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SENATOR JOHN COGHILL

SPONSOR STATEMENT

Committee Substitute for Senate Joint Resolution 13(RES) ("CS for SJR 13(RES)") -
"Supporting oil and gas exploration and development on the outer continental shelf offshore of
the state; opposing attempts to prohibit future oil and gas development in the Beaufort and
Chukchi Seas, including the Hanna Shoal area; and requesting that the federal Administration
cease and desist from restrictions that adversely affect active or future leases in high petroleum
potential areas in the Beaufort and Chukchi Seas, including the Hanna Shoal area."

On January 27, 2015, the Obama Administration (through Secretary of the Interior Sally Jewell and Bureau of Ocean Energy Management ("BOEM") Director Abigail Ross Hopper) announced it was restricting certain "high petroleum potential" portions of the Chukchi and Beaufort Sea Planning Areas from the Outer Continental Shelf ("OCS") Oil and Gas Leasing Program for 2017-2022.

While some areas had previously been excluded from leasing, withdrawals from the Hanna Shoal area in the Chukchi Sea are new.

Why is this a concern?

New restrictions in the Hanna Shoal create an uncertain future for leases in and around the surrounding area. Uncertainty is a problem, because it can stop investment.

Additionally, because of alleged "environmentally sensitive locations" in Hanna Shoal, current and future activity may likely decrease.

Why?

When exploring environmentally sensitive locations, there are additional costs on operations and planning. Exploration may become too cost prohibitive to warrant further activity.

Please join Senator Coghill in supporting CS for SJR13(RES).