

**ALASKA STATE LEGISLATURE
SENATE JUDICIARY STANDING COMMITTEE**

February 13, 2008

1:35 p.m.

MEMBERS PRESENT

Senator Hollis French, Chair
Senator Lesil McGuire
Senator Bill Wielechowski
Senator Gene Therriault

MEMBERS ABSENT

Senator Charlie Huggins, Vice Chair

COMMITTEE CALENDAR

Status of Point Thomson by the Department of Law
HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record.

WITNESS REGISTER

RICHARD TODD, Senior Assistant Attorney General
Civil Division
Division of Oil Gas & Mining
Department of Law
Anchorage, AK

POSITION STATEMENT: Discussed status of Point Thomson.

CRAIG TILLERY, Deputy Attorney General
Civil Division
Department of Law
Anchorage, AK

POSITION STATEMENT: Discussed status of Point Thomson.

ACTION NARRATIVE

CHAIR HOLLIS FRENCH called the Senate Judiciary Standing Committee meeting to order at [1:35:42 PM](#). Present at the call to order were Senators French, Wielechowski, McGuire and Therriault.

STATUS OF POINT THOMSON

1:36:05 PM

CHAIR FRENCH announced the committee will get a briefing from the Department of Law (DOL) on the ExxonMobil v. State of Alaska case, which is about the Department of Natural Resources (DNR) rejection of Exxon's 22nd Plan of Development (POD) filing and the termination of the Point Thomson unit. He asked DOL to give the committee the history of the case, what happened in court in December 2007, and what may happen in the future. Because this is ongoing litigation he's given the department carte blanche to turn aside any questions that may impinge on future planning and strategies. "Error on the side of caution in answering questions" but it is a large issue that has impact on the future of the gas line so that's the reason for the hearing. He thanked the Department of Law for the work it has done on the case.

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RICHARD TODD, Senior Assistant Attorney General, Civil Division, Division of Oil Gas & Mining, Department of Law, said he is lead counsel for the Point Thomson litigation. He will brief the committee on the December 26, 2007 superior court decision on the appeals of the Point Thomson unit termination. Before discussing the decision he will provide background information on oil and gas leasing as well as facts about the Point Thomson unit.

MR. TODD said the litigation is about the Point Thomson unit. An oil and gas unit is an agreement to develop two or more leases together. The purpose of unitization is make production efficient by realizing economies of scale etcetera. A unit is formed when the Department of Natural Resources (DNR) approves the lessees agreement about which leases will operate together to make up a unit. If the unit is approved and the lessees drill a well that is capable of producing and paying quantities, the unit can continue indefinitely as long as it is operating under a DNR approved plan.

MR. TODD explained that an oil and gas lease is typically issued for a fixed term - usually 10 years. The lease expires at the end of the fixed term unless the lessee has met one of the conditions for extension of the term. One condition that allows extension of the term is production. If it's in production at the end of the primary term, it won't automatically terminate. Generally the lease will continue as long as there is production.

MR. TODD said that another condition that will extend the term of a lease is unitization. If a lease is committed to a unit it doesn't expire at the end of the primary term. The lease will continue as long as the unit is in good standing.

MR. TODD explained that the Point Thomson unit was formed in 1977. It is comprised of about 45 state oil and gas leases and consists of more than 100,000 acres. All but two of the leases in the unit are beyond the primary term. Some of the leases were issued in 1965 and have never been put into commercial production. In the 1970s oil was discovered in the Point Thomson unit. By the early 1980s gas and additional oil deposits were discovered. There are at least 200 million barrels of oil in the Point Thomson Brookian formation. The Point Thomson sand reservoir contains 8 trillion cubic feet of gas and hundreds of millions of barrels of gas condensate and oil. It is one of the largest known natural gas fields in North America yet it has never been put into production. It has never produced hydrocarbons. The Alaska Oil and Gas Conservation Commission (AOGCC) and DNR agree on the point that the unit has never been adequately explored or delineated. More exploration wells are needed.

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MR. TODD said that on October 27, 2005 the DNR director of oil and gas rejected the lessees' 22nd proposed plan of development (POD). It failed to meet the requirements of the unit agreement and the regulations. Also, the lessees had failed to commit to put the unit in production. DNR gave the lessees about one year to cure the problem by submitting a plan that met the requirements of the unit agreement and the regulations and by committing to develop the unit. DNR also asked for more exploration wells and adequate delineation of the known reservoirs. In that decision the DNR director stated that the unit was subject to termination if the lessees failed to submit an acceptable POD. The lessees had previously refused DNR's repeated requests to drill additional exploration wells and delineation wells and to put the unit into production.

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CHAIR FRENCH said when he read the briefs he found the lessee's position that they couldn't develop the field until there was a gas pipeline a bit unusual since we've heard many times that a supply of gas is needed to fill the gas pipeline. He noted that when oil is produced the gas typically is recycled to maintain reservoir pressure. But the lessees said they needed to do a blow down to relieve gas pressure by flowing gas to a gas

pipeline. He understands it was the AOGCC position that that would lead to waste. Tens of millions of barrels of gas and gas condensate could be left unrecoverable in a blow down scenario. He asked if that's essentially the legal argument.

MR. TODD replied he'd leave much of the response to DNR but he would say that many of the points he made are supported by the record. By 1982 the unit had been in existence for 5 years. A number of exploration wells had been drilled and major hydrocarbon deposits had been discovered. The lessees submitted a POD that basically said they wanted to go into a 5-year study program of potential development. They did not want to drill more wells or do on-the-ground work. DNR was concerned and issued documents saying that was deficient. DNR wanted better delineation of reservoirs so they could be put into production. They wanted the lessees to make a commitment to put the unit into production and start producing hydrocarbons.

MR. TODD said that at that point in 1982 the lessee said it was not going to put the unit into production until there was a gasline. It would be a waste of time. The fallacy to that argument is that a gas pipeline isn't necessary to produce oil and this unit has hundreds of millions of barrels of oil. Noting that the unit is about 30 miles from the Badami pipeline, he said it would seem that there's a way to produce the oil without having a gasline. The unit has significant quantities of gas condensates. The engineering is complicated but as opposed to the gas blow down you could produce liquids and gas together, strip the liquids, ship the liquids down a line, and reinject dry gas into the reservoir to maintain pressure.

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MR. TODD referred to waste in a blow down project and explained that this reservoir is under extremely high pressure - generally between 10,000 psi and 13,000 psi. And if you were to simply put a hole in the reservoir and start producing everything, the reservoir pressure would drop and a significant amount of the liquids would become unrecoverable. If you cycle first and recover the optimum amount of liquids then you can switch to a gas blow down. "But you don't start with a gas blow down necessarily." This is dependent on unknowns because there aren't sufficient exploration and delineation wells, he said. The AOGCC and DNR do agree on that point. "All the agencies involved in this want more wells so that we have better data and better decisions can be made." There is risk with a gas blow down project of loss of liquids. He understands that oil could be produced without incurring that risk at least from the Brookian

reservoir. It's really a more appropriate question for DNR, he added.

SENATOR McGUIRE asked how the state explains why ExxonMobil is sitting on such economic prospects with respect to oil and gas and yet it is not making good faith efforts to develop them.

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CRAIG TILLERY, Deputy Attorney General, Civil Division, Department of Law acknowledged he's wondered about that himself but it's really a question for the producers. "You need to ask them what their motivations are." It would be inappropriate for DOL to answer because it would be speculative.

SENATOR McGUIRE surmised that the state has gathered evidence of other business prospects that the company has. "Have you looked around to see what the company has done in other places?"

MR. TODD said his concern is not on those issues. DOL is addressing the situation where the agency believes the lessees are not complying with the applicable agreements, regulations and other laws. If the agency is taking action it is to effect production by the lessees. His role is the laws, the statutes, and the facts that relate to this unit. "It's not really germane to what I do to go and look into the type of things you're inquiring about."

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CHAIR FRENCH said it's worth pointing out that the Badami pipeline is about 30 miles from the boundaries of the Point Thomson unit.

MR. TODD agreed that it is.

SENATOR THERRIAULT added that it's sitting empty.

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MR. TODD continued his summary and explained that when the DNR director rejected the 22nd POD, the lessees were given about one year to submit a plan that met the requirements of the regulations.

CHAIR FRENCH asked if the unit termination decision was made at the same time that the 22nd POD was rejected.

MR. TODD said no but the last finding in the director's decision said that if the lessees failed to submit an acceptable POD the

unit was subject to termination. "Throughout that decision the director alludes to such things as the state's remedy." The general message is that the state's remedy for a lessee that will not develop and produce is to take the property back and make it available to other potential bidders.

CHAIR FRENCH asked if the initial decisions were at the director level rather than at the commissioner level.

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MR. TODD said that's correct. Then director Mark Meyers made the initial decision. Subsequently he left DNR along with a number of other people. His replacement issued the second decision.

MR. TODD said the lessees were given a year to submit a POD that met the requirements of the regulations and the director included an example of an acceptable POD. On November 3, 2006 thousands of pages were filed with DNR including a modified 22nd POD. The commissioner found it suffered from the same defects as the initial POD but it was worse because it proposed a 5 year POD. The commissioner rejected the modified 22nd POD and he affirmed the director's rejection of the initial 22nd POD. He decided that the appropriate course of action was to terminate the unit. He did so and several of the lessees filed a motion for consideration. By the time it was ripe for decision Commissioner Menge had left and Acting Commissioner Rutherford affirmed the former commissioner's decision. The lessees appealed to superior court. Generally the arguments to the court were that the state could only terminate the unit through court proceedings so the decision had to be set aside since the termination came administratively. The lessees took the position that DNR was without power to require them to do anything unless DNR could show that a hypothetically reasonable operator would do what DNR asked. The lessees asserted that the decision violated the covenant of good faith and fair dealing. They also argued that the unit continued in perpetuity once they discovered a reservoir that was capable of producing paying quantities. The argument was based on the unit language.

CHAIR FRENCH asked if the argument was that the simple discovery of a commercial quantity of oil would preserve the unit forever.

MR. TODD said yes.

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SENATOR McGUIRE asked if he could cite the specific language in the agreement that allegedly allowed the lease to continue in perpetuity.

MR. TODD explained that in most unit agreement leases there's a Habendum Clause that defines the estate granted and declares the extent of the interest conveyed - a quit claim, warranty deed, easement or whatever it is. He paraphrased from Section 20, which reads as follows:

20. **EFFECTIVE DATE AND TERM.** This agreement shall become effective upon approval by the Commissioner or his duly authorized representative as of the date of approval by the Commissioner and shall terminate five (5) years from said effective date unless:

(c) a valuable discovery of unitized substances has been made or accepted on unitized land during said initial term or any extension thereof, in which event the agreement shall remain in effect for such term and so long as unitized substances can be produced in quantities sufficient to pay for the cost of producing same from wells on unitized land and, should production cease, so long thereafter as diligent operations are in progress for the restoration of production or discovery of new production and so long thereafter as the unitized substances so discovered can be produced as aforesaid, or

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MR. TODD said the argument is that they discovered huge reservoirs that are capable of producing at a commercial level. The argument continues. "Since we've discovered this and we can produce it, we've created this valuable property right by discovering this reservoir and you can't take it away from us unless you can show it can't be produced."

MR. TODD recapped the key arguments that were raised in court: termination by court not administrative; reasonably prudent operator standard; violation of the covenant of good faith and fair dealing; unit continues in perpetuity.

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MR. TODD said the key arguments that the DOL raised on behalf of the DNR were that DNR has the constitutional and statutory responsibility to manage state resources in the public interest; the purpose of unitization is to effect efficient production;

and the continued existence of the unit is contingent upon a POD that meets the requirements of the unit agreement, the regulations, and is approved by DNR. DOL also argued that DNR does not have to meet the reasonably prudent operator standard before rejecting a POD that does not otherwise meet the requirements of the law and the unit agreement.

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MR. TODD said that on December 26, 2007 the court issued a decision on the appeal. The judge affirmed DNR's rejection of the 22nd POD; she affirmed DNR's authority to evaluate the acceptability of a POD; she rejected the lessees' argument that the reasonably prudent operator standard was the standard to apply in evaluating a POD; she rejected the lessees' allegation that DNR had acted in bad faith in its decisions; she implicitly rejected the lessees' contention that the unit continues in perpetuity once a commercial reservoir is discovered; she rejected the lessees' argument that termination of a unit must be made by judicial proceedings where the termination is based on the failure to submit an acceptable POD; she agreed with the proposition that the lessees had not received sufficient notice that the unit was subject to termination if they failed to submit an acceptable POD. The judge remanded the case to DNR to give the lessees an opportunity to tell DNR what they think the appropriate remedy is for failing to submit an acceptable POD. "And I believe implicitly also to tell DNR why they think unit termination is not the appropriate remedy." The proceedings are pending before DNR currently. There have been some extensions but the briefing on the issue of appropriate remedy is due February 19 and the hearing on the appropriate remedy is March 3.

CHAIR FRENCH asked if the proceeding is before the commissioner.

MR. TODD replied it's an administrative proceeding before the commissioner.

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SENATOR WIELECHOWSKI asked if the judge remanded the case because she found the lessees were not aware that their lease could be terminated.

MR. TODD said it could be characterized a number of ways. His explanation is that, "When it comes to due process, the court is king. If the court says 'insufficient notice of unit termination' the most appropriate course of action is to give the notice and listen to the argument." Essentially, the judge

found that the lessees had received insufficient notice that the unit was subject to termination. He cautioned that he is speculating about what the judge wanted. She might have been asking for more process. Perhaps she wanted more than just the statement in the director's decision. "I do think it is within the realm of reasonable speculation though, to say that what she was saying is she wanted more process - she wanted a hearing, she wanted briefing on remedy."

SENATOR WIELECHOWSKI observed that it's an odd ruling since people in Alaska have been talking about terminating that lease for years. "To say that they weren't aware that that was a possibility of happening, I just find very odd."

CHAIR FRENCH said the judge's rationale is on pages 41-42 of the DECISION ON APPEAL that's in the packet. The judge said:

And while this court has concluded that the PTUA and then-existing regulations did not preclude DNR from pursuing termination at the administrative level, the Appellants were constitutionally entitled to a clear written notice that DNR was considering this remedy when it rejected the POD...

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SENATOR THERRIAULT asked if he has an opinion about whether the judge was trying to make sure that the Alaska Supreme Court would be satisfied that due process was met. He's heard criticism that the court bends over backward to ensure that everyone gets adequate notice and that everyone absolutely knows what is going to happen. For example, that court has gone to great length to make sure that a renter who has not paid rent for some considerable time gets adequate notice.

MR. TODD replied Judge Gleeson was applying the law as she sees it and the DOL is complying with that decision.

CHAIR FRENCH remarked that the state won on four large issues and got hung up on a procedural question of whether there had been perfect written notice.

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MR. TODD characterized it as a fabulous victory. "We won every major point except this procedural issue on due process." It was an indication that DNR was on the right course and that then Commissioner Menge was trying to do the right thing.

SENATOR McGUIRE commented it could be read both ways but whichever branch is speaking it's important to be clear. Clarifying exactly what rejecting a POD could mean is an important point to make. "We want the folks who are considering developing here in Alaska to understand those things very clearly." She said she isn't troubled by the rejection on that point because it will make Alaska laws and the process better. She looks forward to the result.

MR. TILLERY agreed it was an unqualified success but the legal work is only as good as the agency work it is defending. "We would be remiss if we didn't point out what a tremendous job DNR has done in this matter," he said.

CHAIR FRENCH acknowledged that over the years he was an aggressive critic of the former administration's handling of oil and gas matters. But when he read through the briefing he noted that then Commissioner Menge found that the decision did not turn on Exxon's economics. His statement from page 25 of the BRIEF OF APPELLEE reads as follows:

Lessees' economics, adequate returns, and risk might be appropriate considerations in some situations. But they play no role here where the unit has been in existence since 1977, massive hydrocarbon deposits were discovered in the early 1980s, the unit has never been put into production, and the Lessees say it may never be put into production until a gas pipeline is constructed and the state compromises its taxes and royalties. Against this backdrop, the state oil and gas leasing system is not intended to require DNR to engage in a murky subjective contest about a Lessees' internal economics, development risk, or view of the difficulty of developing the unit. One of the state's primary interests is production. If production is not in the plan, the state's remedy is to terminate the unit and find another means to develop the unit.

CHAIR FRENCH described the commissioner's language as good and strong. He's doing his job.

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MR. TODD said that Judge Gleeson remanded the case for additional proceedings on remedies. She has asked DNR to render a decision by June 15, 2008. Again he said there is a briefing scheduled for February 19 and a hearing is scheduled for March 3. At this point the commissioner will decide the appropriate

remedy after hearing from the lessees. DOL believes it will be back in court by June 2008, the judge will make a decision no later than the end of the year, and the proceeding will be through the Alaska Supreme Court by the end of 2010 or 2011.

CHAIR FRENCH asked if going back before the judge presupposes a decision on the merits by the commissioner of DNR.

MR. TODD said yes.

CHAIR FRENCH asked what the time line is for the commissioner to make the decision.

MR. TODD replied he can't really say, but the hearing is March 3 so that gives him a couple of months before he has to be back in court.

CHAIR FRENCH asked if he expects to be back before the judge by June 2008.

MR. TODD said yes.

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SENATOR McGUIRE said she'd like to hear the remedies that are being discussed. Can you? she asked.

MR. TILLERY declined.

CHAIR FRENCH noted that there was extensive discussion of Section 10 of the PTUA of Section 20 (c) but page 42 of the court decision says, "On remand, the agency should also consider the import of Section 21 of the PTUA, as amended in 1985, in determining the appropriate remedy." He asked for a synopsis of what's in Section 21 to give an idea of what the agency will be thinking.

MR. TODD said the issue is currently in litigation so he can't say a great deal. Generally speaking, when the unit was formed the statute said the commissioner could include a provision in a unit agreement or lease giving him the authority to change the rate of production etcetera. "Article 21 is a provision which provides for procedures for changing the rate of prospecting or production."

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CHAIR FRENCH asked if you'd see the unit terminated and the leases reoffered at public auction just like any other lease should DNR and DOL prevail.

MR. TODD replied that's true with some leases but not necessarily all the leases. "There's a lot of ins and outs here. Once you get to the leases it's more of a case-by-case analysis". Generally speaking, the answer is yes, he said.

MR. TILLERY highlighted that termination is a decision that is currently in front of DNR. He understands the premise of the question, but at this point DNR is not currently in a position of trying to prevail. It is in an adjudicatory position.

CHAIR FRENCH rephrased his question and stated that, "Assuming they make that decision and assuming that decision is upheld then you'd have a place where 8 trillion cubic feet of gas and several hundred million barrels of oil might come back on the market."

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MR. TODD said DOL doesn't know what the remedy will be. There is a possibility that the lessees will come to DNR with a proposal that allows the case to be resolved. There's a possibility that the lessees will pitch for a remedy on remand that the commissioner finds acceptable and allows them to continue the leases. There's a chance that Judge Gleason will issue a decision after the next court proceeding that both parties find acceptable. "I don't know what the commissioner is going to do. We don't know that termination is going to be pursued."

CHAIR FRENCH expressed the view that the resolution should come with a big stern message that says, "This gas must be sold into an Alaska gas pipeline."

SENATOR THERRIAULT referred to looking at each lease on a case-by-case basis and asked how much hinges on whether there is a well that could be determined to have been capable of production.

MR. TODD said that is an issue in the pending administrative proceedings for decision. It is a factor and an issue along with other issues some of which aren't as weighty. Some of the leases were expansion leases that came in with the 2001 unit expansion. The termination of those isn't contingent upon the other proceedings. They're something of a stand-alone group of 15 leases.

SENATOR THERRIAULT remarked he's always looked at it as the core acreage, and the expansion. He asked if all the expansion acreage has come back under state control so it's really an issue about core acreage.

MR. TODD replied all the leases that were in existence at the time of the termination decision are on appeal to the commissioner. That includes the expansion acreage.

SENATOR THERRIAULT said he thought the companies didn't appeal the decision on some of the lease acreage.

MR. TODD replied the companies don't all act in the same way. Some drop issues, some continue issues, some lis pendens have been filed, some lis pendens have been withdrawn by some companies on the expansion, on the acreage, and on claims regarding the expansion acreage. "It's too uncertain right now to say definitively that we've got them back."

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SENATOR WIELECHOWSKI asked if he would suggest legislative action to spur development or to tighten the lease language so the state isn't stuck in the ongoing process of endless litigation.

MR. TODD said as a general proposition the answer is yes, but he hasn't thought about it, he isn't authorized to work on it and he isn't authorized to talk to the legislature about it. "In time, if my administration wants me to work on it, I certainly could respond to that."

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SENATOR WIELECHOWSKI said this is of critical importance and perhaps it should be a priority. You know this topic much better than any of us and any insight you have would be most helpful to the state, he said.

SENATOR MCGUIRE, directing her comment to Mr. Tillery, said it would be nice to see the DOL work with the DNR after this is resolved. Her concern is that new legislation or even discussions should not weaken current leases. She recalled a memo from Spencer Hosie that gave examples of other jurisdictions that use lease language that is quite absolute and clear. "I would like to see, at whatever point is appropriate, a proposal or some thought given by the DOL with the DNR about what a lease should look like that wouldn't end in litigation."

MR. TILLERY said he agrees, not only about the potential legislation but that there should be ongoing review of leases to make sure that within existing legislation they are as clear and tight as possible so as to limit litigation.

SENATOR THERRIAULT said he's never considered it to be endless litigation. He's thankful that the Murkowski administration started the process. Likewise he's never considered seizing the acreage to be an effort to spur production. The state can reach a settlement with the lessees at any time and that's more likely than the state taking the acreage back and re-leasing it. He recalled that this committee passed a resolution that made supportive statements for this action that is playing out between the executive branch and the judicial branch. He asked Mr. Tillery if he sees any benefit in the legislature making a similar positive statement about the executive asserting its rights under the lease. It won't sway the court, nor should it, he added.

MR. TILLERY said it is certainly appreciated when the legislature indicates support for positions of the executive. He agrees that the court wouldn't take cognizance of that action. It's always good for the people to know that the government is united in its views.

SENATOR WIELECHOWSKI observed that even if the state litigation ends in 2010, that doesn't prohibit the lessees from filing in federal district court. They could take this all the way up to the US Supreme Court. He asked if it's fair to say that there is the potential for this to go on for years and years.

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MR. TODD replied he can't predict the future but he can't say there's no chance of that happening. "I think it's very unlikely but we don't actually know what the court will do." They could get the federal court to look at it but state courts are competent to decide questions of federal constitutional law.

CHAIR FRENCH asked how many lawyers are working on the case.

MR. TODD replied six lawyers have been working on the case since February 2007. He and Mark Ashburn of Ashburn & Mason are co-counseling. The rest of the team includes Dani Crosby and Matt Findley with Ashburn & Mason and Jon Katchen and Jeff Landry with the DOL. A number of others, including Tina Kobayashi, are involved in a number of matters.

CHAIR FRENCH asked if the DOL has adequate resources to vindicate the state's interests.

MR. TODD said yes.

SENATOR WIELECHOWSKI asked what kind of legal fees the state has expended and if it will get any back through Rule 82 or other sources.

MR. TODD replied, "The fees incurred on this case have been spectacularly reasonable."

SENATOR WIELECHOWSKI said he knows these cases are very expensive. "I'm sure it's probably in the millions."

MR. TODD replied we've gotten fabulous work at incredibly reasonable rates. He estimated that costs are under \$400,000. From past experience he would expect it to be in the millions. Keep in mind that we're following a new model. He said. The DOL has retained control of the case and is working with outside counsel. The result is more efficient work at a much lower cost.

MR. TILLERY added that a similar process was used in the late 1980s working on corporate income tax. DOL had a team of 6 or 7 attorneys working with an equivalent number of private attorneys. It was a fairly reasonable approach. In the intervening years, budgets have declined and issues have multiplied. In recent years there's been more willingness to pay for outside counsel than inside counsel. "The problem we have budget-wise is it takes \$4 for outside counsel for what \$1 for our in-house counsel could do." He agreed with Mr. Todd that this is a very efficient model monetarily.

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SENATOR WIELECHOWSKI responded whatever is spent it's an investment that needs to be made, but he's just trying to grasp the amount of state resources that are being expended to fight what in his opinion is an endless discussion. He asked how many state attorney hours have gone into this case.

MR. TODD replied it varies with what's going on but overall probably 40 percent of his time is spent on the case.

MR. TILLERY offered to supply the exact hours.

SENATOR WIELECHOWSKI said he'd be curious.

SENATOR McGUIRE asked if other states have provided guidance in developing the leases. She asked if the lease isn't primarily a matter of contract law.

MR. TODD said yes.

SENATOR McGUIRE asked if other states use that common methodology.

MR. TODD said yes but to his knowledge the team hasn't actually looked at leases from other jurisdictions. "This case isn't really about trying to improve the lease. It's sort of dealing with what you have and trying to get DNR's decision sustained." To the extent that other litigation is about issues in this case, the answer is yes, DOL has looked at other jurisdictions.

CHAIR FRENCH thanked Mr. Tillery and Mr. Todd for taking time out of their schedules to come give the committee this briefing. "I hope you've felt some measure of the appreciation we have for the work you're doing. I know a lot of what you do kind of falls under the category of unsung heroes," he stated.

There being no further business to come before the committee, Chair French adjourned the meeting at [2:37:38 PM](#).