

SENATE RESOLUTION NO. 402

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FOURTH SPECIAL SESSION

BY THE SENATE JUDICIARY COMMITTEE

Introduced: 8/6/08

Referred: Resources, Judiciary

A RESOLUTION

1 **Relating to expressing support for the Administration's efforts to bring Point Thomson**
2 **unit into production.**

3 **BE IT RESOLVED BY THE SENATE:**

4 **WHEREAS**, starting in 1965, the State of Alaska leased land in the Point Thomson
5 area to oil companies in the expectation that this land would be explored and developed in a
6 timely manner; and

7 **WHEREAS** the Point Thomson Unit was formed in 1977, based on the promise that
8 the leaseholders would produce hydrocarbons from the unit within the next five years or
9 dissolve the unit; and

10 **WHEREAS**, by 1982, the working interest owners discovered large hydrocarbon
11 deposits within the unit area; and

12 **WHEREAS**, more than 30 years after the unit was formed, no production has ever
13 taken place on any of the leases in this unit; and

14 **WHEREAS**, in 2006, the Murkowski Administration terminated the Point Thomson
15 Unit to ensure that the valuable oil and gas resources in this area would be brought into
16 production; and

1 **WHEREAS** these efforts have been continued by the current Administration, and the
2 courts have supported the state's right to terminate the unit; and

3 **WHEREAS** the Department of Natural Resources rejected the Twenty-third Plan of
4 Development that the working interest owners submitted as a remedy for the failure to submit
5 an acceptable Twenty-second Plan of Development; and

6 **WHEREAS** the Twenty-third Plan of Development does not contain assurances that
7 production will occur or proposals to compensate Alaskans for lost revenue from delayed
8 production; and

9 **WHEREAS**, for more than 43 years, ExxonMobil Corporation has broken its
10 promises to develop Point Thomson; and

11 **WHEREAS** ExxonMobil Corporation's repeated efforts to delay production rather
12 than to bring Alaska's resources to market are unacceptable; and

13 **WHEREAS** it is time for Point Thomson to be brought into production;

14 **BE IT RESOLVED** that the Senate supports timely development of Alaska's oil and
15 gas resources and opposes any efforts to warehouse those resources; and be it

16 **FURTHER RESOLVED** that the Senate supports the Administration's efforts to
17 terminate the unit and revoke the underlying leases if necessary to ensure that Alaska's oil and
18 gas resources are finally brought to market for the benefit of all Alaskans.