

STATE OF ALASKA

THE LEGISLATURE

1978

Source

Legislative
Resolve No.

CSHCR 113

38



Approving the sale of royalty oil to Tesoro-Alaskan Petroleum.

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

WHEREAS the State of Alaska has the right under AS 38.05.180 and its oil and gas leases to take its royalty of crude oil production removed or sold from said leases either in value (money) or in kind (oil); and

WHEREAS the legislature has by enactment of AS 38.06 and AS 38.05.182 established a policy favoring the taking of that royalty in kind (referred to as "royalty oil"); and

WHEREAS the State of Alaska entered into a certain agreement entitled "AGREEMENT FOR THE SALE AND PURCHASE OF STATE OF ALASKA ROYALTY OIL" ("Agreement") for the sale of royalty oil with Alaskan Oil and Refining Company on or about January 31, 1969; and

WHEREAS Tesoro-Alaskan Petroleum Company is the legal successor in due course to Alaskan Oil and Refining Company and the Alaskan Oil and Refining Company's rights, duties, and obligations under the Agreement; and

WHEREAS the State of Alaska entered into an agreement entitled "EXTENSION OF AGREEMENT FOR THE SALE AND PURCHASE OF STATE ROYALTY OIL" ("Extension") with Tesoro-Alaskan Petroleum Company on or about March 8, 1977; and

WHEREAS Article I of the Extension provides in pertinent part that the Agreement "shall extend to and include December 31, 1978"; and

WHEREAS, under his statutory authority as set out in AS 38.05 and 38.06, the commissioner of natural resources has

negotiated a second agreement entitled "EXTENSION OF AGREEMENT FOR THE SALE AND PURCHASE OF STATE ROYALTY OIL" ("Agreement II") for the sale and purchase of royalty oil with Tesoro-Alaskan Petroleum Company, extending the term of the Agreement, modifying various provisions of it, and adding various provisions to it; and

WHEREAS, under its duties and powers as set out in AS 38.06, the Alaska Royalty Oil and Gas Development Advisory Board has considered and, on February 22, 1978, approved Agreement II; and

WHEREAS the commissioner of natural resources has fulfilled the statutory prerequisites necessary to selling the royalty oil which is the subject of Agreement II and has obtained approvals from the Alaska Royalty Oil and Gas Development Advisory Board, to the extent required under AS 38.05 and 38.06; and

WHEREAS Agreement II contains a provision stating that if the Tenth Alaska State Legislature does not approve Agreement II by a concurrent resolution concurred in by a majority of the members of each house, then it shall be of no force or effect; and

WHEREAS, under AS 38.06.055(a), no sale of royalty oil may be made by the commissioner of natural resources without the prior approval of the legislature by a concurrent resolution concurred in by a majority of the members of each house; and

WHEREAS the commissioner of natural resources submitted Agreement II to the legislature for consideration and approval; and

WHEREAS the legislature has reviewed and evaluated Agreement II, and has conducted public hearings or otherwise received background information, expert advice, and expressions of public opinion sufficient to make a reasoned determination with respect to Agreement II; and

WHEREAS the legislature finds that under current federal regulatory procedures Agreement II is in the best interests of the State of Alaska and its citizens, and further finds that Agreement II is in compliance with all applicable constitutional directives and requirements of law;

BE IT RESOLVED by the Alaska State Legislature that the agreement entitled "EXTENSION OF AGREEMENT FOR THE SALE AND PURCHASE OF STATE ROYALTY OIL," between the State of Alaska, acting through its commissioner of natural resources, and Tesoro-Alaskan Petroleum Company, is hereby approved.