

CS FOR SENATE CONCURRENT RESOLUTION NO. 3(RES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY THE SENATE RESOURCES COMMITTEE

Offered: 3/6/97

Referred: Rules

Sponsor(s): SENATOR DONLEY

REPRESENTATIVE Ryan

A RESOLUTION

1 **Urging the Attorney General of the State of Alaska to use every appropriate**
2 **resource and due diligence to defend the state's interests in the civil action filed**
3 **against the state challenging the 1996 revisions of the Northstar unit leases, and**
4 **respectfully requesting the Superior Court of the State of Alaska to give**
5 **expeditious consideration to the matter.**

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

7 **WHEREAS** a majority of Alaskans support safe and responsible oil development in
8 the state and the jobs it creates for Alaskans; and

9 **WHEREAS** development of other oil fields in Alaska has resulted in thousands of jobs
10 throughout this state and the United States; and

11 **WHEREAS** Prudhoe Bay production is declining by approximately 10 percent a year;
12 and

13 **WHEREAS** Alaskans recognize that oil production from the North Slope is declining
14 and new development is needed to create new jobs in the state and to bring additional revenue
15 to the state; and

1 **WHEREAS**, the commissioner of natural resources negotiated revisions to existing
2 Northstar unit leases between the state and BP Exploration (Alaska), Inc.; the lease revisions
3 have the effect of expediting the development of the Northstar field and ensure oil production
4 under a new payment system; and

5 **WHEREAS**, last year, the legislature overwhelmingly approved legislation, ch. 139,
6 SLA 1996, authorizing the commissioner of natural resources to revise the Northstar unit oil
7 and gas leases; and

8 **WHEREAS** the legislature and British Petroleum, the lessee's parent company, have
9 acknowledged the importance of a strong commitment to Alaska-hire, Alaska-build, and
10 Alaska-buy in the development of the Northstar field; and

11 **WHEREAS** British Petroleum, honoring its voluntary commitments, has already hired
12 many residents and companies holding state business licenses; and

13 **WHEREAS** a civil action was recently filed in the superior court challenging the 1996
14 revisions of the Northstar unit leases; and

15 **WHEREAS**, in response to dislocations arising from the filing of the court challenge,
16 the Attorney General has publicly commented that the state has asked the court to expedite
17 consideration and resolution of the litigation; and

18 **WHEREAS** the legislature recognizes the grave effects this challenge to the revisions
19 of the Northstar leases are having on the development of the Northstar field;

20 **BE IT RESOLVED** that the Alaska State Legislature urges the Attorney General of
21 the State of Alaska to use every appropriate resource and due diligence to defend the state's
22 interests in this civil action challenging the 1996 amendment of the Northstar unit leases; and
23 be it

24 **FURTHER RESOLVED** that the legislature respectfully requests the Superior Court
25 in which this litigation is filed and scheduled for hearing to expedite consideration of the
26 pending litigation.