

Original sponsor(s): Rules/Governor

1 IN THE SENATE BY THE SENATE SPECIAL COMMITTEE ON OIL & GAS  
2 CS FOR SENATE BILL NO. 539 (Oil & Gas)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 SIXTEENTH LEGISLATURE - SECOND SESSION  
5 A BILL  
6 For an Act entitled: "An Act ratifying Oil and Gas Lease Sale 50; and  
7 providing for an effective date."  
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
9 \* Section 1. LEGISLATIVE FINDINGS AND PURPOSE. (a) The legislature  
10 finds that  
11 (1) the leasing of oil, gas, and associated substances in Camden  
12 Bay is in the best interest of the state, regardless of whether the Arctic  
13 National Wildlife Refuge may be used as a site for shore-based support and  
14 transportation facilities;  
15 (2) a lessee of state oil and gas rights must apply for and  
16 receive permits from numerous local, state, and federal agencies before the  
17 lessee may drill for, produce, or transport oil, gas, or associated sub-  
18 stances;  
19 (3) each government agency charged with evaluating and issuing a  
20 permit for an oil and gas lessee's application to conduct exploration and  
21 production activities, including transportation, must undertake a review,  
22 under applicable laws, of relevant facts and technologies that are then  
23 available before granting or denying a permit;  
24 (4) the lessees have undertaken the risks of finding oil and gas  
25 and of producing and transporting oil and gas that is found in a manner  
26 that will satisfy laws then in effect providing for environmental protec-  
27 tion and safety; and  
28 (5) state oil and gas leases expressly provide for their cancel-  
29 lation if continued lease operations are likely to cause serious harm or

1 damage to biological resources, property, mineral resources, or the en-  
2 vironment.

3 (b) It is the purpose of this Act to counter the effect of the Alaska  
4 Supreme Court's decision in Trustees for Alaska v. State, \_\_\_ P.2d \_\_\_ (Op.  
5 No. 3573, March 16, 1990), and to ratify and declare valid Oil and Gas  
6 Lease Sale 50, held June 30, 1987.

7 \* Sec. 2. LEASE SALE RATIFIED. Oil and Gas Lease Sale 50 resulting in  
8 the sale of 35 oil and gas leases covering 118,147 acres of offshore state  
9 land in Camden Bay is valid, notwithstanding the court's finding of lack of  
10 compliance with laws or regulations relating to that sale, including the  
11 requirements of AS 38.05.035(e) and AS 44.19.145(a)(11). The validity of  
12 the issuance of leases under that sale is ratified and confirmed.

13 \* Sec. 3. This Act is retroactive to January 1, 1986.

14 \* Sec. 4. This Act takes effect immediately under AS 01.10.070(c).