

**DNR**

**OVER-**

**VIEW**

**1/27/95**

HOUSE RESOURCES COMMITTEE  
Roll Call and Members' Bill Votes

\* (indicates first public hearing)

Room 124, Capitol Bldg.

Mon., Wed., Fri.

Date: 11/27/95

Tape# 95-3 Joint \_\_\_\_\_

Time: 8:02 (am)/pm Time Adjourned: \_\_\_\_\_ am/pm

ROLL CALL:	PRES	ABS	TIME AR	_____	_____	_____
Rep. Joe Green	✓	_____	_____	_____	_____	_____
Rep. Bill Williams	_____	_____	<u>8:10</u>	_____	_____	_____
Rep. Scott Ogan	✓	_____	_____	_____	_____	_____
Rep. Alan Austerman	✓	_____	_____	_____	_____	_____
Rep. Ramona Barnes	_____	_____	_____	_____	_____	_____
Rep. John Davies	✓	_____	_____	_____	_____	_____
Rep. Pete Kott	✓	_____	_____	_____	_____	_____
Rep. Eileen MacLean	_____	_____	_____	_____	_____	_____
Rep. Irene Nicholia	_____	_____	<u>8:20</u>	_____	_____	_____

Other Legislators Present \_\_\_\_\_

AGENDA:

Bill No.	Short Title	Action Taken
<u>DNR</u>	<u>Overview</u>	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

OTHER

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Copies of minutes listed below were originally included in this file. The minutes are available on the legislative computer database. In order to save space copies of minutes have not been left in the files.

Mary Pagenkopf

House Resources  
1-27-95 8:02 AM  
Tape #95-3  
DNR overview

HOUSE RESOURCES COMMITTEE



Alaska State Legislature  
House of Representatives

SUBJECT OF MEETING:  
*DNR OVERVIEW*

DATE: *1/27/95*

PLACE: ROOM 124

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
						Y	N	
<i>Nico Bus</i>	<i>DNR</i>	<i>400 Willoughby</i>		<i>9-3718</i>	<i>465-2406</i>	<i>Y</i>	<i>N</i>	<i>Overview DNR</i>
<i>Bill Garry</i>	<i>DNR-Parks</i>	<i>400 Willoughby</i>		<i>3-3365</i>	<i>465-4563</i>	<i>Y</i>	<i>N</i>	<i>Overview Parks</i>
						<i>Y</i>	<i>N</i>	
						<i>Y</i>	<i>N</i>	
						<i>Y</i>	<i>N</i>	
						<i>Y</i>	<i>N</i>	
						<i>Y</i>	<i>N</i>	
						<i>Y</i>	<i>N</i>	
						<i>Y</i>	<i>N</i>	
						<i>Y</i>	<i>N</i>	

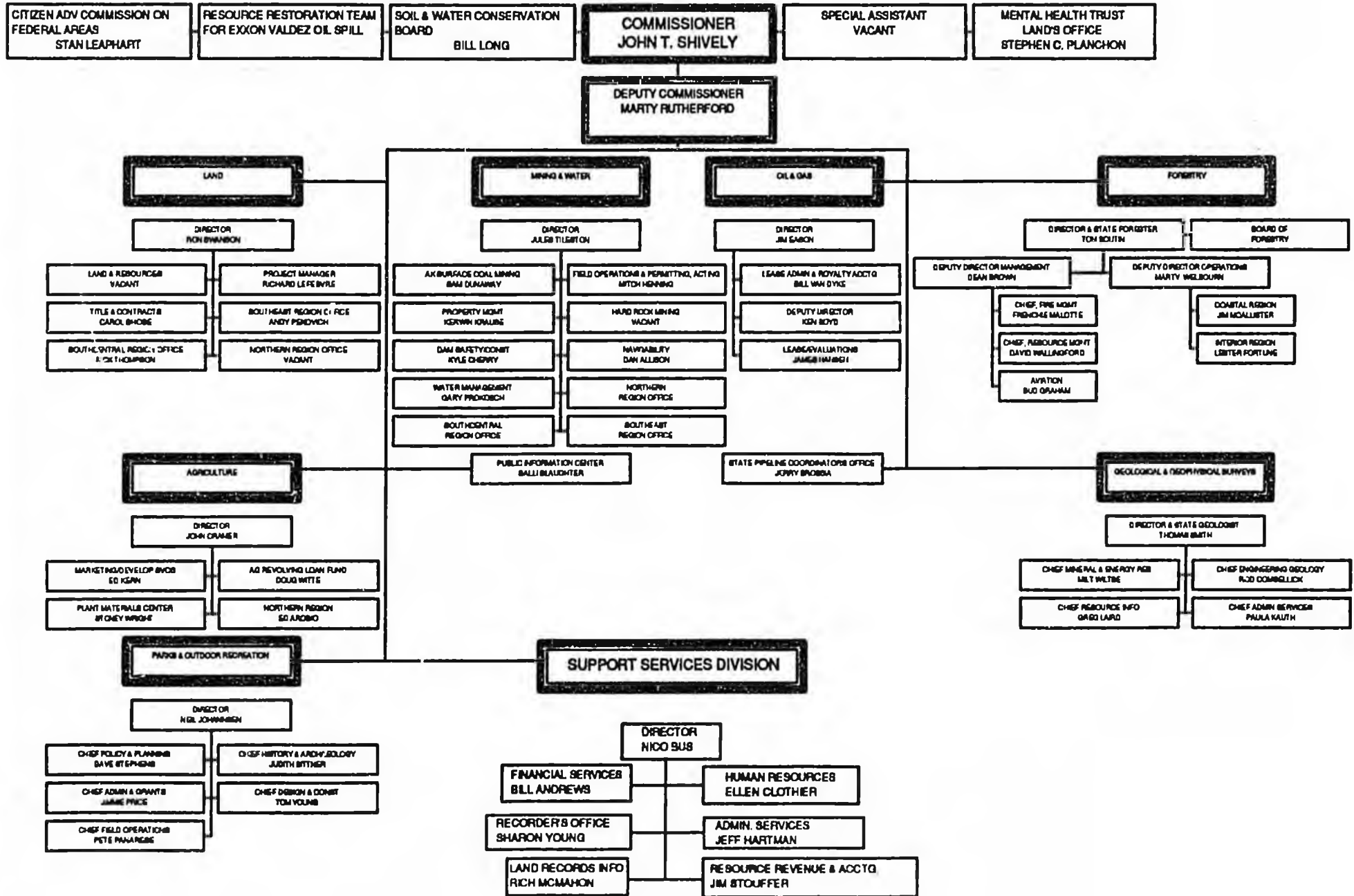


Alaska Department of  
**NATURAL  
RESOURCES**

**OVERVIEW**

**January 27, 1995**

# ALASKA DEPARTMENT OF NATURAL RESOURCES



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## THE DEPARTMENT OF NATURAL RESOURCES

### OVERVIEW

- Charged by the Constitutions with the responsibility to manage and develop Alaska's land, water, and surface and subsurface resources.
- Oversees approximately 87 million acres of uplands and 65 million acres of tidelands, shore lands, and submerged lands and manages about 40% of the nation's freshwater resources.
- Consists of 8 divisions, the Pipeline Coordinator's office, Soil & Water Board, Mental Health Trust Land "Unit", and EVOS Trustees Council Staff.
- Operates offices in 22 Alaskan communities
- 597 full-time employees and 240 part-time employees (excluding emergency fire fighting positions).

### THE COMMISSIONER'S OFFICE

- Maintains offices in Juneau and Anchorage and sets departmental goals and policies and provides support services to DNR's divisions and 25 boards and commissions.
- Supports the Pipeline Coordinator's Office, the Citizen's Advisory Commission on Federal Areas, the Mental Health Trust Unit, EVOS Trustee Council staff, and the Soil and Water Conservation Board which are organizationally housed within the Commissioner's Office.
- Since 1977, Alaskans have saved 25% of the petroleum revenues received by the state. The State of Alaska annually deposits a minimum of 25% of each petroleum royalty dollar into the Permanent Fund. 65% of the Permanent Fund's principal is from the state's petroleum revenues, the majority of which comes from land managed by the **Department of Natural Resources**.

### DIVISION OF OIL & GAS

- Ensure that prospective oil and gas lands are made available for competi-

tive leasing on a timely and predictable basis, and that the state receives full value for the sale of these resources. Three Lease sales are currently scheduled for FY'95.

- o Advance innovative programs such as exploration licensing, expanded exploration incentive credits and coalbed methane that will promote exploration and development on both state and private lands in frontier interior basins.
- o Ensure that all royalty, rental and bonus revenues due the state from leasing and production are received, and that shared federal royalties are properly received and allocated.
- o Ensure that the surface operations of lessees and permittees are conducted in an environmentally, socially and economically sound manner.
- o Advocate petroleum resource development throughout the state.
- o Develop and advocate marketing strategies for Alaska oil and gas, including negotiating royalty oil purchase agreements with in-state refineries.
- o Provide technical and policy support on oil and gas issues for the DNR Commissioner's and Governor's office and Alaska's Congressional delegation.

The division's programs enable Alaskans to enjoy low taxes, continued growth of the Permanent Fund, and direct and indirect employment as a result of oil and gas development and subsequent state and local spending. The division's "customers" are all of the residents of Alaska who benefit from the availability of oil and gas revenues for education, public safety, revenue sharing to communities, capital improvement projects, the Permanent Fund and other state and local programs.

#### **DIVISION OF LAND**

- o Serves the state as a real estate developer and property manager by providing land for Alaskans to own and use.
- o Issues and maintains sales contracts for parcels of land purchased by Alaskans.
- o Issues leases that range from set-net fishing sites or aquatic farms to shore-based fish or timber processing facilities to North Slope oil support industry sites and commercial recreational lodge sites.

- Makes gravel and other materials available for residential, commercial, and industrial development; and is the states survey authority to establish property boundaries.
- Protects the state's assets by establishing and enforcing reasonable conditions to protect the environment when authorizing land use, stopping unauthorized uses, and planning for land and resource use and conservation.
- Responsible for stewardship of land retained in state ownership for public access, energy development, legislatively designated public use and recreation areas, and a host of the public use purposes.
- Maintains offices in Juneau, Anchorage, and Fairbanks to provide these essential services to all Alaskans.

#### **STATE PIPELINE COORDINATOR - JOINT PIPELINE OFFICE**

- The State of Alaska, BLM and other Federal agencies formed the Joint Pipeline Office in 1990. This was in response to the clear need for a coordinated approach to monitoring and regulating the Trans-Alaska Pipeline System (TAPS) and two pending gas pipeline projects.
- The office includes 65 employees, representing 11 federal and state agencies. Headed by the State Pipeline Coordinator and the Federal Authorized Officer, the JPO organization includes:

•ADNR	•USDI, BLM
•ADEC	•EPA
•ADF&G	•US DOT, OPS
•ADOL	•US Army COE*
•ADOT&PF*	•US Coast Guard*
•ADCG	

\*Indicates not physically present in JPO.

- In response to congressional hearings on problems associated with TAPS, BLM and JPO have undertaken an accelerated contracting program to identify problems, identify recommended solutions and move to oversee the correction of identified problems.
- Monitors pipeline activities for compliance with the conditions of the right-of-way grant and lease, permit terms and conditions, and for compliance with applicable regulations for each agency.

- Responsible for permitting necessary for operation and maintenance of the pipeline system, as well as planning and permitting for three proposed gas pipelines.
- The 800-mile pipeline currently moves around 1.6 million barrels of oil per day from Prudhoe Bay to Valdez, where tankers transport the crude to west coast refineries.
- The pipeline has been in operation since 1977, and has safely transported over 10 billion barrels of oil to the Valdez terminal. Oil income accounts for about 85% of State revenue.
- Issues involving public safety and environmental protection, pipeline integrity and complaints by Alyeska employees of harassment, lack of training and lack of a quality assurance program and the JPO's response to these problems have all been the subjects of congressional hearings and are the areas JPO works most heavily in.

#### **DIVISION OF FORESTRY**

- Provides wildland fire management and suppression, enforces the Forest Resources and Practices Act and manages forest land.
- Protects the forest's natural values while supporting Alaska's economy through development of wood products in an environmentally sound manner.
- Major program contributions include:
  - State forest management consisting of: extensive public process; timber sale planning and design; contract administration; and reforestation. The state timber sale program supports regional timber industries and maintains diverse, productive forests for all forest users. Extrinsic programs include personal use timber and firewood, beach log salvage, Christmas trees, and forest access.
  - Forest Resources and Practices Act enforcement to ensure that timber management on private, municipal, and state land uses the best practices to provide jobs and timber receipts without bringing harm to water quality, fish habitat, and other forest resources. Private land responsibilities include very careful decisions on variations to the Act. Research and monitoring of the effectiveness of protection in the law is underway.

- Fire management to protect life, property, and resources threatened by fire, and to gain the benefits of fire for habitat and forest health in areas where other values are not threatened. Fight wildland fires in the most efficient and cost-effective manner to meet statutory requirements which provide wildland fire protection to all state, municipal and private lands. The 73 emergency fire fighter crews, predominantly from rural villages, and seasonal forest technicians fight fires in the Lower 48 during times of low fire incidence in Alaska.
- Stewardship and Community Forestry to disseminate forest management information and federal cooperative forestry funds to private owners and municipalities bringing the benefits of fire protection equipment, more productive commercial forests and enhanced urban forests to all Alaskans.

## **PARKS AND OUTDOOR RECREATION**

- Maintains a large, mostly road-accessible highly developed park and recreation system.
- Operates more than 133 parks, recreation areas and historic sites, the state park system receives nearly 6 million annual visits, one quarter from non-resident tourists. Offers 2,500 campsites, fishing access sites, picnic area, visitor centers, trails, public use cabins and other recreation facilities, the park system is a key component for the state's tourism industry.
- **Parks Maintenance and Operations** - The division manages over \$100 million in developed recreation facilities in a highly cost-effective manner. Revenue collected from the recreational User Fee program is invested into maintenance of restrooms, hauling trash, and repair of vandalism. Parks now collects nearly one-third of its field operations budget from campground, boat launch, RV dump station and day use entry fees. The facilities are maintained and operated by a seasonal staff, temporary employees, over 30 private contractors, and more than 600 volunteers. They provide a variety of janitorial and facility maintenance services, and assist visitors at parks and campgrounds throughout the state.
- **Public Safety** - Parks staff inform and educate the visitors about hazards related to outdoor recreation, i.e. boating safety, stream crossing, wildlife encounters, etc. Thirty-two park rangers are commissioned as Peace Officers to enforce the law within state parks. They backup temporary employees, campground hosts, and members of volunteer "Park Watch" groups in deterring crime and behavior disruptive to park visitors. The vast majority of park rangers are seasonal employees.

- **Resource Management** - State parks receive a wide variety of recreational uses. Residents and visitors to Alaska pursue fishing, launch boats from Deep Creek, operate ATVs and snowmachines in Chugach State Park or Chena River Recreation Area, or hunt for moose in many parks. Park managers issue Park Use Permits. These permits authorize and control a variety of activities that have potential impact on park resources. These activities vary from competitive events, such as races to moving mining equipment across frozen park land to mining claims outside park boundaries.
- **Managing Commercial Uses** - State parks has developed public-private sector partnerships which allow for small business to work in state parks. In FY94, over 400 businesses were permitted or licensed to work in state parks, providing a range of services form canoe rentals to sport fishing guides.
- **Volunteerism** - State Parks has the largest volunteer program in Alaska. Park Managers recruit, train and utilize over 600 volunteer workers each year. Last year, approximately 2,000 people responded to volunteer recruitment information. The volunteer program allows the State Park system to maintain high standards and quality services in its facilities. The volunteer is motivated by opportunities to learn new skills, meet people with similar interests, see a new area of the country, and to contribute to a worthy cause.
- **Engineering Support** - Development of new campgrounds, structures and buildings and the rehabilitation, expansion, and repairs of existing facilities in over 133 park units requires program direction and oversight by registered engineers. Parks contracts for \$2-4 million in construction each year. Engineers set design standards, supervise park designs, approve plans and specifications, and guarantee that construction is performed in compliance with approved plans.
- **History and Archaeology** - Manages the State of Alaska's historic preservation programs to identify, document, protect and restore sites and building, and to educate Alaskans and visitors about heritage resources. To carry out these programs, the Office of History and Archaeology seeks partnerships with local governments, Native organizations, historical societies, non-profit organizations, private owners and other government agencies. The Alaska Historical Commission advises the Governor on programs concerning history and prehistory, historic sites and building, and geographic names.

## DIVISION OF GEOLOGICAL AND GEOPHYSICAL SURVEYS

- Generates, assembles, and disseminates geologic data and information pertaining to Alaska's subsurface estate of minerals, coal, oil and gas, construction materials, and geothermal energy.
- Provides strategic guidance to avoid or mitigate potential geologic hazards that could be encountered during volcanic eruptions, access corridor development, and construction of urban and rural village infrastructure.
- Geologic reference samples archived in the ADGGS Geologic Materials Center are a popular source of data for petroleum and minerals companies.
- Reports and archive materials provide the public with a primary source of Alaska geologic knowledge that is the basis for a continuing stream of Alaskan resource development and socially-oriented engineering projects.
- The organization and public dissemination of all types of Alaska geologic data as a prime function of the division.
- Geologic knowledge is fundamentally necessary for the state to generate a sustainable economy from its subsurface resources, protect the state's interest during ongoing state vs. federal land negotiations, preserve the integrity of the natural environment, and contribute to the safety of its citizens.
- Acts as technical consultants to agencies of the state of Alaska in matters related to resource endowments and geologic hazards.
- Locates, identifies, and inventories subsurface resources of economic value including minerals, coal, and geothermal energy and annually reports on mineral industry activities within the state.
- Conducts strategic field surveys and geologic inventories to identify the locations of potential oil and gas fields.
- Identifies sources of sand, gravel, and other construction materials needed by municipalities throughout rural and urban Alaska.
- Identifies potential sources of natural gas or coal resources needed for local heat and power generation in rural Alaska.
- Provides help to rural Alaskans and other agencies in assessing the character of surficial geologic units underlying and impacting sites for municipal construction projects.

- Makes pre-engineering assessments of access corridors to identify geologic hazards to roads, bridges, and other structures so that they can be avoided or mitigated during later design and construction of the state's infrastructure.
- Provides the state's direct line of communication with respect to hazards associated with volcanic eruptions.

## **DIVISION OF MINING & WATER MANAGEMENT**

### **Mining Goals**

- Was created as a direct response to budget reductions in the former Division of Water. The merged division is responsible for making available for use and development the state's mineral and water resources and for managing these resources to assure the state's best interests are met.
- Assures the maximum amount of the state's mineral resources are available for exploration and prudent development,
- Provides technical assistance and oversight as required by law to assure that other public resources are not unreasonably or unduly damaged,
- Maintains mining claim lease, coal lease and permit files in a cost effective and timely manner to assure revenues from the state's mineral resources are collected timely, and
- Makes files easily accessible to the mineral users and the public.

### **Water Goals**

- Manage the state's water resources held in trust through timely and responsible adjudication of applications for water use.
- Ensure safety of dams,
- Collect, interpret, and disseminate water resource data essential for domestic and commercial uses including export, and for prudent development of Alaska's resources,
- Secure Quiet Title to submerged lands beneath navigable inland waters with priority to waterbodies having potential for economic development,
- Provide leadership in the cooperative resolution of water management issues,

- Implement procedures that assure a fair return for appropriation and for exportation of Alaska's water.

**Significant objectives are:**

- Administer State Coal Mining laws and promote development of coal resources
- Complete reclamation work on dangerous abandoned mine sites
- Assist permitting large-scale mining
- Maintain mineral property records
- Develop multi-year permit program
- Monitor/expedite multi-year reclamation plans
- Process/adjudicate 7,500 new mining claims
- Process/adjudicate annual labor/rental of 30,000+ mining locations
- Process deeds/contracts for ownership transfer, 4000 properties
- Adjudicate 450 APMA's
- Assist mining companies/small operators in permitting/compliance
- Inspection of dams for safety and maintain database of dams to ensure compliance
- Accept/process 1200 water-related applications
- Develop hydrological data to protect interests of individuals and communities from unexpected flooding & erosion
- Work with Federal agencies regarding navigability of 14 million acres of submerged lands
- Work with mining industry, providing hydrologic data necessary for mining operations
- Provide coordination of Alaska Water Management Council to ensure priorities are identified

## **DIVISION OF AGRICULTURE**

- Represents a \$30 million renewable resource industry.
- In 1993 agriculture employed in excess of 1500 Alaska residents at an average hourly salary of \$7.50.
- The agricultural business also represents one of many opportunities to diversify the Alaskan economy by creating opportunity for in-state production and marketing of food and fiber.
- Supports the Alaska agricultural community through marketing and inspection services, agricultural land management and resource conservation services, competitive farm development and operating loans, and plant materials development and testing.

### **Agriculture Revolving Loan Fund:**

- Conventional financing for agribusiness is generally not available in Alaska due to restricted ag land title, perceived risk, and lack of private sector experience in agricultural lending practices.
- In FY 94 the ARLF filled this critical gap by providing \$1.9 million of low interest farm development, chattel, operating, and product processing loans.
- The ARLF through the Directors office has focused a great deal of its attention toward improving the delinquency rate of an inherited portfolio by restructuring loans to low risk borrowers with a productive history.
- Aggressively pursued delinquent loans through settlement action and/or litigation. As a result of this aggressive asset management program the projected value of land, equipment, stocks, judgements, and cash revenue returned to the ARLF portfolio in 1993, is \$7.7 million.

### **Northern Latitude Plant Materials Center/Forest Nursery:**

- Recognized as the authority in Alaska on reclamation, revegetation, wetland rehabilitation, and commercialization of plant varieties adapted to northern climates.
- Virus free seed stocks have also reduced the need for field applications of hazardous insecticides and fungicides which in many parts of the lower 48 have had a long term effect on water quality as well as other negative environmental impacts. Last year Alaska growers produced 13,000,000

pounds of potatoes with a market value of \$2.4 million.

- Data collected by the PMC on plant performance as a result of out-state testing is used to develop standards and specifications required by state and federal mine land reclamation regs, state and federal highway construction projects with revegetation requirements, and bio-engineering standards for stream bank stabilization projects involving valuable fish and wildlife habitat protection.
- In July of 1993, the PMC program was expanded to include the commercial production of tree seedlings adapted to northern climates. A.S. 41.17 requires the reforestation of all harvested state, municipal, and private forest lands.

#### **Soil & Water Conservation Board:**

- The Land Conservation program within the Division is the responsibility of the Alaska Soil and Water Conservation Board and the 10 Soil and Water Conservation Districts authorized under A.S. 41.10.
- The Alaska Conservation program is part of an active network of 3,600 Soil and Water Conservation Districts throughout the lower 48 involving some 17,000 locally elected land owners.
- Federal program assistance is available in forest management, mine land reclamation, wildlife habitat enhancement, and recreational development on private lands in Alaska.
- Because the native community represents the largest private land owner in Alaska, new federal programs focused on rural economic development and multi resource management are also now available to regional and village corporations through the unique state, federal, private partnership offered by the Alaska Soil and Water Conservation Program.

#### **Agricultural Contract Management:**

- As part of the Area Planning process the division has been actively involved in the interpretation of soil surveys, land cover type mapping, and wetland inventories to effectuate the classification of these lands for inclusion into the current 595,000 acre agricultural land bank.
- From 1978 to 1989 the state actively pursued the sale and/or lease of lands for agriculture development. Although the Div. of Lands was responsible for conducting the sale of agricultural lands and the issuance of contracts,

the Div. of Agriculture has traditionally taken the lead with regard to identifying tracts for sale, disposal design, establishing the development schedules, the approval and monitoring of conservation plans, and tracking revenue and billing.

- The Division currently administers 135 active land sale contracts, 28 grazing leases covering 151,000 acres, and 12 reindeer grazing permits involving 3.6 million acres of state land.
- Over the next 20 years this program will generate in excess of 5.6 million dollars in principle and interest payments to the General Fund.
- To effectively adjudicate these legally binding contracts for compliance, 300 on-site field inspections annually are required.

#### **Agricultural Product Inspection:**

- The primary mission of this program is to prevent loss of product sales due to poor quality and prevent fraud and misrepresentation of agricultural products sold in Alaska.
- Allows producers to comply with a number of state and federal mandated product quality regulations.
- The Division has a number of interagency agreements to carry out USDA inspection requirements.
- A majority of the inspection services provided by the Division, are required before producers can sell to wholesale, retail, and military markets in Alaska. Specialized testing, grading, analysis and inspection of plants, seeds, vegetables, fruits, eggs, nursery and green house stock are performed on farm and in retail and wholesale outlets throughout the state.
- In FY94, Division staff conducted over 3,000 inspections on 340,000 packaged products to facilitate commerce.
- The expanding demand for wholesaler inspection has resulted in an increase in federal receipts. Because agricultural product inspectors have personal contact with both producers and purchasers, they provide a key link in the development of the Alaskan agricultural industry.

#### **Agricultural Marketing Service:**

- The main objective of this program is the increased utilization and

sales of competitively priced Alaskan grown commodities over similar imported products.

- As agricultural producers become more productive, the identification of niche markets, encouragement of value added processing, and influencing the demand for local products becomes increasingly important.
- Alaska currently occupies an average of 25 to 30% of the "in season" fresh market share from local grown potatoes, carrots, peas, and other cole crops. With an aggressive marketing campaign and support from the local producers it is reasonable to double the instate market share within the next 2 years.
- Other Alaskan commodities currently targeted for promotion under the ag marketing program are red meat (both domestic and semi-domestic), berries, and dairy products.
- Through 52 weekly market news reports, close coordination with military purchasing agents, the printing and distribution of farm product directories, transportation and product feasibility studies, the sponsorship of producer forums, the promotion of the Alaskan Grown campaign, expansion of the state wide farmers markets, and the Divisions participation in state fairs we hope to promote the increased wholesale and retail sales of Alaska grown commodities.

## **SUPPORT SERVICES DIVISION**

### **Administrative Services**

- Administrative Support Services which includes the Director's Office, enable the operating programs to concentrate on serving the public and make money for the state.
- Both major leases for DNR offices in Anchorage and Juneau were successfully re-negotiated saving the State in excess of \$6.0 million in lease cost over the next 5 years and avoided the disruption and cost of having to relocate.
- The Financial Service Section oversees the preparation of the operating and capital budget, and accounts for \$80.0 million in annual appropriation expenditures.
- The Human Resource Section handles payroll and personnel functions for approximately 840 permanent and 2,000 temporary and emergency employees.
- The Human Resources/Payroll Project directly contributes to the Department's success in meeting its goals by providing managers and employees with the necessary staff to ensure that a quality and motivated work force is maintained, that minimal time and expense is spent by managers on unnecessary labor disputes, and that Department staff is educated on the most current human resource related programs, laws, and rules.
- The Resource Revenue Collection and Accounting Section accomplishes revenue collection and accounting for all DNR programs. External customers are 73,000 citizens and businesses who made over 115,000 payments in FY94 providing \$800 million in revenue.
- A portfolio of 33,936 subsidiary ledgers, including 17 types of contracts which bill, note defaults, and provide customer service for 10,000 lease and sales contracts are accurately maintained.

### **The Recorder's Office/UCC**

- Provides a safe, secure and impartial place of record for all recorded instruments affecting real property in Alaska (deeds, mortgages, liens, and mining claims to name a few) and ensures ongoing public access to all records per statutory directive.

- Permanently preserves and protects all documents entrusted to its care for the long term benefit of all Alaskans.
- Operates recording facilities in fourteen rural and urban locations covering 34 recording districts (DNR staffs and operates offices in Fairbanks, Bethel, Nome, Juneau, Ketchikan, Sitka, Anchorage, Palmer, Kenai, Homer and Kodiak, while the Alaska Court System provides minimal front line recording services in Seward, Valdez and Glennallen).
- Maintains a computerized index of approximately three million documents recorded during the past 25 years, along with thousands of original hand written index ledgers and original transcript volumes dating from the late 1800's.
- Benefits the general public, business community, and mortgage and banking institutions who cannot function effectively without the public notice protection afforded by the recordation of their documents.
- Reported record setting revenues in FY94 by processing more than 250,000 documents and generating over \$4.5 million (more than \$2 million in excess of annual operating funding).
- Administers the Uniform Commercial Code central file office, a statewide repository for an estimated 20,000 secured transactions and search requests submitted annually.
- Keeps abreast of current technology options to ensure that ongoing operations remain effective and efficient, and continues efforts to increase the number of records available to the general public in every recording facility.

#### **Information Resource Management (IRM)**

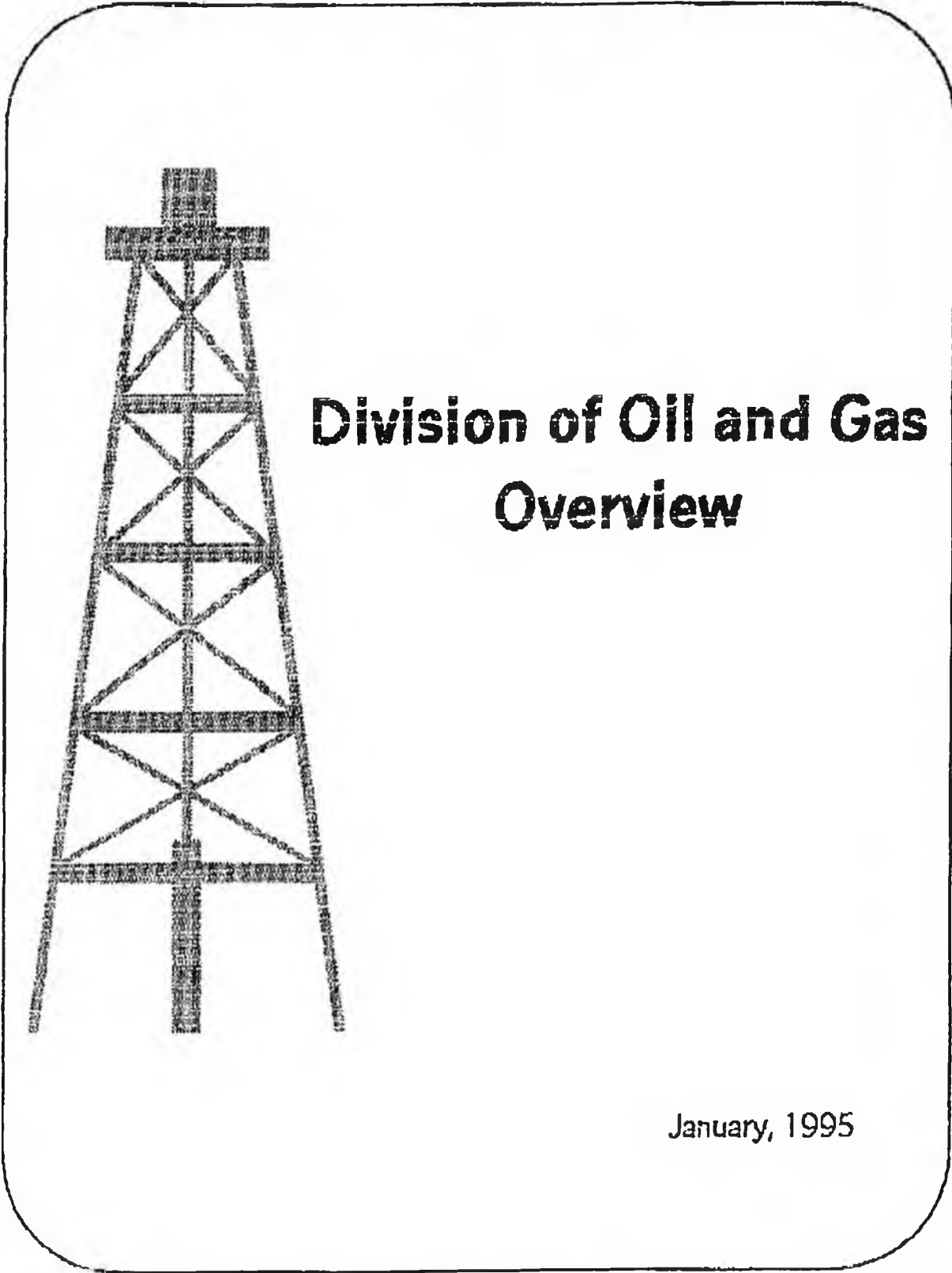
- IRM produces over 10,000 resource integration maps annually, that describe ownership, access, status, resources, and base features.
- Maintains the state's land records information system - over 190,000 cases covering 130 million acres of land, involving two million transactions.
- Distributes over 200,000 microfilmed aperture cards of land status maps and surveys annually, to DNR public information and regional offices, various boroughs, and the University of Alaska.
- Provides mainframe computer programming support for the department's

applications.

- Maintains the state's graphic land record system of over 9,700 townships.
- Trains over 150 DNR employees annually in the operation of DNR's systems for tracking resource activities and revenues.
- Provides distributed computing systems which automate routine tasks and improve access to public information.

#### **PUBLIC INFORMATION CENTER**

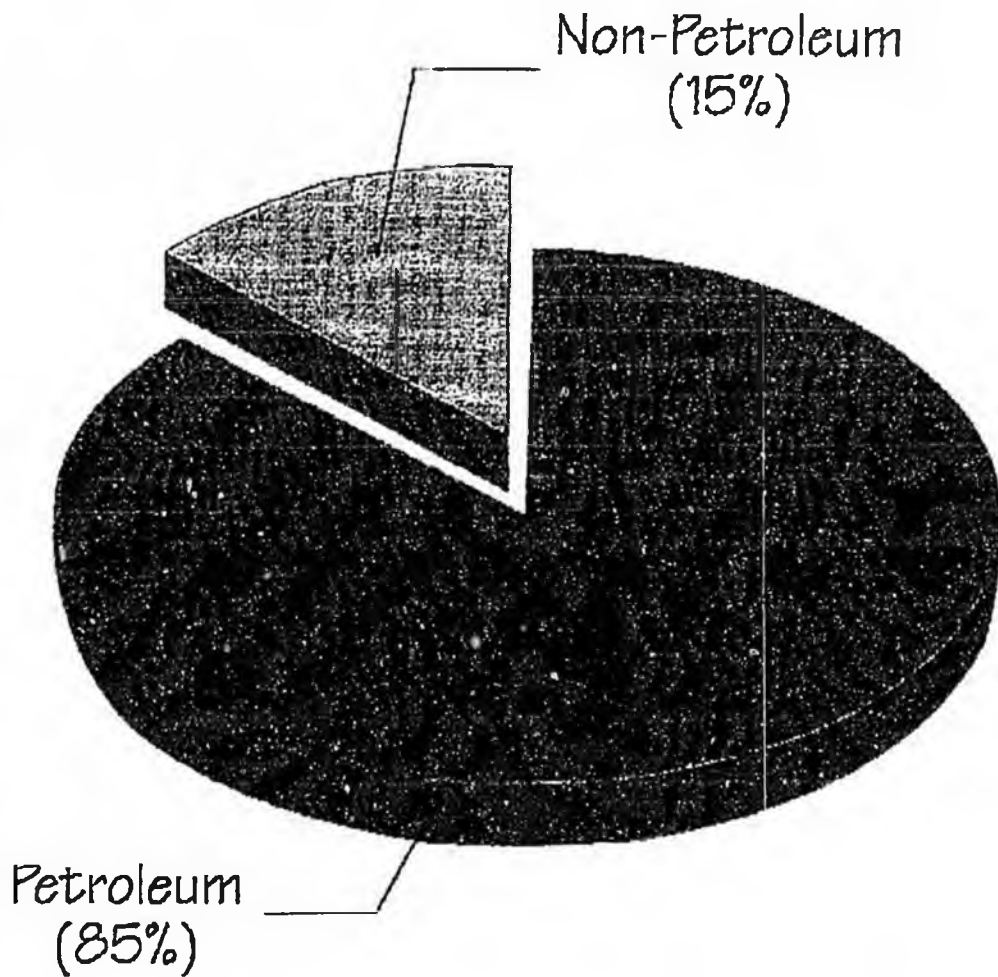
- The DNR PIC provides "one-stop shopping" for DNR's customers. Located in Anchorage, it provides services on a state-wide basis both directly and through support of DNR information offices in other locations.
- Services offered the public include help with land status research and applications for department authorizations, acceptance of payments, public use cabin reservations and information on DNR programs and activities.
- The PIC also sells or distributes DNR publications, maps, state park use decals and other DNR products. The PIC's staff supports DNR's divisions by serving as the initial point of public contact for the department, which allows division staff to more efficiently accomplish their missions; providing public affairs support; and providing internal communications and training.
- The PIC advocates for good customer service within the department, and alerts DNR managers to customer concerns.
- The PIC is accessible for DNR customers with physical disabilities.



# **Division of Oil and Gas Overview**

January, 1995

# Where Our Money Comes From



## Major Sources of Income (FY94):

BONUS:	\$1.2 Million
RENTS:	\$7.8 Million
ROYALTIES:	\$696 Million
TAXES:	\$727 Million



## **Lease Admin/Royalty Acc't**

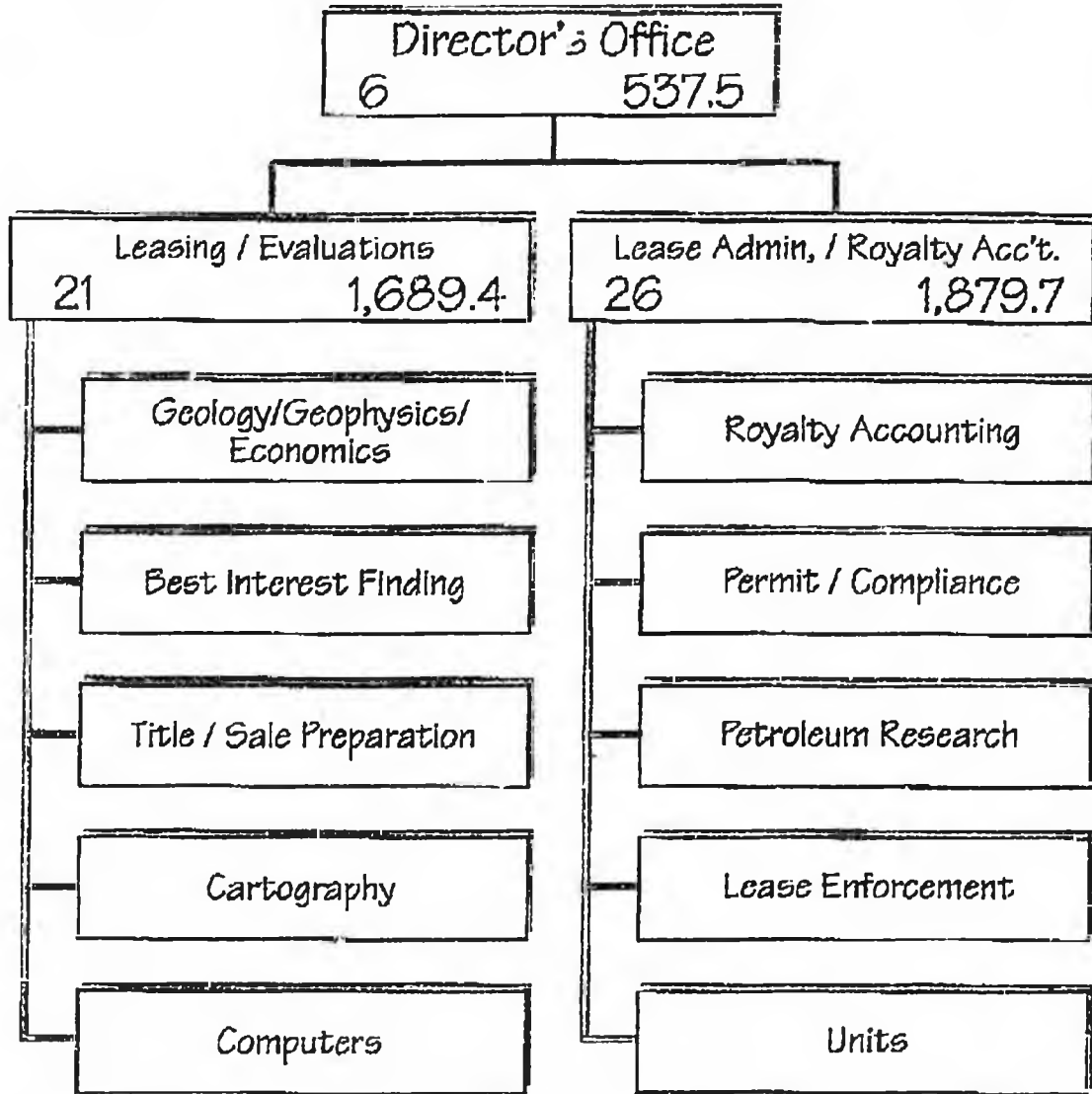
- Royalty Accounting
- In-Kind Sales
- Unitization
- Engineering
- Permit Compliance
- Lease Enforcement
- Production Forecast



## Director's Office

- Policy Guidance
- Public Outreach and Information
- Royalty Settlements
- Marketing
- Market Analyses
- Lawsuits/Appeals
- Administration

# Division of Oil and Gas Organization





## **Leasing/ Evaluation**

- Five Year Schedule
- Best Interest Findings
- Public Hearings
- Title Search/Sale Prep
- Geology/Geophysics
- Economics



## Recent Initiatives

- Exploration Licensing\*
- Exploration Incentive Credits\*
- Coalbed Methane\*\*

\*Regulations are in progress (DNR)

\*\* Regulations being considered (AOGCC)

Our Statehood Act land acquisitions, in which the Division of Land plays a key role, establishes the foundation for Alaska's economic and resource base. After clear title is secured for this land, these state-owned lands and resources are analyzed for their appropriate uses. In a process that brings together a representation of Alaska's citizens and all major landowners- the Division of Land plans for use and development of its land and resources, guaranteeing through such planning activities access through issuance of rights-of-way, continued public use through designations such as the Recreation Rivers system, and areas designated for mining and other development.

Land use plans and their resulting land use classifications are required by law before we can dispose of state land. We have also found that land use plans greatly diffuse individual objections as land and resource uses are addressed on a more global scale rather than as an individual basis. A little more than one third of state land still has no land use plan in place. By this spring we will have completed the Yakutat and Kenai area plans. Important areas that need plans include most of Southeast, Kodiak, Nenana River Corridor, including the Wolf Townships, and the 40-Mile to include the Taylor Highway. Other plans are over ten years old and need to be reviewed and updated because of changed conditions, uses and the need to convey land to local municipalities. Some of these are Bristol Bay, Susitna Basin, and the Copper River Basin.

The Division of Land serves the state as a real estate developer and property manager by providing land for Alaskans to own and use. We currently maintain about 1,000 sale contracts for parcels of land purchased by Alaskans, and we will have a land disposal late this summer for an additional 500 parcels for about 3,000 acres. The division also issues leases

that range from set-net fishing sites or aquatic farms to shore-based fish or timber processing facilities to North Slope oil support industry sites and commercial recreational lodge sites.

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The Division of Land makes gravel and other materials available for residential, commercial, and industrial development; and is the state's survey authority to establish property boundaries.

The division protects the state's assets by establishing and enforcing reasonable conditions to protect the environment when authorizing land use, stopping unauthorized uses, and planning for land and resource use and conservation.

Finally, the division is responsible for stewardship of land retained in state ownership for public access, energy development, legislatively designated public use and recreation areas, and a host of the public use purposes. In our role as stewards, we also are available to serve as project manager on major development projects such as the Fort Knox Gold Mine.

Coordinating state agencies with industry to form a working project team.

The division maintains offices in Juneau, Anchorage, and Fairbanks to provide these essential services to all Alaskans.

The division receives many requests for leasing state uplands and tidelands for long-term commercial and non-commercial activities. Many of these requests are associated with oil and gas development, shore-based fisheries development/processing, and recreational and tourism development for lodge or guiding activities. The division presently has 530 lease applications to awaiting action.

Many requests for use of state land do not require the user to obtain an interest in the land as the use or project is only for a short term and no permanent improvements are involved. In such situations, the division issues a permit, such as a land use permit, tidelands permit, military maneuver permit, trapping cabin permit, or guide permit. The division presently 237 permits to process.

Material sales play an important role to industry as the state sells material from sources normally where private sources are not available. Within the next several months, the division will sell an estimated 2.8 million cubic yards of gravel in the Northern Region, 2.5 of which is in support of oil and gas development activities on the North Slope. Over 50 material sales remain to be processed.

As of this time, there are 687 right-of-ways awaiting processing state-wide. These range from the simplest small drive to complex utility lines

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The division has approximately 142 remote and homestead parcels awaiting appraisal at this time.

Just as the federal government conveys land to the state, municipalities are certified to select land from the state. The total acreage committed by the legislature to municipalities under AS 29.65 is over 1.2 million acres. The Division of Land is responsible for certifying the acreage due municipalities and for processing municipal selections. This year we have certified 3 municipalities entitlements (Northwest Arctic (41-,438 acres), Lake and Peninsula (125,000 acres), City of False Pass (0 acres)) and will be certifying three more (Aleutians

East, Yakutat, Denali).

So far this fiscal year we have conveyed 19 parcels, totaling approximately 4,000 acres. Most are parcels needed for specific projects or public purpose. These include parcels in Whittier, Aleutians East Borough, Juneau, Chignik, Perryville, Wrangell, Fairbanks North Star Borough and Sitka.

During the remainder we will be processing 38 additional parcels, totalling approximately 93,000 acres. This will include small high parcels in Anchorage (Girdwood), Cordova, Valdez. We will also process larger parcels for the North Slope Borough, Aleutians East, Anderson and Skagway.

The current land obligation is approximately 648,000 acres to 21 municipalities. The division currently has applications pending for 315,000 acres, leaving approximately 333,000 acres not yet selected by municipalities. The division has conveyed 430,000 acres <sup>to date</sup> and has another 250,000 acres are pending survey by the effected municipalities.