

HOUSE JOINT RESOLUTION NO. 22

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE HOUSE SPECIAL COMMITTEE ON OIL AND GAS

Introduced: 5/3/05

Referred: House Special Committee on Oil and Gas, Resources

A RESOLUTION

1 **Strongly encouraging the United States Secretary of the Interior to conduct additional**
2 **competitive oil and gas lease sales within the National Petroleum Reserve-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
8 due south from Icy Cape to the drainage divide of the Brooks Range, then following the
9 divide eastward to 156 degrees west longitude, then north to the Colville River, and following
10 the 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-Alaska and transferred responsibility for its administration to the United
2 States 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 United States
14 Department of the Interior conducted four competitive lease sales, receiving \$119,000,000 in
15 bonus bids; 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-Alaska has generated renewed interest in competitive oil and gas leasing
19 in the Reserve; and

20 **WHEREAS**, in May 1999, following the Alpine field activities, the first federal lease
21 sale in the Reserve since 1984 saw 3,900,000 acres offered for bid in the Northeast quarter of
22 the Reserve, bringing \$104,000,000 in bonus bids on tracts; and

23 **WHEREAS** a June 2002 reoffering of unsold tracts brought \$64,000,000 in bids for
24 60 tracts; and

25 **WHEREAS**, since the sales in the Reserve during the 1980s, significant progress has
26 been made in the areas of seismic sequence analysis, amplitude analysis, geological modeling,
27 and directional and long-reach drilling, and information has become available to potential
28 bidders that supports the belief that the Reserve could contain economic quantities of oil and
29 gas; and

30 **WHEREAS** bonus bids received from competitive oil and gas lease sales in the
31 National Petroleum Reserve-Alaska and royalties generated from oil and gas production in it

1 would be shared equally by the United States and the State of Alaska through prior
2 agreement; and

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

6 **WHEREAS** exploration and development will be conducted in a manner consistent
7 with the state's ongoing commitment to protecting the environment and utilizing its work
8 force to the maximum extent possible; and

9 **WHEREAS**, the application of this advanced technology in the Reserve affords the
10 opportunity to further demonstrate that oil exploration and production are being done in an
11 environmentally sensitive manner; and

12 **WHEREAS** oil production from Alaska's North Slope is declining; and

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

15 **WHEREAS** the discovery and development of commercial quantities of oil in the
16 National Petroleum Reserve-Alaska would enhance domestic energy security and reduce
17 dependence on foreign oil;

18 **BE IT RESOLVED** by the Alaska State Legislature that the United States Secretary
19 of the Interior is strongly encouraged to take immediate action to conduct additional
20 competitive oil and gas lease sales within the National Petroleum Reserve-Alaska to allow for
21 exploration and development of oil and gas resources; and be it

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

28 **COPIES** of this resolution shall be sent to the Honorable Gale Norton, United States
29 Secretary of the Interior; Drue Pearce, Senior Advisor to the Secretary for Alaska Affairs,
30 U.S. Department of the Interior; and the Honorable Ted Stevens and the Honorable Lisa
31 Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of

1 the Alaska delegation in Congress.