

Alternative Tax Credits for Oil and Gas Exploration ACES Amendments to AS 43.55.025

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Resources**



- Before PPT, DOR offered credits for exploration wells and seismic surveys
- ACES broadens this program to grant 20% credits for more exploration wells by defining “distinctly separate” targets and extending the time allowed to drill wells from 50 days to 540 days. [AS 43.55.025(k)]
- ACES maintains 40% credits for wells
 - North Slope: drilled more than 25 miles from an existing unit
 - Cook Inlet: drilled more than 10 miles from an existing unit



- ACES maintains 40% credits for seismic surveys conducted outside of existing units
- ACES creates new 5% credits for old seismic surveys if the DNR commissioner determines that the acquisition is in the best interest of the state [AS 43.55.025(l)]
- ACES requires pre-approval of exploration well or seismic survey plans and subsequent confirmation that the well or seismic data collected are within the intent of the plans [AS 43.55.025(c)]



- **Information Requirements**

- ACES requires more information (i.e., core, test fluids, seismic data) from the activities that generate credits to be provided to the state [AS 43.55.025(f)]



- **Timing Requirements**

- Limits credits to completed or abandoned wells
 - Extends confidentiality not available for these wells
- Confidentiality for new seismic surveys receiving credits limited to 10 years
- ACES extends time to submit requested data [AS 43.55.025(f)]
- Credits are to be remitted only after the state has received the data [AS 43.55.025(f)]



- **Wrap-up**
 - North Slope Activity Update
 - Observations