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HOUSE CS FOR SENATE JOINT RESOLUTION NO. 5(O&G)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE HOUSE SPECIAL COMMITTEE ON OIL AND GAS

Offered: 2/18/05

Referred: Resources

Sponsor(s): SENATORS THERRIAULT, Ellis

REPRESENTATIVES Gara, Crawford, Samuels

A RESOLUTION

1 **Urging the United States Congress to reauthorize the Methane Hydrate Research and**
2 **Development Act.**

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

4 **WHEREAS** 59 billion cubic feet a day of natural gas are consumed daily in the
5 United States; and

6 **WHEREAS** the Energy Information Administration estimates that domestic demand
7 for natural gas will increase to 77 billion cubic feet a day by 2015 and to 84 billion cubic feet
8 a day by 2025; and

9 **WHEREAS** Alaska has 35 trillion cubic feet of proven reserves of natural gas on the
10 North Slope; and

11 **WHEREAS** the United States Geological Survey estimates Alaska's onshore natural
12 gas hydrates in place at 590 trillion cubic feet, 40 to 100 trillion cubic feet of which are in
13 place in the central portion of the North Slope in close proximity to or underlying existing
14 producing fields, and an additional 32,375 trillion cubic feet of gas hydrates are in the
15 Beaufort Sea and Chukchi Sea offshore; and

16 **WHEREAS** none of the completed gas hydrate energy assessments has predicted how

1 much gas could actually be produced from the known gas hydrate accumulations in northern
2 Alaska; and

3 **WHEREAS** the Alaska North Slope is one of the most promising places in North
4 America to determine the resource potential of gas hydrates because of existing infrastructure,
5 which will prove vital in supporting the emerging technologies required to assess commercial
6 viability of gas hydrates; and

7 **WHEREAS** the Methane Hydrate Research and Development Act of 2000, P.L. 106 -
8 193, was enacted to determine whether or not gas hydrates could become a significant source
9 of natural gas in the future; the Act's research and development provisions cease to be
10 effective in September 2005; and

11 **WHEREAS** production models of gas-hydrate-bearing reservoirs within prospects
12 interpreted from seismic and well data in the Milne Point areas suggest that sustained
13 production rates of several million cubic feet of gas a day can be achieved, although these
14 models are unverified by field testing; and

15 **WHEREAS** the state is negotiating with project sponsors to construct a natural gas
16 pipeline from the North Slope to markets in Canada and the lower 48 states; and

17 **WHEREAS** the large quantities of hydrates that underlie the existing Kuparuk River,
18 Milne Point, and Prudhoe Bay fields could, in themselves, remove all potential reserve risk
19 through the year 2035 and beyond for an Alaska natural gas pipeline project transporting 4.5
20 billion cubic feet a day; and

21 **WHEREAS** reducing reserve risk will have a positive effect on project financing and
22 potentially result in a lower tariff, which in turn could lead to increased exploration and early
23 expansion of the Alaska natural gas pipeline;

24 **BE IT RESOLVED** by the Alaska State Legislature that the Congress of the United
25 States is urged to reauthorize the Methane Hydrate Research and Development Act of 2000 to
26 fund research and field testing under that Act; and be it

27 **FURTHER RESOLVED** that the Act be reauthorized for a period of five years, with
28 appropriations of not less than \$70,000,000 over five years.

29 **COPIES** of this resolution shall be sent to the Honorable George W. Bush, President
30 of the United States; the Honorable Richard B. Cheney, Vice-President of the United States
31 and President of the U.S. Senate; the Honorable Gale Norton, United States Secretary of the

1 Interior; the Honorable Samuel W. Bodman, United States Secretary of Energy; the
2 Honorable J. Dennis Hastert, Speaker of the U.S. House of Representatives; the Honorable
3 Bill Frist, Majority Leader of the U.S. Senate; the Honorable Joe Barton, Chair of the U.S.
4 House Energy and Commerce Committee; the Honorable Pete Domenici, Chair of the U.S.
5 Senate Committee on Energy and Natural Resources; the Honorable Ted Stevens and the
6 Honorable Lisa Murkowski, U.S. Senators, and the Honorable Don Young, U.S.
7 Representative, members of the Alaska delegation in Congress; and, by electronic
8 transmission, to all other members of the U.S. Senate and the U.S. House of Representatives
9 serving in the 109th United States Congress.