

**HB**

**527**

# FISCAL NOTE

**STATE OF ALASKA**  
**2002 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: HB 527  
 (H) Publish Date: 5/3/02  
 Dept. Affected: Natural Resources  
 BRU: Oil and Gas Development  
 Component: Oil and Gas Development  
 Component Number: 439

Revision Date/Time (Note if correction): \_\_\_\_\_  
 Title: Minto Flats Game Refuge  
 Sponsor: House Resources Committee  
 Requester: House Oil and Gas Committee

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>	**** See Below					
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2002) cost: none  
 Check this box (X) if funding for this bill is included in the Governor's FY2003 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This bill adds that entry for the purposes of oil and gas exploration and development shall be permitted when compatible with the purposes for which the refuge was established.

\*\*\*\*In April 2001, Division of Oil and Gas received a request from Andex Resources for an exploration license which included most of the Minto Flats SGR. If Andex rejects the license, the state would lose \$499,840 in application fees as well as eventual royalties and rental fees if the license is converted to leases.

Prepared by: Mark D. Myers Phone 269-8800  
 Division: Oil and Gas Date/Time 2-May-02  
 Approved by: Pat Pourchot Date 2-May-02  
 Agency: Natural Resources

# Alaska State Legislature

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## House Resources Committee

### Sponsor Statement

**HB527: An Act relating to entry into the Minto Flats State Game Refuge for purposes of exploration and development of oil and gas resources.**

This bill will facilitate economic development in the state of Alaska by allowing for the responsible exploration and development of oil and gas resources within the Minto Flats Game Refuge.

# STATE OF ALASKA

## DEPARTMENT OF FISH AND GAME

Commissioner's Office

RECEIVED

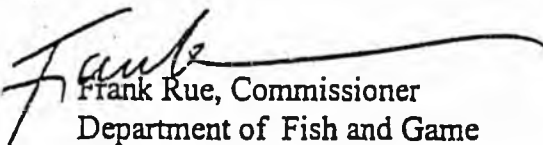
MAY 01 2002

TONY KNOWLES, GOVERNOR

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### MEMORANDUM

TO: Pat Pourchot, Commissioner  
Department of Natural Resources

FROM:  Frank Rue, Commissioner  
Department of Fish and Game

DATE: May 1, 2002

SUBJECT: Oil and Gas Exploration in the Minto Flats State Game Refuge

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MAY 01 2002

This memo clarifies the Department of Fish and Game's position regarding oil and gas exploration and development in the Minto Flats State Game Refuge (MFSGR). In the absence of sufficient site-specific information to render a compatibility determination at this time, the department's position was summarized in our March 15, 2002, recommended Licensee Advisory. That advisory stated in part,

Licensees are advised that ADF&G may require additional mitigation measures for activities within the refuge and may, in some instances, not find all oil and gas development compatible with the refuge's purposes and management plan. Licensees must coordinate closely with ADF&G early in the exploration and development process to ensure that proposed activities are consistent with the refuge management plan and can be developed in a manner that protects core refuge habitats and public use values.

We remain committed to working with the Department of Natural Resources, the project proponents, and the affected public to find ways to advance this project consistent with the MFSGR's statutory purposes, management plan, and public use values. Final decisions regarding the compatibility of gas resource development in the MFSGR will be made on their own merits once project siting and design information is available.

Regional staff will be submitting additional resource and public use information to DNR during the open public review and comment period. We will continue to work with DNR and the

project proponents to identify alternative mitigation measures to avoid or minimize impacts. We encourage DNR to maintain open channels of communication between all affected interests.

cc: Representative Hugh Fate  
Representative Scott Ogan, Chair, House Special Committee on Oil and Gas  
Senator John Torgerson, Chair, Senate Resources Committee  
Chip Dennerlein, ADF&G, Habitat and Restoration  
Mark Meyers, ADNR, Division of Oil and Gas  
Jim Hansen, ADNR, Division of Oil and Gas  
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