

ALASKA STATE LEGISLATURE

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SENATOR BILL WIELECHOWSKI

To: Senators Tom Wagoner and Joe Paskvan
Co-Chairs, Senate Resources Committee

From: Senator Bill Wielechowski

Date: March 6, 2011

Subject: Hearing request for SB 209

I am writing to request a hearing on SB 209, which would encourage greater and timelier development of the state's oil and gas resources, consistent with Alaska's constitutional mandate to develop the state's natural resources for the maximum benefits of its people.

This bill was developed in response to concerns that some oil companies are winning exclusive leases of state lands with high oil and gas potential, then delaying development of those leases, effectively warehousing Alaska's resources.

To address this concern, SB 209 requires:

- 1) companies interested in acquiring an exclusive lease of state petroleum lands to submit a plan of exploration or development for those lands;
- 2) the Department of Natural Resources (DNR) to review each plan and determine if it will develop the state's resources in the best interest of the state before "qualifying" the company to bid on a lease;
- 3) DNR to include work plans submitted by winning bidders within the terms of their leases; and
- 4) DNR to annually review leases to ensure that lease holders are developing state lands consistent with their plans of exploration or development.