

North Slope Borough

OFFICE OF THE MAYOR

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Charlotte E. Brower, Mayor

March 15, 2013

The Honorable Sean Parnell
Governor of Alaska
State Capitol Building
Juneau, Alaska

Subject: Senate Bill 59, Approvals for Oil and Gas Exploration in a Geographic Area

Dear Governor Parnell:

On behalf of the North Slope Borough, thank you for this opportunity to offer some comments in regards to Senate Bill 59, an Act relating to approval for oil and gas or gas only exploration and development in a geographical area.

Since petroleum was first discovered on the North Slope and the formation of the North Slope Borough, there has been an ongoing effort to work with the State of Alaska towards responsible development. Both the State of Alaska and the North Slope Borough have benefited tremendously from this development. And we have both sought to varying degrees to protect the land and subsistence resources from any potential negative impacts resulting from this development.

Senate Bill 59 will consolidate the Department of Natural Resources' (DNR) exploration and development approvals. The right to explore and develop oil and gas is granted through a lease that has been through the public disposal process. An initial comprehensive review of a geographical area provides an opportunity for participation by the public, government agencies, and industry.

When DNR authorizes exploration or development phases of oil and gas projects in a geographic area without regard to individual lease boundaries, public notice and the opportunity to comment will be required under AS 38.05.945. There is a question whether DNR approvals for a plan of operations that provide comprehensive details on the entire project and its effects are subject to public notice and comment.

Currently SB59 is being considered in the Legislature, and it is our desire to work cooperatively with your administration toward your goal of creating economic opportunity through a permitting process that helps to continue responsible development. We would respectfully request consideration for moving this

legislation forward in order to achieve its goal, but to also insure that adequate opportunities are left in place for notice and opportunity to comment by communities located near projects that are developed.

Sincerely,



Charlotte Brower, Mayor
North Slope Borough