

ALASKA STUDENT LOAN APPLICANTS

Applications for the 1978-79 school year are now available from the Alaska Commission on Postsecondary Education, Division of Student Financial Aids, Pouch F, Juneau, Alaska 99811.

Deadlines for priority consideration are as follows:

April 17	Renewals (received a loan during the 1977-78 school year).
May 1	Students other than entering freshman or first year graduates who did not receive a loan during the 1977-78 school year.
May 15	Entering freshman (first year at a postsecondary institution).
June 5	First year graduates who did not receive a loan during the 1977-78 school year.

Applicants who fail to meet the deadline of their category will not receive priority consideration.

Applications received after June 5, 1978, will be processed in order by date of receipt and only as time permits.

Applications are not considered received unless they are complete. The date the complete application is received is the date honored for priority purposes.



"Has a petroleum drilling venture ever fallen through because of the tax climate in Alaska?"

Some of our readers have raised that question. So we interviewed an independent oil company, Simasko Production Company (SIMPCO), that was formed here and has been operating in Alaska a long time — since November 1963. Don Simasko and Bill Stewart related the disappointing experiences the company has had in trying to get outside companies to form joint ventures for exploration in Alaska. They also spoke about the many companies that have reduced or pulled their exploration staffs out of Alaska.

Bill Stewart spoke of one particular project that fell through after more than two years of expense and effort: "The people had a serious interest in the project. They liked us; they liked the geology; they liked the concept; they thought it would work; they thought it would be competitive. But they were afraid to get into Alaska because of the horror stories they've been hearing..."

What kept these companies away from Alaska? Don Simasko provided some examples: "With only three exceptions, each of the Legislatures since statehood changed operating or tax rules applying to the oil industry. But the problem is not simply instability. Taxes here are really high—the highest in the nation."

What makes the tax laws so high? Stewart stated: "Well, the State government is actually basing its tax policy on the economics of the Prudhoe Bay discovery, as if it were an average Alaskan discovery.

Yet since the middle of 1968, when the Prudhoe Bay discovery was announced, only 118 exploratory wells have been drilled here (as opposed to the thousands drilled in the rest of the U.S.), and most of us realize that, in all likelihood, **there will not be another Prudhoe Bay.** But there should be more drilling to find the more moderate-sized fields that do exist in Alaska."

How many discoveries are needed to replace the State's income from Prudhoe Bay? Simasko's response: "If the oil industry is to replace the income the State of Alaska will enjoy from production from the Prudhoe Bay Oil Field prior to the time it runs out, it will have to discover 40 Swanson River sized oil fields in the next 20 years. (Swanson River contains 250 million barrels as compared with Prudhoe's 10 billion barrels.) That means three such discoveries each year."

How many exploratory wells should be drilled if we are to find that oil? Simasko: "The industry should be drilling hundreds of exploratory wells per year on State of Alaska lands in order to replace the production from Prudhoe Bay when it runs out. Yet in 1977, only 27 exploratory wells were drilled in Alaska, and production from the main Prudhoe pool will start to decline in seven years or so..."

Do you know of companies that have actually left Alaska? Stewart: "Yes, Although a lot of companies still have interest in the potential of Alaska, many have closed down their offices here

and reduced or eliminated their Alaska exploration staffs altogether."

What about the companies who stayed? Simasko: "Of those that have stayed, many have reduced their exploration staffs considerably..."

Is Don Simasko concerned? "You bet I'm concerned. The legacy which we leave our children and grandchildren will depend upon whether our State legislators and our State administrators act not only to protect the scenic wonders of Alaska but also to provide a viable economic base for those children."

Is Bill Stewart concerned? "Very... I live here."

Are you concerned? Write for our booklet, "What Alaskans Should Know About Jobs, Resources and Government."

Alaska's future is up to each of us. It's up to you.

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