Right Incentives Increase Production: Cook Inlet Case Study

Annual Gross Production – Cook Inlet & Non-North Slope*

<table>
<thead>
<tr>
<th>Year</th>
<th>Oil Production</th>
<th>Gas Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>10.7</td>
<td>181.1</td>
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<tr>
<td>2001</td>
<td>11.5</td>
<td>193.9</td>
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<tr>
<td>2002</td>
<td>11.3</td>
<td>192.8</td>
</tr>
<tr>
<td>2003</td>
<td>10.1</td>
<td>195.6</td>
</tr>
<tr>
<td>2004</td>
<td>8.2</td>
<td>202.1</td>
</tr>
<tr>
<td>2005</td>
<td>7.1</td>
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<td>2006</td>
<td>6.2</td>
<td>191.2</td>
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<tr>
<td>2007</td>
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<td>2008</td>
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<td>2010</td>
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</tr>
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<td>2013</td>
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<td>75.2</td>
</tr>
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</table>
Projects announced since tax reform

“BP plans to invest additional $1 billion in Alaska”
*Anchorage Daily News, June 2, 2013*

“Repsol plans three more wells, three more rigs”
*Alaska Journal of Commerce, October 17, 2013*

“ConocoPhillips is planning a new drill site at Kuparuk River”
*Alaska Public Radio Network, November 1, 2013*
SUCCESSFUL DRILLING = MORE PRODUCTION = MORE JOBS

- DRILLING
- JOBS
- PRODUCTION

- FLUID HAULING
  - Drivers
  - Mechanics
  - Procurement Support Services*

- RIG STAFF/SUPPORT
  - Crew
  - Catering Support Services*

- DRILLING FLUID
  - Mud Engineers
  - Catering Procurement Support Services*

- LONG HAUL TRANSPORT
  - Drivers
  - Mechanics
  - Catering Support Services*

- FUEL
  - Drivers
  - Mechanics
  - Catering Support Services*

- TUBULARS
  - Casing/Tubing Crew
  - Catering Support Services*

- LOGGING
  - Logging Engineers
  - Drivers
  - Catering Support Services*

- CEMENTING
  - Pumping Specialists
  - Drivers
  - Mechanics
  - Catering Support Services*

- SUPPORT SERVICES*
  - Health, Safety & Environmental
  - Administration
  - Finance & Accounting
  - Human Resources
  - Transportation & Logistics

CH2M HILL
As long as SB21 stays in tact, we’re going to see increased work up here.

Since SB21, it’s been easy to keep our main guys busy and also employ a few new ones.