

Introduced: 2/11/83  
Referred: Resources

1 IN THE SENATE

BY BENNETT

2

SENATE RESOLUTION NO. 2

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

Relating to the Cross Island Well.

6 BE IT RESOLVED BY THE SENATE:

7 WHEREAS the State conducted a successful oil and gas lease sale in the  
8 Beaufort Sea in December 1979; and

9 WHEREAS successful bidders of that sale obtained leases subject to  
10 rigorous environmental standards; and

11 WHEREAS one of those standards is a seasonal drilling restriction that  
12 was developed after detailed analysis and review by all concerned public  
13 and private parties; and

14 WHEREAS the North Slope Borough has attempted to impose a more severe  
15 seasonal drilling restriction on the well planned to be drilled adjacent to  
16 Cross Island in the Beaufort Sea, adding significant costs to the develop-  
17 ment of those leases; and

18 WHEREAS several of the tracts, including those tracts adjacent to  
19 Cross Island known as BF-53, BF-54 and BF-55, were leased with the state  
20 retaining a substantial Net Profit Share; and

21 WHEREAS the State shares in the exploration and development costs of  
22 Net Profit Share leases; therefore, the additional seasonal drilling re-  
23 quirement by the North Slope Borough reduces potential state income; and

24 WHEREAS the operator of the Cross Island Well has conducted a variety  
25 of informational activities with local residents, plans to hire North Slope  
26 Borough residents to operate the rig, has complied with all provisions of  
27 the lease, and has in general shown an understanding and cooperative atti-  
28 tude;

29 BE IT RESOLVED that the North Slope Borough allow the operator to

1 proceed under the stringent seasonal drilling provisions imposed by the  
2 State, and not attempt to impose more stringent provisions on the operator,  
3 at a cost to both the lessee and the State; and be it

4       FURTHER RESOLVED that the Attorney General of the State of Alaska take  
5 the appropriate legal action to protect the interests of the State and the  
6 State's lessee in the Beaufort Sea.

7       COPIES of this resolution shall be sent to the State Attorney General;  
8 the Commissioner of the Department of Natural Resources; Commissioner of  
9 the Department of Community and Regional Affairs; Commissioner of the  
10 Department of Environmental Conservation; and North Slope Borough Mayor and  
11 Assembly members.