

Introduced: 1/20/72
Referred: Resources

1 IN THE SENATE

BY HAMMOND BY REQUEST

2 SENATE BILL NO. 293

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to oil and gas development plans;
7 and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 38.05 is amended by adding new sections to read:

10 Sec. 38.05.176. PURPOSE. The purpose of this Act is to provide
11 for the development of comprehensive plans for the orderly development
12 and use of oil and gas resources in an effort to assure that the de-
13 velopment and use of oil and gas resources does not result in degrada-
14 tion to the surrounding environment or to other natural resources,
15 risk to health or safety, or other undesirable or unintended conse-
16 quences. To accomplish this end, it is the policy of the state to
17 formulate and coordinate development plans among interested state
18 agencies, and work jointly with private and public interests in an
19 effort to attain conditions under which man and nature will exist in
20 productive harmony, and fulfill the social, economic, and other re-
21 quirements of present and future generations of citizens.

22 Sec. 38.05.177. PRE-LEASE OIL AND GAS DEVELOPMENT PLAN. (a)
23 Before land within the state is leased for purposes of development of
24 oil or gas, or both, the Department of Natural Resources shall prepare
25 a development plan for the area to be leased as well as for a minimum
26 additional area extending at least 25 miles in all directions from the
27 perimeter of the area to be leased.

28 (b) The development plan shall include, but is not limited to,
29 the following:

1 (1) a comprehensive description of the area to be affected
2 by oil or gas exploration, production or transportation;

3 (2) a complete inventory of existing or probable natural
4 resources occurring within the area;

5 (3) a statement of land ownership or claims to ownership
6 of land within the area;

7 (4) a statement of other past or present economic activities
8 conducted within the area; and

9 (5) the probable environmental impact and social effects
10 arising from the proposed development.

11 (c) In addition to information provided under (b) of this
12 section, the department shall consider, as part of the development
13 plan, alternative development plans or alternative areas and routes
14 for collection, production and transportation systems necessarily
15 incident to the extraction and production of oil or gas, or both.
16 Information provided under this subsection is not limited to the
17 minimum area specified in (a) of this section.

18 (d) After a determination of specific land within the state to
19 be opened to leasing for the purposes of oil or gas development, or
20 both, the Department of Natural Resources shall notify the Department
21 of Fish and Game and the Department of Environmental Conservation of
22 the specific area to be leased and the probable extent of development
23 within the area. Upon receipt of notification, the Department of Fish
24 and Game and the Department of Environmental Conservation shall review
25 the area to be leased and prepare ancillary statements, including recom-
26 mendations, which assess the probable effects of oil or gas exploration
27 and development as it pertains to matters within their respective
jurisdictions. Upon conclusion of the plans, they shall be submitted
to the Department of Natural Resources.

1 (e) The departments specified in this section are authorized
2 to consult to the fullest extent possible with representatives of
3 science, industry, agriculture, labor, conservation organizations,
4 state and local governments, and other groups, as they consider
5 advisable.

6 (f) After public hearings conducted by the department, the
7 development plan shall become binding on all parties to the lease and
8 be incorporated in the oil or gas lease for the area to which it
9 applies.

10 Sec. 38.05.179. POST-LEASE OIL AND GAS DEVELOPMENT PLANS. After
11 oil or gas development commences on property leased for that purpose,
12 the Department of Natural Resources may conduct additional public
13 hearings and prepare subsequent development plans at various critical
14 stages of resource development, if it determines that hearings or
15 additional plans are necessary. If subsequent plans are determined
16 to be necessary, additional information may be requested from the
17 Department of Fish and Game or the Department of Environmental Con-
18 servation, or both, as appropriate. Modifications of the pre-lease
19 development plan, if agreed upon by the lessee, shall become binding
20 on all parties as of the date on which the agreement is reached.

21 Sec. 38.05.180. RECOMMENDATIONS. The Department of Natural
22 Resources shall prepare, as part of a development plan specified
23 in secs. 177 - 179 of this chapter, a list of recommendations of
24 specific measures to be taken during the course of development, based
25 on information within its control. The department shall compile and
26 coordinate these recommendations with those of the Department of
27 Environmental Conservation and the Department of Fish and Game and
28 submit a detailed report of the recommendations to the legislature
29 as specified in sec. 185 of this chapter, as part of the overall

1 oil and gas development plan.

2 Sec. 38.05.185. SUBMISSION OF PLAN TO LEGISLATURE. Oil and
3 gas development plans prepared under secs. 177 - 180 of this chapter
4 shall be submitted to the legislature by the Department of Natural
5 Resources at least five days before each legislative session. A
6 joint House-Senate Resources Committee shall be convened at the
7 earliest possible time for the purpose of reviewing oil and gas
8 development plans. The joint committee may hold public hearings to
9 consider the plans in their entirety, with the purpose of evaluating
10 their usefulness and recommending future legislative changes.

11 * Sec. 2. This Act applies only to proposed state oil and gas leases
12 for areas outside oil and gas fields in commercial production on the
13 effective date of this Act.

14 * Sec. 3. This Act takes effect on the day after its passage and approv-
15 al or on the day it becomes law without approval.