

# SB 59: OIL AND GAS EXPLORATION/DEVELOPMENT AREAS

## SECTIONAL ANALYSIS

FOR THE SENATE RESOURCES COMMITTEE • MARCH 5, 2013

**Section 1** of SB59 adds a new subsection (o) to AS 38.05.035 that allows the director to approve exploration or development for all or part of an area previously approved for oil and gas or gas only leasing under best interest findings as required under AS 38.05.035(e).

This section preserves the right for the public to comment by requiring the Department of Natural Resources to provide public notice.

If the approval is granted, exploration and development activities would be valid for a period of up to 10 years as specified by the director and the lessee can begin exploration or development only after it receives other authorizations as required by state or federal law. After exploration or development has begun on a lease, the approval for exploration or development under this subsection remains valid for the term of the lease.

This approval process would apply only to lands DNR previously described as areawide lease sales in its five-year program of proposed oil and gas or gas only lease sales.

**Section 2** of SB59 establishes an immediate effective date.