.26				= b1 + b2 + b5
7	Surcharge	\$5.26				= b6 - \$30.00
8	Surcharge Rate	2.10%				= b7 * .004
9	Production Tax Rate	27.10%				= b8 + 25%
10	Production Tax (before credits)	(\$9.56)				= b6 * b9
11	Estimated Credits	\$3.61				(calculated from Fall 2012 RSB, p. 108)
12	Production Tax (ACES)	(\$5.94)	\$5.94			= b11 + b12
13	Estimated Property Tax	(\$2.22)	\$2.22			Est. from Fall 2012 RSB, p. 47
14	State Income Tax	(\$2.21)	\$2.21			= (b6 + b12)*.094
15						
16	Total (b4 Federal Income Tax)	\$24.89	\$19.88			
17	Federal Income Tax (estimated)	(\$8.71)		\$8.71		= b16 * 0.35
18						
19	Totals	\$16.18	\$19.88	\$8.71	\$44.77	Dollar per bbl. net revenue take at \$80 per bbl.
20	Percentage of Net Revenue	36.13%	44.41%	19.46%	100.00%	Percentages of net revenue take at \$80 per bbl.

FY 2014 % of Net Revenue at \$81 per barrel

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	(a)	(b)	(c)	(d)	(e)	(f)
		/----- Revenue -----/				
		<u>Industry</u>	<u>State</u>	<u>Federal</u>	<u>Total Net</u>	<u>How Calculated</u>
1	ANS WC Price	\$81.00				[Input]
2	Transportation	(\$8.81)				Fall 2012 Revenue Sources Book, pp. 99, 100, 108
3	Wellhead	\$72.19				= b1 + b2
4	Royalty	(\$9.64)	\$9.64			= b3 * .1336 (calculated from Fall 2012 RSB, p. 108)
5	Field Costs	(\$35.93)				Fall 2012 Revenue Sources Book, p. 108
6	PTV	\$36.26				= b1 + b2 + b5
7	Surcharge	\$6.26				= b6 - \$30.00
8	Surcharge Rate	2.50%				= b7 * .004
9	Production Tax Rate	27.50%				= b8 + 25%
10	Production Tax (before credits)	(\$9.97)				= b6 * b9
11	Estimated Credits	\$3.61				(calculated from Fall 2012 RSB, p. 108)
12	Production Tax (ACES)	(\$6.36)	\$6.36			= b11 + b12
13	Estimated Property Tax	(\$2.22)	\$2.22			Est. from Fall 2012 RSB, p. 47
14	State Income Tax	(\$2.26)	\$2.26			= (b6 + b12)*.094
15						
16	Total (b4 Federal Income Tax)	\$25.42	\$20.49			
17	Federal Income Tax (estimated)	(\$8.90)		\$8.90		= b16 * 0.35
18						
19	Totals	\$16.52	\$20.49	\$8.90	\$45.90	Dollar per bbl. net revenue take at \$81 per bbl.
20	Percentage of Net Revenue	35.99%	44.63%	19.38%	100.00%	Percentages of net revenue take at \$81 per bbl.

FY 2014 Amount and % of Marginal \$1.00 of Net Revenue at \$81 per barrel (from Fall 2012 ADOR Revenue Sources Book)

	<u>Industry</u>	<u>State</u>	<u>Federal</u>	<u>Total Net</u>	
21	Totals	\$0.34	\$0.60	\$0.19	= (Line 19 at \$81 per bbl.) - (Line 19 at \$80 per bbl.)
22	Percentage of Net Revenue	30.33%	53.33%	16.33%	100.00%

FY 2014 % of Net Revenue at 130 per barrel (constant costs)

(Data from Fall 2012 ADOR Revenue Sources Book)

(a)	(b)	(c)	(d)	(e)	(f)	
	/----- Revenue -----/					
	<u>Industry</u>	<u>State</u>	<u>Federal</u>	<u>Total Net</u>	<u>How Calculated</u>	
1	ANS WC Price	\$130.00			[Input]	
2	Transportation	(\$8.81)			Fall 2012 Revenue Sources Book, pp. 99, 100, 108	
3	Wellhead	\$121.19			= b1 + b2	
4	Royalty	(\$16.19)	\$16.19		= b3 * .1336 (calculated from Fall 2012 RSB, p. 108)	
5	Field Costs	(\$35.93)			Fall 2012 Revenue Sources Book, p. 108	
6	PTV	\$85.26			= b1 + b2 + b5	
7	Surcharge	\$55.26			= b6 - \$30.00	
8	Surcharge Rate	22.10%			= b7 * .004	
9	Production Tax Rate	47.10%			= b8 + 25%	
10	Production Tax (before credits)	(\$40.16)			= b6 * b9	
11	Estimated Credits	\$3.61			(calculated from Fall 2012 RSB, p. 108)	
12	Production Tax (ACES)	(\$36.55)	\$36.55		= b11 + b12	
13	Estimated Property Tax	(\$2.22)	\$2.22		Est. from Fall 2012 RSB, p. 47	
14	State Income Tax	<u>(\$4.03)</u>	<u>\$4.03</u>		= (b6 + b12)*.094	
15						
16	Total (b4 Federal Income Tax)	\$42.46	\$58.99			
17	Federal Income Tax (estimated)	<u>(\$14.86)</u>		<u>\$14.86</u>	= b16 * 0.35	
18						
19	Totals	\$27.60	\$58.99	\$14.86	\$101.45	Dollar per bbl. net revenue take at \$130 per bbl.
20	Percentage of Net Revenue	27.20%	58.15%	14.65%	100.00%	Percentages of net revenue take at \$130 per bbl.

FY 2014 % of Net Revenue at \$131 per barrel

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(a)	(b)	(c)	(d)	(e)	(f)	
	/----- Revenue -----/					
	<u>Industry</u>	<u>State</u>	<u>Federal</u>	<u>Total Net</u>	<u>How Calculated</u>	
1	ANS WC Price	\$131.00			[Input]	
2	Transportation	(\$8.81)			Fall 2012 Revenue Sources Book, pp. 99, 100, 108	
3	Wellhead	\$122.19			= b1 + b2	
4	Royalty	(\$16.32)	\$16.32		= b3 * .1336 (calculated from Fall 2012 RSB, p. 108)	
5	Field Costs	(\$35.93)			Fall 2012 Revenue Sources Book, p. 108	
6	PTV	\$86.26			= b1 + b2 + b5	
7	Surcharge	\$56.26			= b6 - \$30.00	
8	Surcharge Rate	22.50%			= b7 * .004	
9	Production Tax Rate	47.50%			= b8 + 25%	
10	Production Tax (before credits)	(\$40.98)			= b6 * b9	
11	Estimated Credits	\$3.61			(calculated from Fall 2012 RSB, p. 108)	
12	Production Tax (ACES)	(\$37.36)	\$37.36		= b11 + b12	
13	Estimated Property Tax	(\$2.22)	\$2.22		Est. from Fall 2012 RSB, p. 47	
14	State Income Tax	<u>(\$4.05)</u>	<u>\$4.05</u>		= (b6 + b12)*.094	
15						
16	Total (b4 Federal Income Tax)	\$42.63	\$59.96			
17	Federal Income Tax (estimated)	<u>(\$14.92)</u>		<u>\$14.92</u>	= b16 * 0.35	
18						
19	Totals	\$27.71	\$59.96	\$14.92	\$102.58	Dollar per bbl. net revenue take at \$131 per bbl.
20	Percentage of Net Revenue	27.01%	58.45%	14.54%	100.00%	Percentages of net revenue take at \$131 per bbl.

FY 2014 Amount and % of Marginal \$1.00 of Net Revenue at \$131 per barrel (from Fall 2012 ADOR Revenue Sources Book)

	<u>Industry</u>	<u>State</u>	<u>Federal</u>	<u>Total Net</u>	
21	Totals	\$0.11	\$0.97	\$0.06	\$1.13
22	Percentage of Net Revenue	9.55%	85.30%	5.14%	100.00%

= (Line 19 at \$131 per bbl.) - (Line 19 at \$130 per bbl.)

FY 2014 % of Net Revenue at 130 per barrel (escalating costs)

(Data from Fall 2012 ADOR Revenue Sources Book)

(a)	(b)	(c)	(d)	(e)	(f)	
	/----- Revenue -----/					
	<u>Industry</u>	<u>State</u>	<u>Federal</u>	<u>Total Net</u>	<u>How Calculated</u>	
1	ANS WC Price	\$130.00			[Input]	
2	Transportation	(\$8.81)			Fall 2012 Revenue Sources Book, pp. 99, 100, 108	
3	Wellhead	\$121.19			= b1 + b2	
4	Royalty	(\$16.19)	\$16.19		= b3 * .1336 (calculated from Fall 2012 RSB, p. 108)	
5	Field Costs	(\$58.39)			(Fall 2012 Revenue Sources Book vfield costs [p. 108]) * 1.625	
6	PTV	\$62.80			= b1 + b2 + b5	
7	Surcharge	\$32.80			= b6 - \$30.00	
8	Surcharge Rate	13.12%			= b7 * .004	
9	Production Tax Rate	38.12%			= b8 + 25%	
10	Production Tax (before credits)	(\$23.94)			= b6 * b9	
11	Estimated Credits	\$3.61			(calculated from Fall 2012 RSB, p. 108)	
12	Production Tax (ACES)	(\$20.33)	\$20.33		= b11 + b12	
13	Estimated Property Tax	(\$2.22)	\$2.22		Est. from Fall 2012 RSB, p. 47	
14	State Income Tax	(\$3.44)	\$3.44		= (b6 + b12)*.094	
15						
16	Total (b4 Federal Income Tax)	\$36.81	\$42.18			
17	Federal Income Tax (estimated)	(\$12.88)		\$12.88	= b16 * 0.35	
18						
19	Totals	\$23.93	\$42.18	\$12.88	\$78.99	Dollar per bbl. net revenue take at \$130 per bbl.
20	Percentage of Net Revenue	30.29%	53.40%	16.31%	100.00%	Percentages of Net Revenue Take at \$130 per bbl.

FY 2014 % of Net Revenue at \$131 per barrel

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(a)	(b)	(c)	(d)	(e)	(f)	
	/----- Revenue -----/					
	<u>Industry</u>	<u>State</u>	<u>Federal</u>	<u>Total Net</u>	<u>How Calculated</u>	
1	ANS WC Price	\$131.00			[Input]	
2	Transportation	(\$8.81)			Fall 2012 Revenue Sources Book, pp. 99, 100, 108	
3	Wellhead	\$122.19			= b1 + b2	
4	Royalty	(\$16.32)	\$16.32		= b3 * .1336 (calculated from Fall 2012 RSB, p. 108)	
5	Field Costs	(\$58.39)			(Fall 2012 Revenue Sources Book field costs [p. 108]) * 1.625	
6	PTV	\$63.80			= b1 + b2 + b5	
7	Surcharge	\$33.80			= b6 - \$30.00	
8	Surcharge Rate	13.52%			= b7 * .004	
9	Production Tax Rate	38.52%			= b8 + 25%	
10	Production Tax (before credits)	(\$24.58)			= b6 * b9	
11	Estimated Credits	\$3.61			(calculated from Fall 2012 RSB, p. 108)	
12	Production Tax (ACES)	(\$20.97)	\$20.97		= b11 + b12	
13	Estimated Property Tax	(\$2.22)	\$2.22		Est. from Fall 2012 RSB, p. 47	
14	State Income Tax	(\$3.48)	\$3.48		= (b6 + b12)*.094	
15						
16	Total (b4 Federal Income Tax)	\$37.14	\$42.99			
17	Federal Income Tax (estimated)	(\$13.00)		\$13.00	= b16 * 0.35	
18						
19	Totals	\$24.14	\$42.99	\$13.00	\$80.13	Dollar per bbl. net revenue take at \$131 per bbl.
20	Percentage of Net Revenue	30.13%	53.65%	16.22%	100.00%	Percentages of net revenue take at \$131 per bbl.

FY 2014 Amount and % of Marginal \$1.00 of Net Revenue at \$131 per barrel (from Fall 2012 ADOR Revenue Sources Book)

	<u>Industry</u>	<u>State</u>	<u>Federal</u>	<u>Total Net</u>		
21	Totals	\$0.21	\$0.80	\$0.12	\$1.13	= (Line 19 at \$131 per bbl.) - (Line 19 at \$130 per bbl.)
22	Percentage of Net Revenue	18.89%	70.94%	10.17%	100.00%	

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