

STARR

State of Texas Advanced Oil and Gas Resource Recovery

Funding from Texas Legislature, and logistical support from the General Land Office and the Railroad Commission

Mission: Increase income to the State through working with operators to...

- Define, characterize, assess, and expand new hydrocarbon plays
- Recommend drilling deeper untested reservoirs
- Recommend secondary or tertiary recovery programs
- Recommend recompletions
- Help locate new wells (infill, step-outs, wildcats)

STARR Financial Model

- STARR Oil and Gas Program must be revenue neutral to be re-funded by the Legislature each biennium
- Recently funded at \$1.5 million annually
- Funding increased to \$2.2 million annually
- STARR return on State's investment is >5.5: 1 for 2008-2010 biennium

STARR Revenue Credit

Severance Taxes from O & G Production

- Field Studies (Reservoir Characterization)
- Regional (New Venture) Studies
- Unconventional Resource Studies
- EOR Projects

