

# **North Slope Crude Oil & Natural Gas Liquids Production Forecast**

**Department of Revenue Fall 2007**

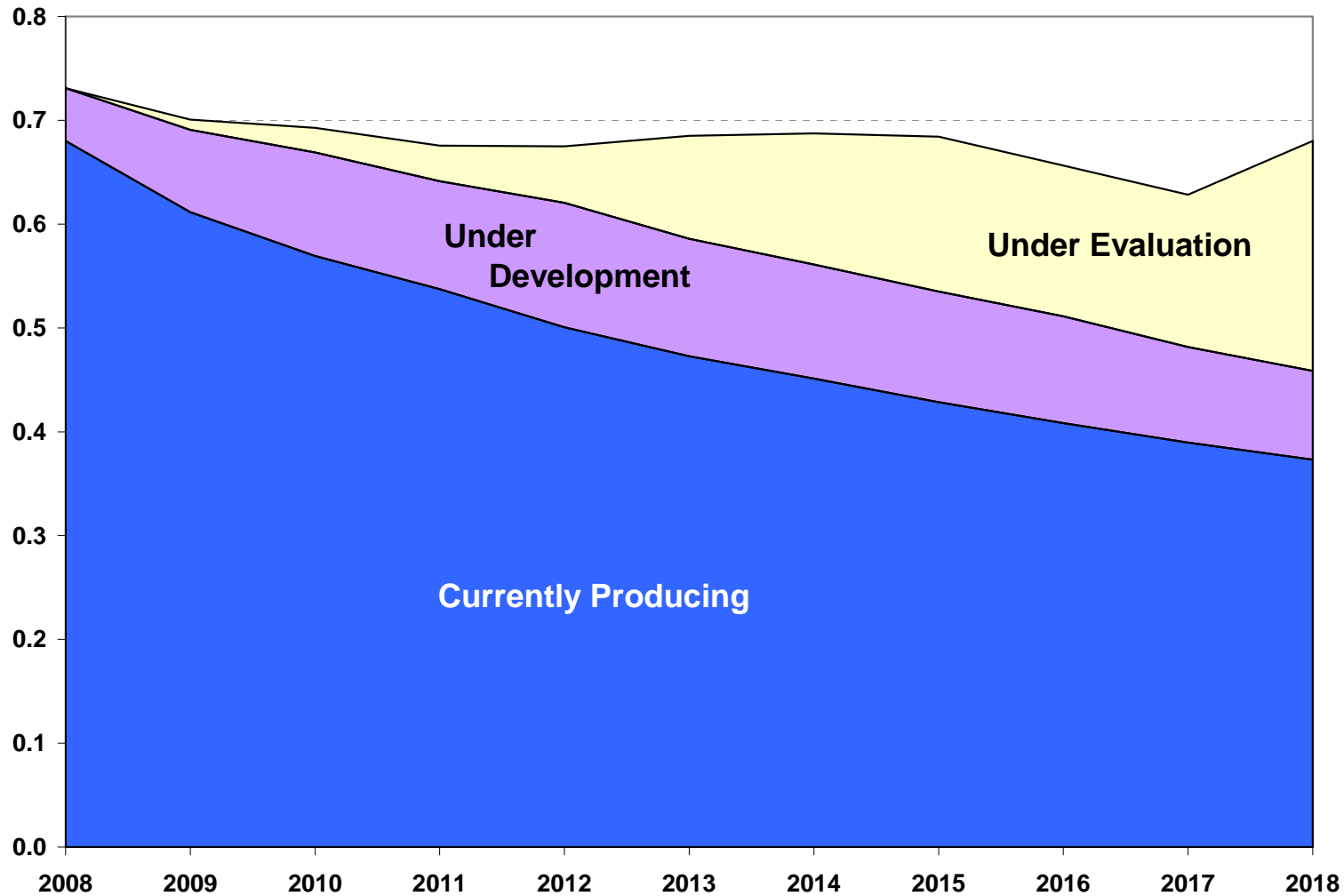
# Resources Not Included In Fall 2007 Forecast

- No undiscovered resources
- 100% Ugnu viscous oil
- 96% of West Sak viscous oil
- 88% of Schrader viscous oil
- Federal OCS (Sivilluq, Kuvlum, Sandpiper)
- NPR-A (except known pools near Alpine)
- Slope wide implementation of low salinity waterflood

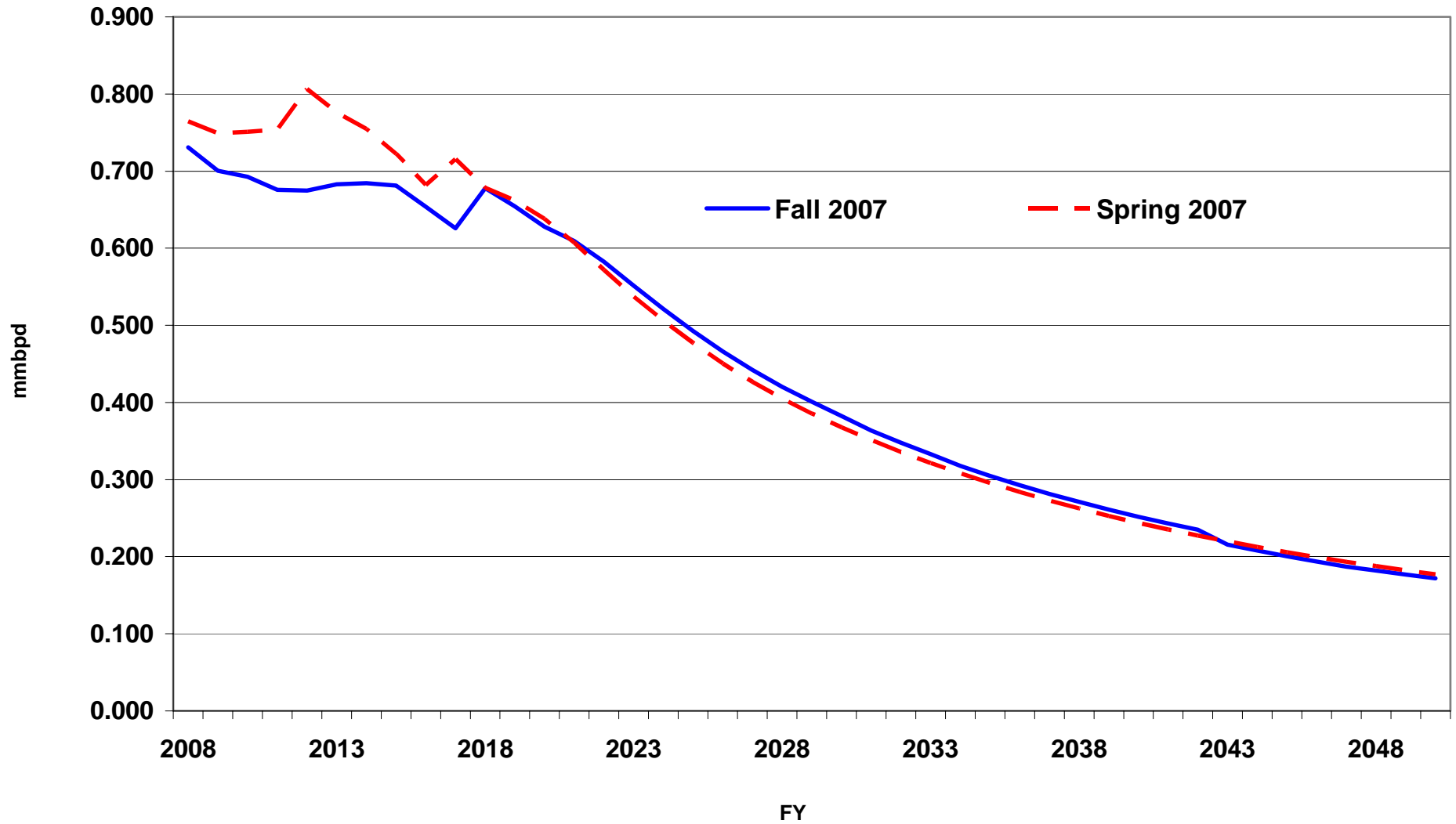
# Methodology

- Production forecast is a “bottoms up” approach
- Forecast 3 types of production
  - Currently producing
  - Under development
  - Under evaluation
- Combines the following:
  - Decline curve analysis
  - Engineering principles
  - Site inspections
  - Discussions with operators
  - Use of private & public information
- Operators are given an informal opportunity to review and comment on forecast assumptions
- Continually review forecast assumptions and update daily production volumes

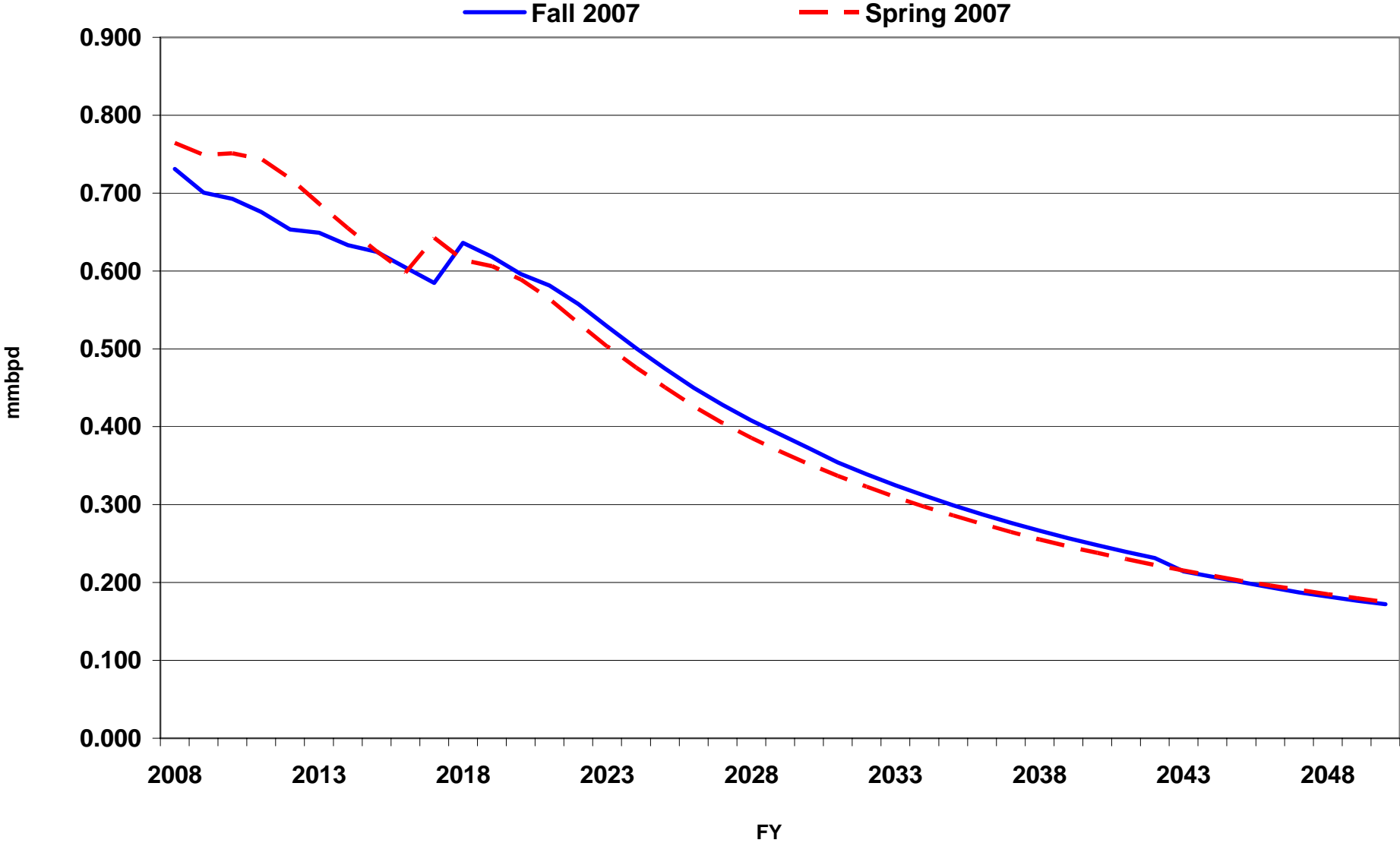
# North Slope Production by Category [million barrels per day]



# Alaska North Slope



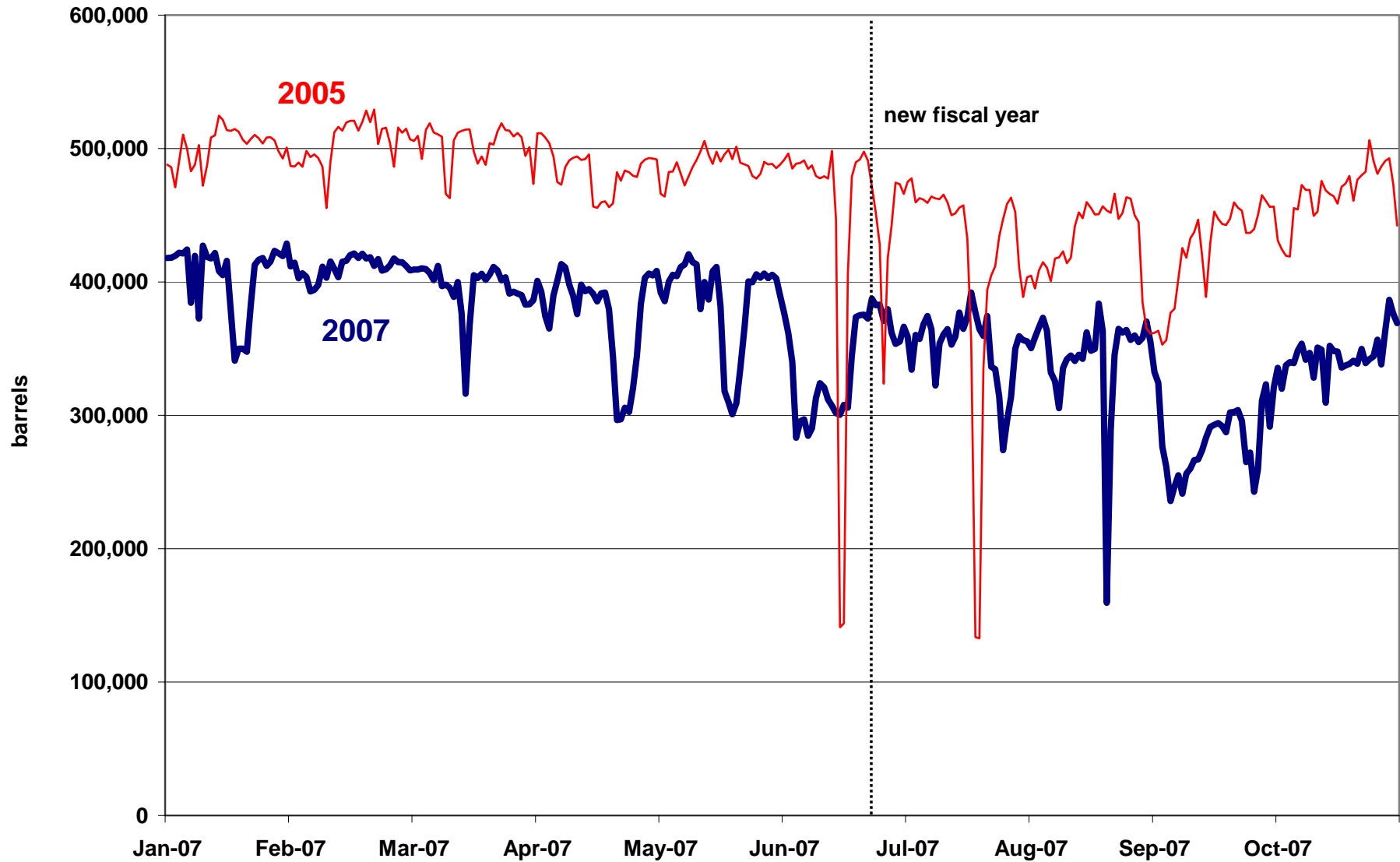
# ANS Less Federal Oil [Liberty & NPRA]



# **Production Volume Forecast Reduced for the Next 8 Years**

- **Additional volume Reductions from**
  - 1. Unplanned interruptions**
  - 2. Planned infrastructure renewal**
- **Slowed the pace of heavy oil development**
- **Delayed timing of new projects to reflect revised industry estimates**

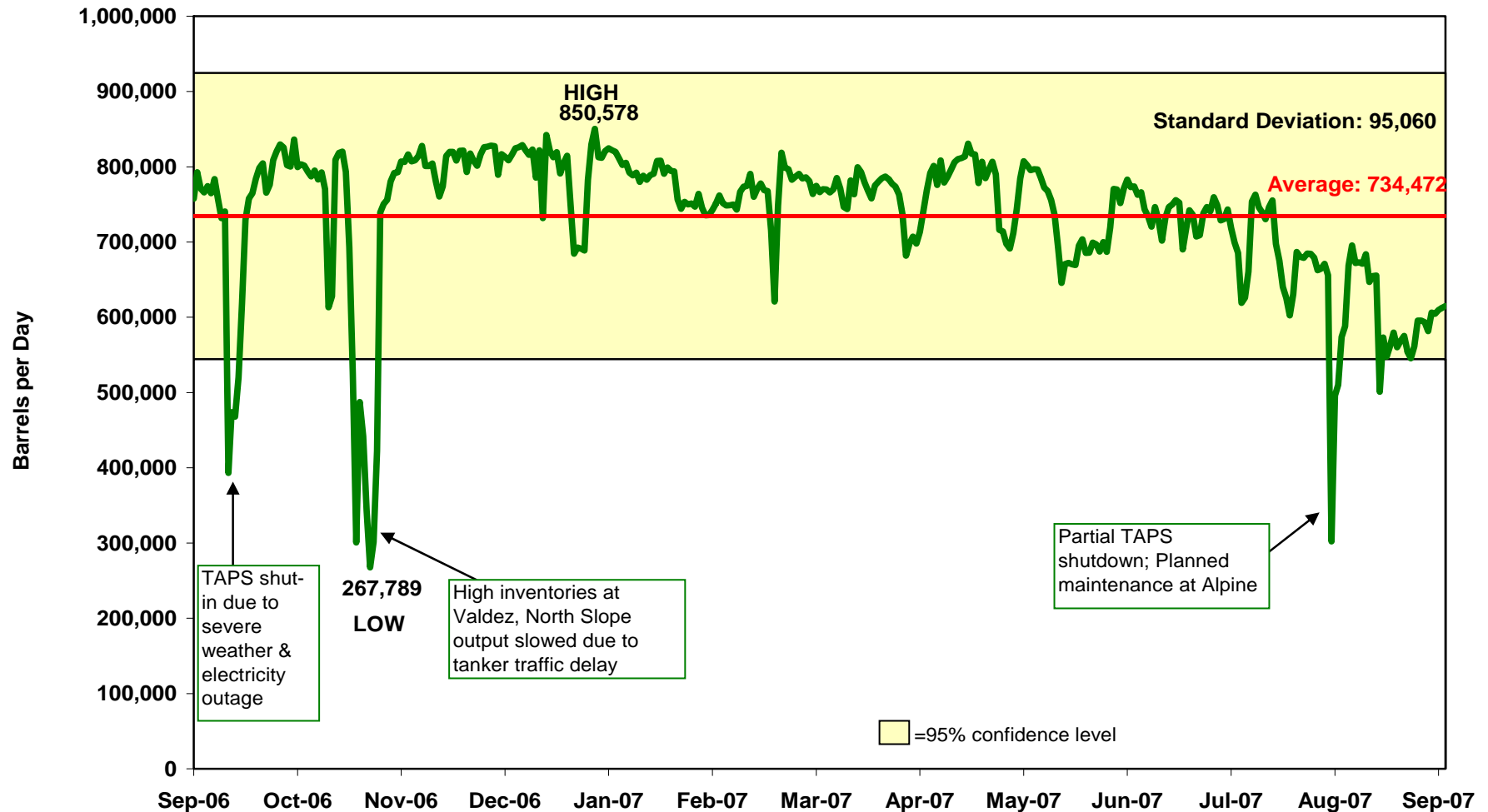
# Total Greater Prudhoe Bay Area Liquids January 1 - November 6





# Volume Volatility

Daily ANS Production  
October 1, 2006 - September 30, 2007



# Changes from Spring 2007

in barrels per day

	<u>State + Federal Lands</u>	<u>State Only</u>
• FY 2008:	-38,000	-38,000
• FY 2009:	-50,000	-50,000
• FY 2010:	-60,000	-55,000
• FY 2011:	-70,000	-50,000
• FY 2012:	-130,000	-30,000
• FY 2013:	-90,000	-15,000
• FY 2014:	-70,000	+5,000
• FY 2015:	-30,000	+10,000