

HOUSE JOINT RESOLUTION NO. 12 am

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES GREEN, Hodgins, Ryan, Bunde, Ogan, Kott, Rokeberg, James

Amended: 2/7/97

Introduced: 1/15/97

A RESOLUTION

1 **Urging the Secretary of the Interior to conduct competitive oil and gas lease sales**
2 **within the National Petroleum Reserve in Alaska.**

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

4 **WHEREAS**, in 1923, President Warren G. Harding issued an Executive Order
5 establishing Naval Petroleum Reserve No. 4 on the North Slope of Alaska to provide a
6 potential supply of oil for the United States Navy; and

7 **WHEREAS** the Reserve encompasses 23,500,000 acres, with boundaries extending due
8 south from Icy Cape to the drainage divide of the Brooks Range, then following the divide
9 eastward to 156 degrees west longitude, then north to the Colville River, and following the
10 Colville River downstream to its mouth; and

11 **WHEREAS**, between 1944 and 1976, the United States Navy drilled 45 shallow core-
12 test holes and 43 test wells and acquired nearly 11,100 line miles of seismic reflection data,
13 nearly 400 seismic reaction profiles, gravity data from more than 36,000 stations, and 12,000
14 flight line miles of seromagnetic data; and

15 **WHEREAS** the Naval Petroleum Reserves Production Act of 1976, P.L. 94-258, 90
16 Stat. 303, 42 U.S.C. 6501 et seq., redesignated Naval Petroleum Reserve No. 4 as the National

1 Petroleum Reserve in Alaska and transferred responsibility for its administration to the
2 Secretary of the Interior; and

3 **WHEREAS**, between 1975 and 1982, the United States Geological Survey drilled 28
4 wells and acquired some 5,700 line miles of seismic survey and gravity data from more than
5 27,000 stations, which established several areas of oil and gas potential; and

6 **WHEREAS** discovery well Walakpa 1 showed a potentially economic gas reservoir,
7 which was confirmed by Walakpa 2; and

8 **WHEREAS** an amendment to the Naval Petroleum Reserves Production Act made by
9 the FY 1981 Department of the Interior Appropriations Act, P.L. 96-514, Title I, 94 Stat.
10 2964, directed the Secretary of the Interior to develop a fast-track oil and gas development
11 initiative intended to lease up to 2,000,000 acres of the Reserve for oil and gas exploration;
12 and

13 **WHEREAS**, under the 1981 authorization, between 1982 and 1984, the Department
14 of the Interior conducted four competitive lease sales, receiving \$119,000,000 in bonus bids;
15 and

16 **WHEREAS** the recently announced development of the Alpine oil and gas field in the
17 Colville River Delta and potentially extending under the eastern extremities of the National
18 Petroleum Reserve in Alaska has generated renewed interest in competitive oil and gas leasing
19 in the Reserve; and

20 **WHEREAS**, since the last lease sale in the Reserve, significant progress has been
21 made in the areas of seismic sequence analysis, amplitude analysis, geological modeling, and
22 directional and long-reach drilling, and information has become available to potential bidders
23 that supports the belief that the Reserve could contain economic quantities of oil and gas; and

24 **WHEREAS** bonus bids received from competitive oil and gas lease sales in the
25 National Petroleum Reserve in Alaska and royalties generated from oil and gas production in
26 it would be shared equally by the United States and the State of Alaska through prior
27 agreement; and

28 **WHEREAS**, during the last two decades of oil production on the North Slope of
29 Alaska, the industry has developed state-of-the-art technology that has demonstrated
30 environmentally safe production with a minimum of adverse impact; and

31 **WHEREAS**, the application of this advanced technology in the Reserve affords the

1 opportunity to further demonstrate that oil exploration and production are being done in an
2 environmentally sensitive manner; and

3 **WHEREAS** oil production from Alaska’s North Slope is declining; and

4 **WHEREAS** more than half of the oil consumed each day in the United States is
5 imported from foreign countries; and

6 **WHEREAS** the discovery and development of commercial quantities of oil in the
7 National Petroleum Reserve in Alaska would enhance domestic energy security and reduce
8 dependence on foreign oil;

9 **BE IT RESOLVED** by the Alaska State Legislature that the Secretary of the Interior
10 is urged to take immediate action to conduct competitive oil and gas lease sales within the
11 National Petroleum Reserve in Alaska to allow for exploration and development of oil and gas
12 resources; and be it

13 **FURTHER RESOLVED** that this statement of support for reestablishing competitive
14 oil and gas leasing in the National Petroleum Reserve in Alaska does not in any way diminish
15 the legislature’s continued strong support for opening the coastal plain of the Arctic National
16 Wildlife Refuge, Alaska, including the special study area identified in sec. 1002 of the Alaska
17 National Interest Lands Conservation Act, P.L. 96-487, 94 Stat. 2371, to oil and gas
18 exploration, development, and production.

19 **COPIES** of this resolution shall be sent to the Honorable Bruce Babbitt, Secretary of
20 the Interior; to Deborah Williams, Special Assistant to the Secretary of the Interior for Alaska;
21 to Cynthia Quarterman, Director of the Minerals Management Service; to Rance Wall, acting
22 Alaska Regional Director of the Minerals Management Service; to Brooks Yeager, Deputy
23 Assistant Secretary for Policy, Department of the Interior; to Tom Allen, Alaska State
24 Director, Bureau of Land Management; and to the Honorable Ted Stevens and the Honorable
25 Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative,
26 members of the Alaska delegation in Congress.