

STATE OF ALASKA THE LEGISLATURE

2005

Source
HCS SJR 5(O&G)

**Legislative
Resolve No.**
3



Urging the United States Congress to reauthorize the Methane Hydrate Research and Development Act.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS 59 billion cubic feet a day of natural gas are consumed in the United States; and

WHEREAS the Energy Information Administration estimates that domestic demand for natural gas will increase to 77 billion cubic feet a day by 2015 and to 84 billion cubic feet a day by 2025; and

WHEREAS Alaska has 35 trillion cubic feet of proven reserves of natural gas on the North Slope; and

WHEREAS the United States Geological Survey estimates Alaska's onshore natural gas hydrates in place at 590 trillion cubic feet, 40 to 100 trillion cubic feet of which are in place in the central portion of the North Slope in close proximity to or underlying existing producing fields, and an additional 32,375 trillion cubic feet of gas hydrates are in the Beaufort Sea and Chukchi Sea offshore; and

WHEREAS none of the completed gas hydrate energy assessments has predicted how

much gas could actually be produced from the known gas hydrate accumulations in northern Alaska; and

WHEREAS the Alaska North Slope is one of the most promising places in North America to determine the resource potential of gas hydrates because of existing infrastructure, which will prove vital in supporting the emerging technologies required to assess commercial viability of gas hydrates; and

WHEREAS the Methane Hydrate Research and Development Act of 2000, P.L. 106 - 193, was enacted to determine whether or not gas hydrates could become a significant source of natural gas in the future; the Act's research and development provisions cease to be effective in September 2005; and

WHEREAS production models of gas-hydrate-bearing reservoirs within prospects interpreted from seismic and well data in the Milne Point areas suggest that sustained production rates of several million cubic feet of gas a day can be achieved, although these models are unverified by field testing; and

WHEREAS the state is negotiating with project sponsors to construct a natural gas pipeline from the North Slope to markets in Canada and the lower 48 states; and

WHEREAS the large quantities of hydrates that underlie the existing Kuparuk River, Milne Point, and Prudhoe Bay fields could, in themselves, remove all potential reserve risk through the year 2035 and beyond for an Alaska natural gas pipeline project transporting 4.5 billion cubic feet a day; and

WHEREAS reducing reserve risk will have a positive effect on project financing and potentially result in a lower tariff, which in turn could lead to increased exploration and early expansion of the Alaska natural gas pipeline;

BE IT RESOLVED by the Alaska State Legislature that the Congress of the United States is urged to reauthorize the Methane Hydrate Research and Development Act of 2000 to fund research and field testing under that Act; and be it

FURTHER RESOLVED that the Act be reauthorized for a period of five years, with appropriations of not less than \$70,000,000 over five years.

COPIES of this resolution shall be sent to the Honorable George W. Bush, President of the United States; the Honorable Richard B. Cheney, Vice-President of the United States and President of the U.S. Senate; the Honorable Gale Norton, United States Secretary of the

Interior; the Honorable Samuel W. Bodman, United States Secretary of Energy; the Honorable J. Dennis Hastert, Speaker of the U.S. House of Representatives; the Honorable Bill Frist, Majority Leader of the U.S. Senate; the Honorable Joe Barton, Chair of the U.S. House Energy and Commerce Committee; the Honorable Pete Domenici, Chair of the U.S. Senate Committee on Energy and Natural Resources; the Honorable Ted Stevens and the Honorable Lisa Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress; and, by electronic transmission, to all other members of the U.S. Senate and the U.S. House of Representatives serving in the 109th United States Congress.