

SB 59: OIL & GAS EXPLORATION AND DEVELOPMENT APPROVAL BY GEOGRAPHICAL AREA

Senate Resources

March 15, 2013

Department of Natural Resources

- Dan Sullivan, Commissioner
- William C. Barron, Director, DO&G
- Wendy Woolf, DO&G



Areawide Oil and Gas Lease Sales

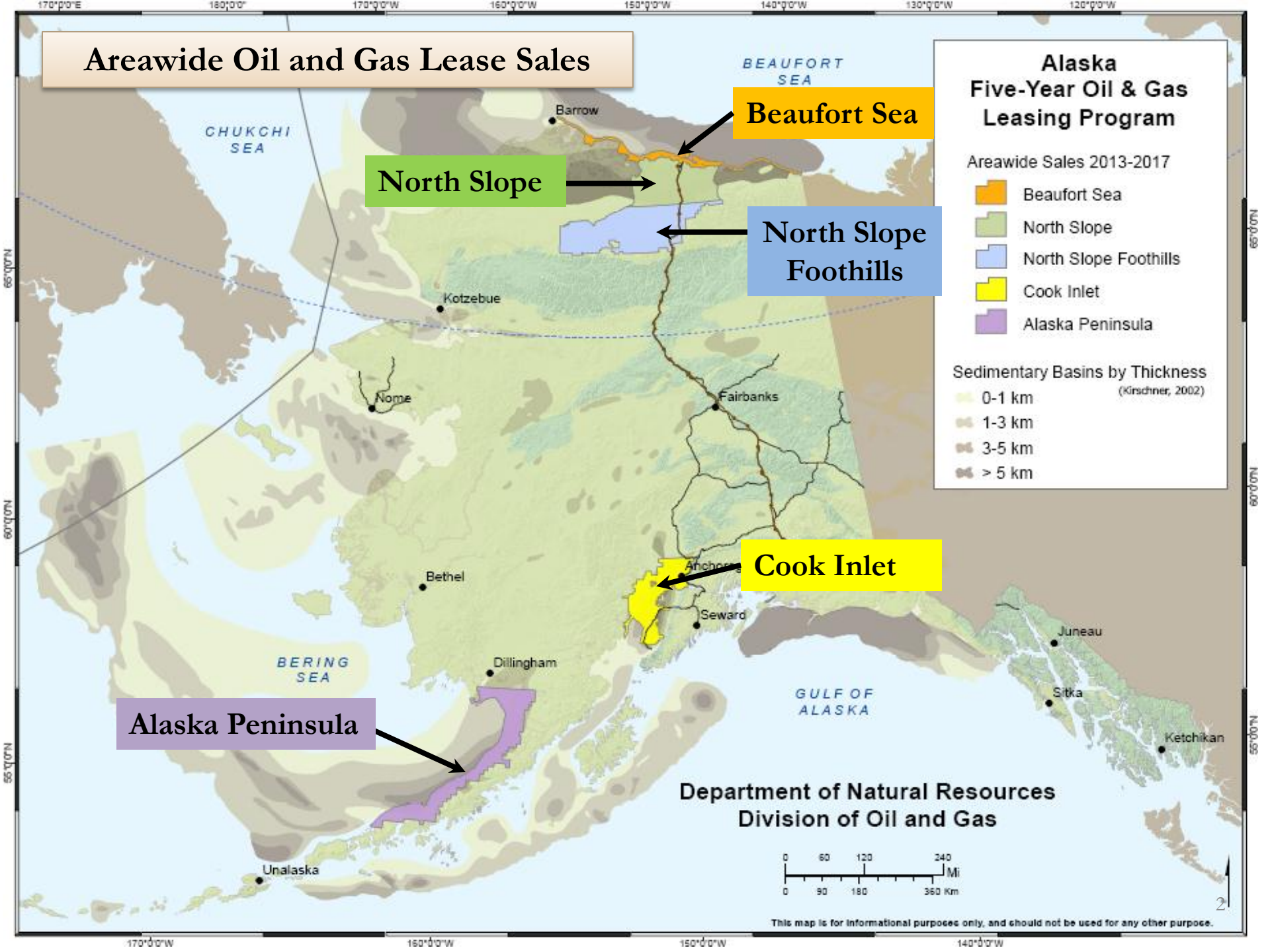
Alaska Five-Year Oil & Gas Leasing Program

Areawide Sales 2013-2017

- Beaufort Sea
- North Slope
- North Slope Foothills
- Cook Inlet
- Alaska Peninsula

Sedimentary Basins by Thickness
(Kirschner, 2002)

- 0-1 km
- 1-3 km
- 3-5 km
- > 5 km



Department of Natural Resources
Division of Oil and Gas

0 60 120 240 Mi
0 90 180 360 Km

This map is for informational purposes only, and should not be used for any other purpose.

SB 59 – “An Act relating to approval for oil and gas or gas only exploration and development in a geographical area; and providing for an effective date.”



What does SB 59 do?

- It clarifies the Department of Natural Resources can authorize oil and gas exploration and development activities within a geographical area.
- It preserves public notice and review at the beginning of an exploration or development phase.
- It ensures certainty when an approval has been granted for exploration or development activities.

How does this benefit the public?

- It allows the public to comprehensively evaluate oil and gas activities within a geographical area.
- It provides an opportunity for input at the beginning of an exploration or development phase.
- It safeguards environmental concerns through special stipulations and conditions.

How does this benefit industry?

- It allows a project to be planned within approved parameters and conditions.
- It provides certainty that plans of operations meeting those defined criteria can proceed.
- It ensures predictable project approvals for subsequent exploration or development activity.

Oil and Gas Lease Sale Process

- **Proposed Areawide Oil and Gas Lease Sale**
 - Public Notice and Opportunity to Comment
 - Evaluate Statutory Criteria
 - Develop Mitigation Measures
- **Final Finding of the Director to Lease Oil and Gas**
 - **Exploration Phase**
 - Public Notice and Opportunity to Comment
 - **Development Phase**
 - Public Notice and Opportunity to Comment
 - **Transportation (Pipelines)**
 - Public Notice and Opportunity to Comment

Life of an Oil and Gas Lease

Year 0

- Final Finding of the Director – Areawide Oil and Gas Lease Sale
- Lease Issued (10-Year Term)

Lessee develops exploration plans

Year 3

- Lease Plan of Operations – Seismic Program (multiple leases)
- Public Notice and Comment Period

Year 5

- Lease Plan of Operations – Exploration Well
- Public Notice and Comment Period

Year 6

- Lease Plan of Operations – Exploration Well
- Public Notice and Comment Period

Discovery – Lessee formulates development plan

Year 7

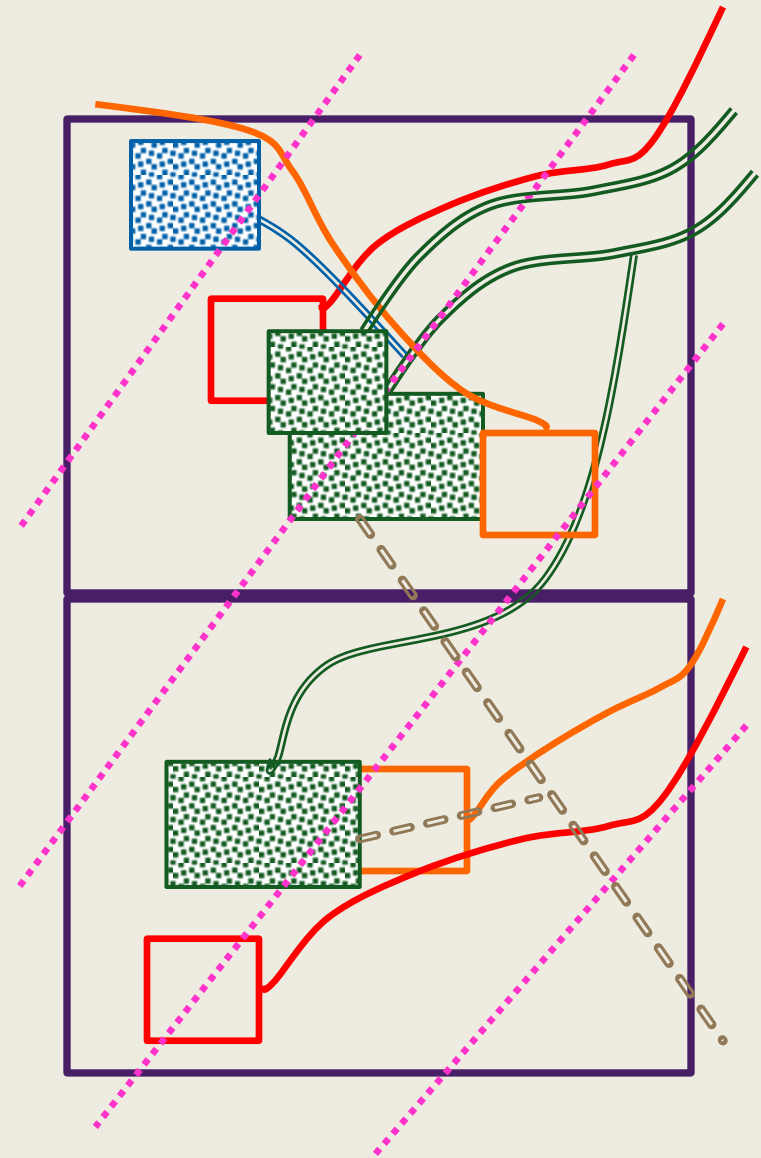
- Lease Plan of Development – Conceptual Development Plan

Year 8

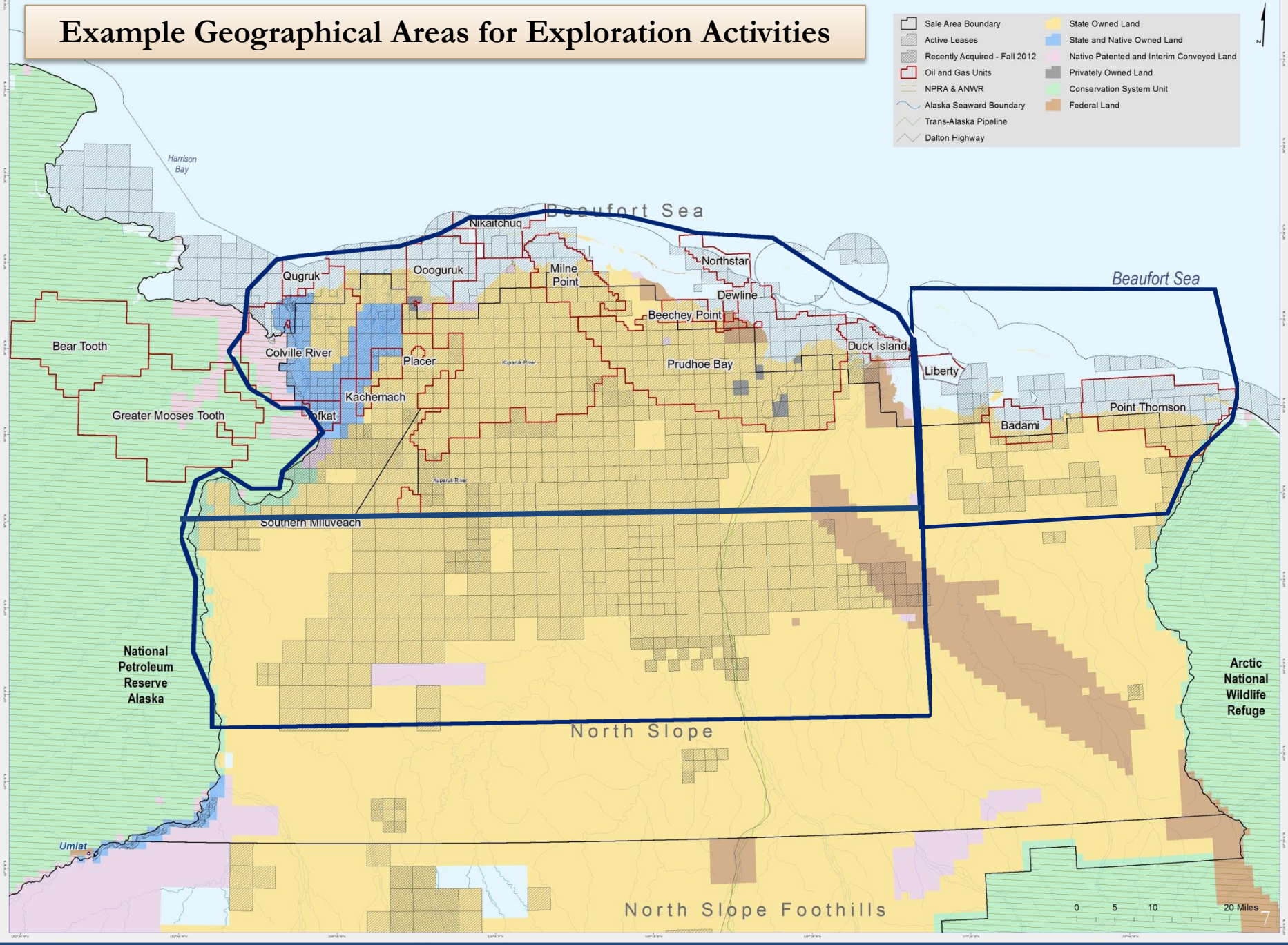
- Lease Plan of Operations – Initial Development Plans
- Public Notice and Comment Period
- Lease Plan of Operations – Modified Development Plans
- Public Notice and Comment Period
- Pipeline Application (AS 38.05.850 or AS 38.35)
- Public Notice and Comment Period

Year 10

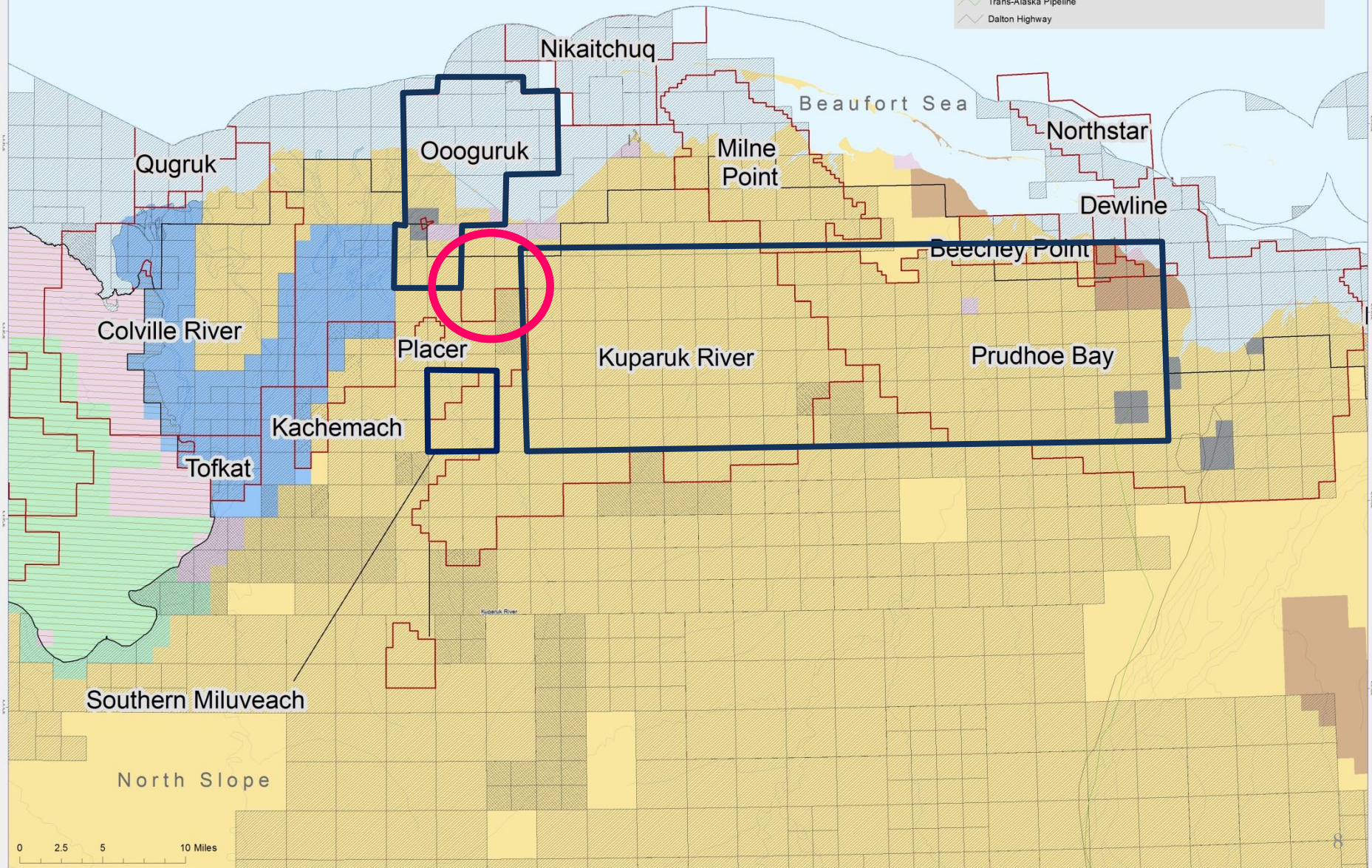
- Production
- Lease Plan of Operations – Additional Development Plans
- Public Notice and Comment Period



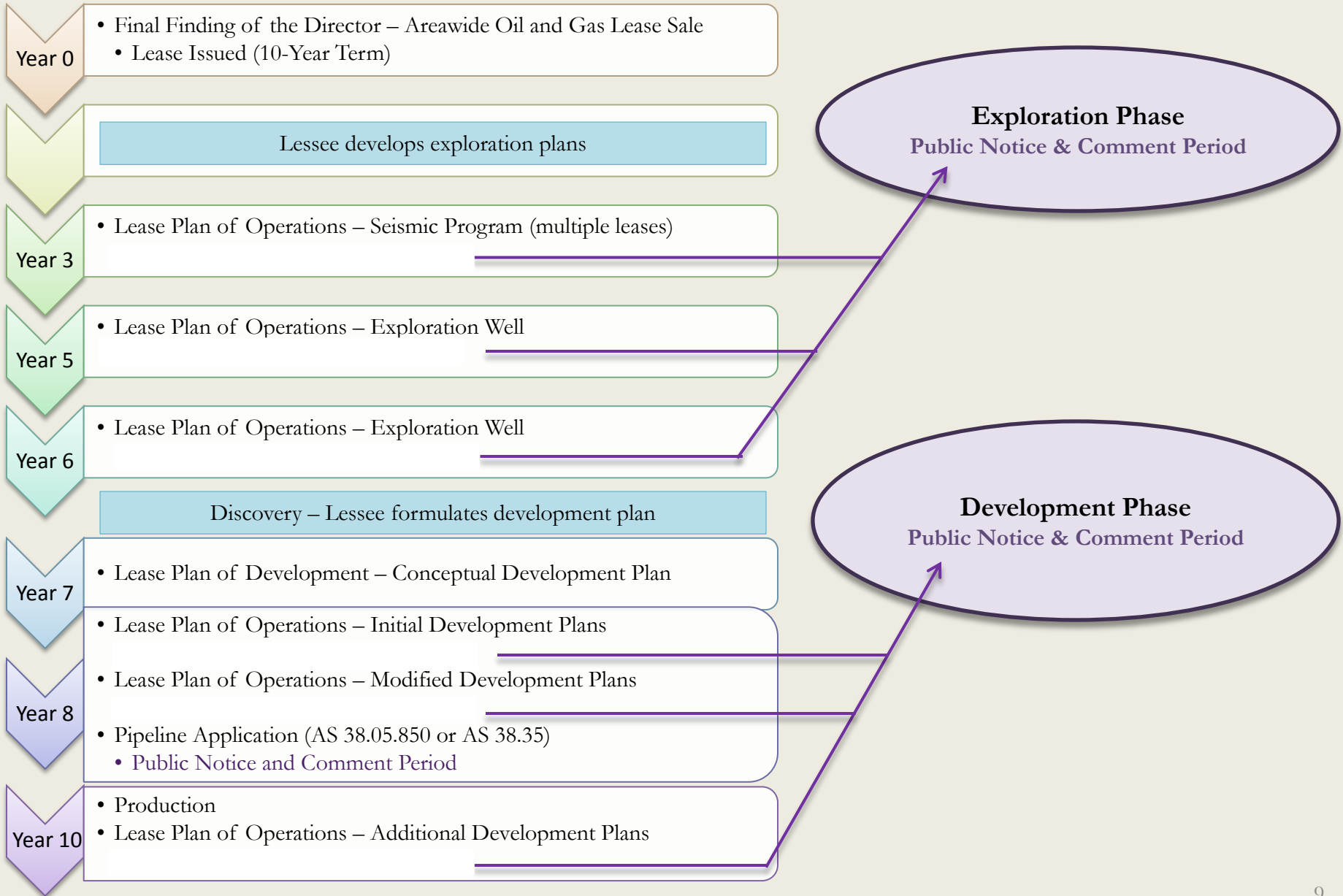
Example Geographical Areas for Exploration Activities



Example Geographical Areas for Development Activities

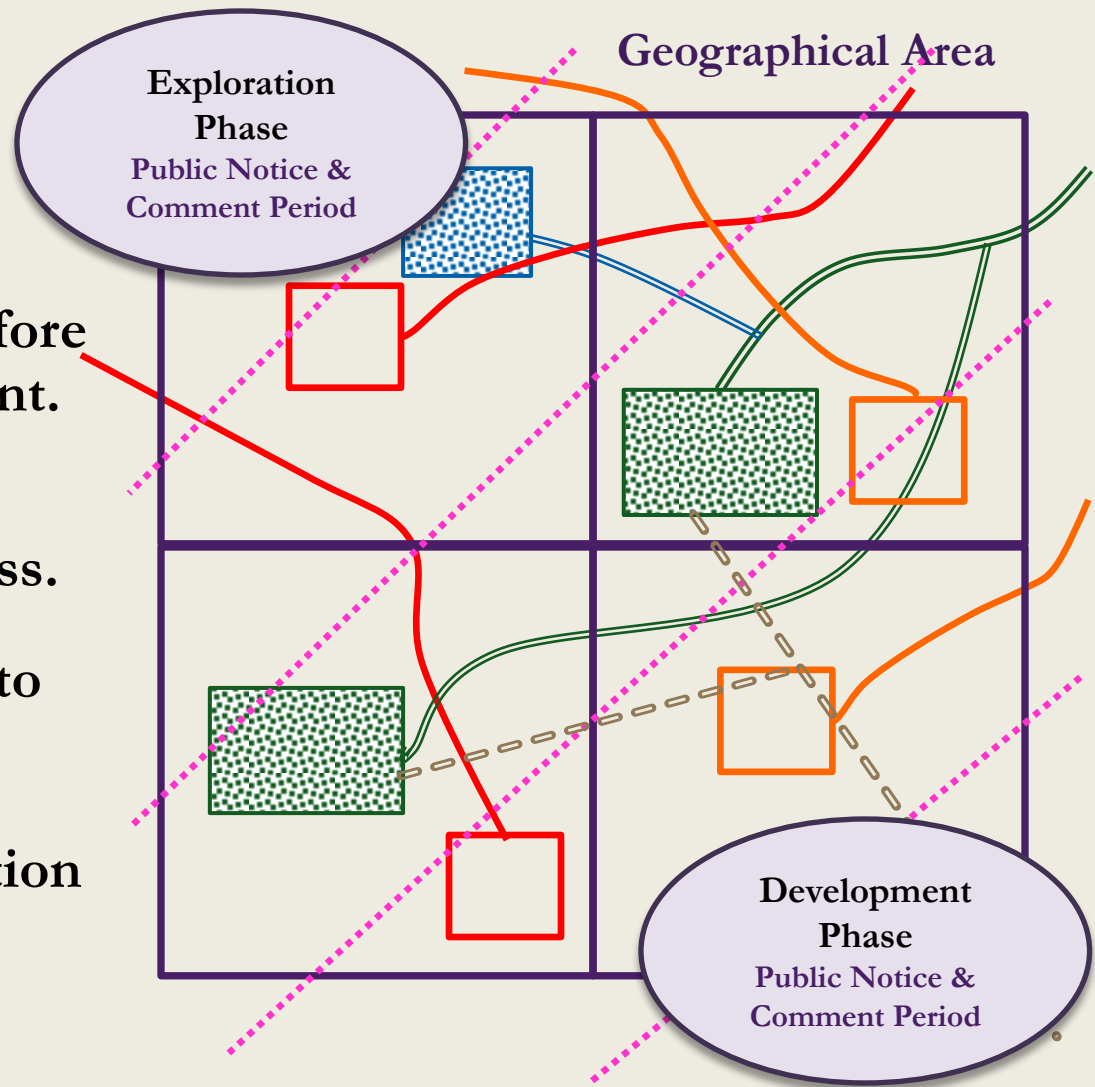


Life of an Oil and Gas Lease under SB 59



Results

- SB 59 provides for a comprehensive review before exploration or development.
- SB 59 preserves public participation in the process.
- SB 59 allows stipulations to be approved before a company develops site specific plans for exploration or development activities.





Questions?

