

HOUSE CONCURRENT RESOLUTION NO. 7

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES OLSON, Chenault

Introduced: 4/7/05

Referred: Resources

A RESOLUTION

1 **Urging the governor to direct the division of oil and gas, Department of Natural**
2 **Resources, to undertake a comprehensive review of the subject of Cook Inlet oil and gas**
3 **platform abandonment for the purpose of developing new oil and gas platform**
4 **abandonment regulations and their adoption and implementation.**

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

6 **WHEREAS** recent testimony to legislative committees noted that four of the 16
7 offshore oil platforms in Cook Inlet are now "lighthoused," holding up warning lights and
8 nothing else; and

9 **WHEREAS** many of the Cook Inlet platforms in place date from the 1960s; and

10 **WHEREAS** past oil production in Cook Inlet peaked at 226,000 barrels a day in 1970
11 but last year was 24,000 barrels a day, while past gas production peaked at 312 billion cubic
12 feet a year in 1990 and is now about 200 billion cubic feet; and

13 **WHEREAS**, despite declining oil and gas production, there is some reason to believe
14 that these platforms could be used for redevelopment and exploration to help reverse the trend
15 in that production; and

1 **WHEREAS** state regulators have encouraged use of these platforms to drill for new
2 deeper wells; and

3 **WHEREAS** drilling into new geological zones 5,000 feet deeper than existing wells
4 might tap into larger fields of oil than have been hit so far; and

5 **WHEREAS**, by way of example, XTO Energy has redeveloped wells on two former
6 Shell platforms to tap into new oil, an illustration of the kind of work by smaller companies
7 that should be encouraged and extended in Cook Inlet; and

8 **WHEREAS** the Alaska Oil and Gas Conservation Commission recognized some time
9 ago the need for a cooperative and joint effort in updating and revising its existing regulations
10 to address the concerns of operating in this state's changing business and environmental
11 climate; among other topics deemed worthy of consideration was modification of the existing
12 Alaska Oil and Gas Conservation Commission regulations affecting platform abandonment;
13 and

14 **WHEREAS**, in 1996, the commission proposed implementation of revised platform
15 abandonment regulations using the public work product and sought comment from the
16 Department of Natural Resources; and

17 **WHEREAS**, following the commission's initiative, discussion ensued as to primacy
18 for regulation adoption, prompting a decision of the attorney general indicating that the
19 department, not the commission, had the obligation to take the lead in developing new oil and
20 gas platform abandonment regulations and their adoption and implementation;

21 **BE IT RESOLVED** that the Alaska State Legislature, consistent with the advice of
22 the attorney general, urges the governor to direct the division of oil and gas, Department of
23 Natural Resources, to undertake a comprehensive review of the subject of Cook Inlet oil and
24 gas platform abandonment using the 1996 proposals of the Alaska Oil and Gas Conservation
25 Commission as the starting point for its deliberations.