

SB

266

SB 266
Limited Mineral Order for Bristol Bay Area

Summary:

- SB 266 ensures that land remains available for a proposed competitive oil and gas sale in the Bristol Bay area by precluding oil and gas exploration licensing and shallow natural gas leasing in the competitive lease sale area.
- SB 266 will:
 - Avoid potential conflicts in land use for these areas later, if the proposed competitive oil and gas lease sale occurs.
 - Ensure that the state receives the maximum economic benefit from its higher potential oil and gas areas through bonus bids, royalties, and lease terms.
 - Help facilitate needed economic development and job creation in Alaska's Bristol Bay region as well as produce property tax revenue for municipalities.

Background:

- Upon the request of local governments and Native organizations, the Governor has requested that the Department of Natural Resources consider a competitive areawide oil and gas lease sale in the Bristol Bay (Alaska Peninsula) region. Geologists believe that outside of the North Slope and Cook Inlet, the Alaska Peninsula offers the greatest potential in the state for commercial oil and gas development.
- In order to avoid conflicts between the proposed competitive sale and either exploration licensing under AS 38.05.131-AS 38.05.134 or shallow natural gas leasing under AS 38.05.177, the Commissioner of Natural Resources signed a mineral closing order on July 11, 2003. The mineral order only precludes exploration licensing and shallow natural gas leasing in the competitive lease sale area. This order does not affect locatable minerals or leaseable minerals other than shallow natural gas leasing or oil and gas exploration licensing.
- Under AS 38.05.300(c), a mineral closing order is an interim classification which does not become permanent unless approved by the legislature by the 90th day of the next regular session, or adjournment.
- SB 266 would:
 - Prevent speculators from top filing shallow natural gas applications (\$5,000 application fee) in an area of richer oil and gas potential which should be competitively leased.
 - Avoid potential land use and program conflicts if an oil and gas exploration license or shallow natural gas lease is top filed in the proposed competitive sale area.
 - Help maximize economic benefit from the State's higher potential oil and gas areas through royalties, lease terms, and competitive bonus bids.

SB 266

FRANK H. MURKOWSKI
GOVERNOR

GOVERNOR@GOV.STATE.AK.US



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

P.O. Box 110001
JUNEAU, ALASKA 99811-0001
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FAX (907) 465-3532
WWW.GOV.STATE.AK.US

January 12, 2004

The Honorable Gene Therriault
President of the Senate
Alaska State Legislature
State Capitol, Room 107
Juneau, Alaska 99801-1182

Dear President Therriault:

Under the authority of article III, section 18, of the Alaska Constitution, I am transmitting a bill approving an interim classification by the commissioner of Natural Resources closing certain land in the Bristol Bay region to oil and gas exploration licensing under AS 38.05.131 through AS 38.05.134 and shallow natural gas leasing under AS 38.05.177. The specific lands affected will be part of a future competitive oil and gas lease sale in the Bristol Bay region. Closure avoids potential conflicts in land use for these areas later, when the proposed competitive oil and gas lease sale occurs.

Under AS 38.05.300(c), a mineral closing order is an interim classification which does not become permanent unless approved by the legislature by the 90th day of the next regular session, or adjournment. This legislation will help facilitate needed economic development and job creation in Alaska's Bristol Bay region.

I urge your prompt and favorable action on this measure.

Sincerely yours,

A handwritten signature in black ink that reads "Frank H. Murkowski".

Frank H. Murkowski
Governor

Enclosure



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DOCUMENT(S)
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House District 37



St. Paul
St. George

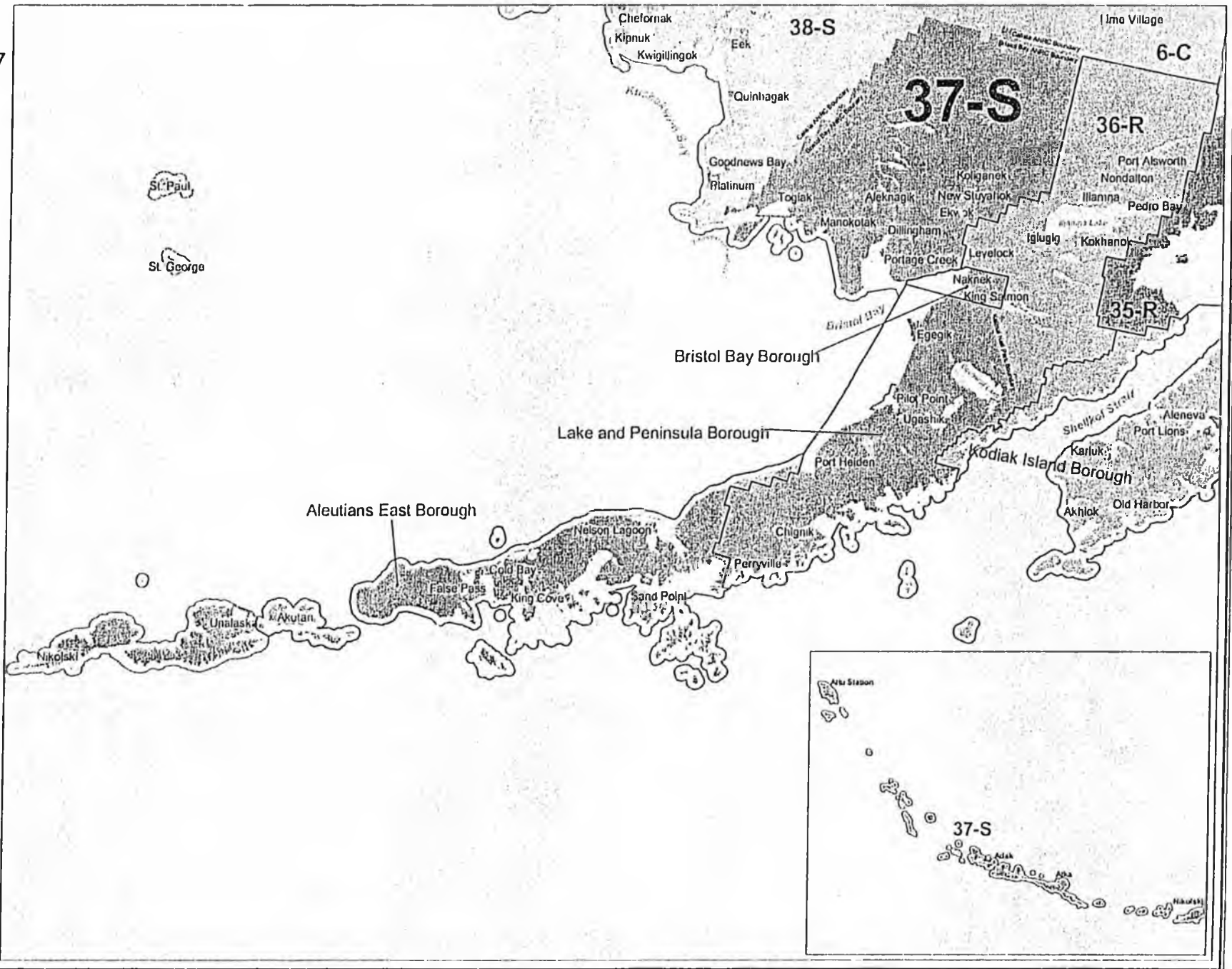
Legend

-  Borough Boundary
-  City Boundary

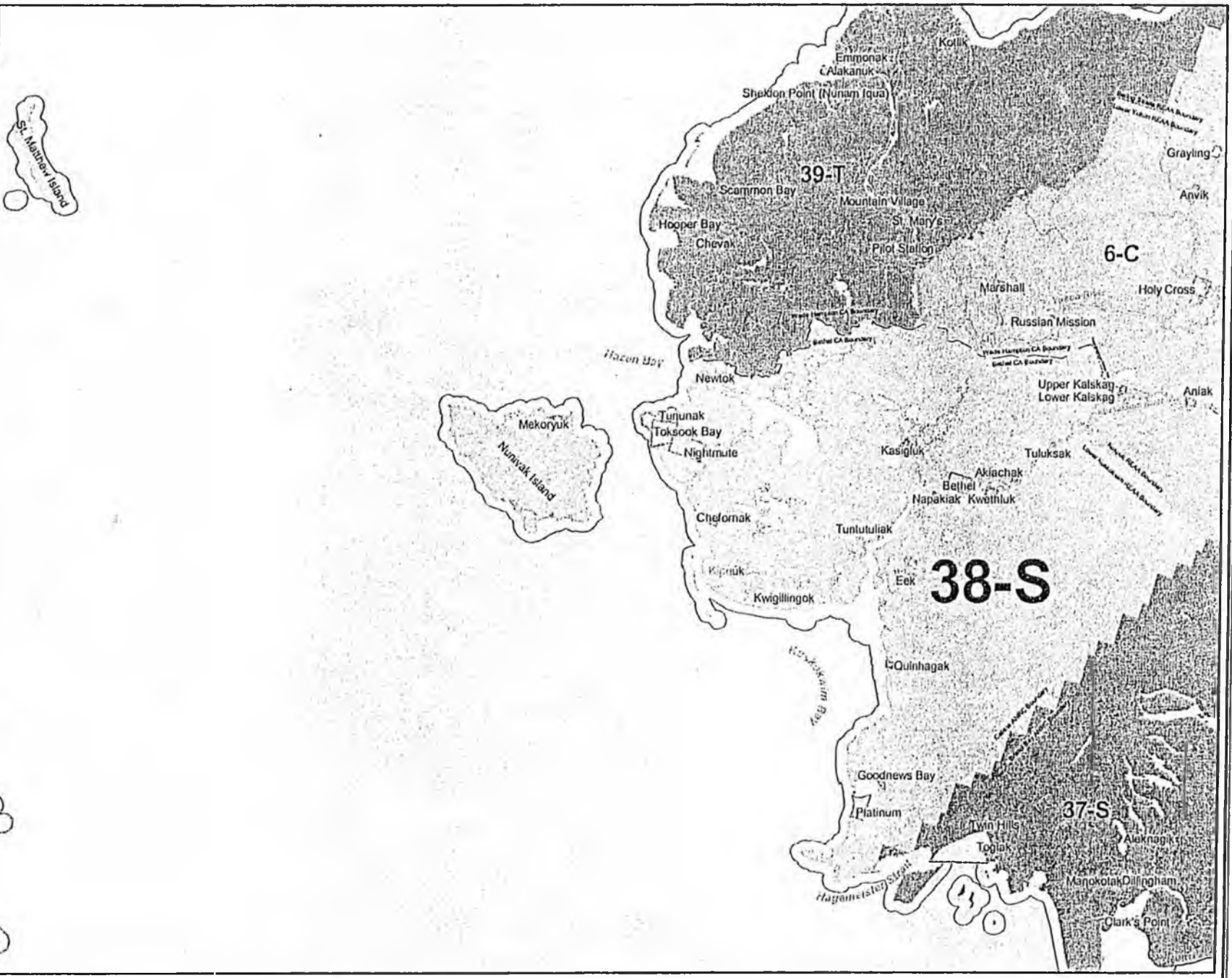


Amendments adopted by
Alaska Redistricting Board
April 11 as modified on April 18, 2002

Prepared by
Alaska Redistricting Board
May 4, 2002



House District 38



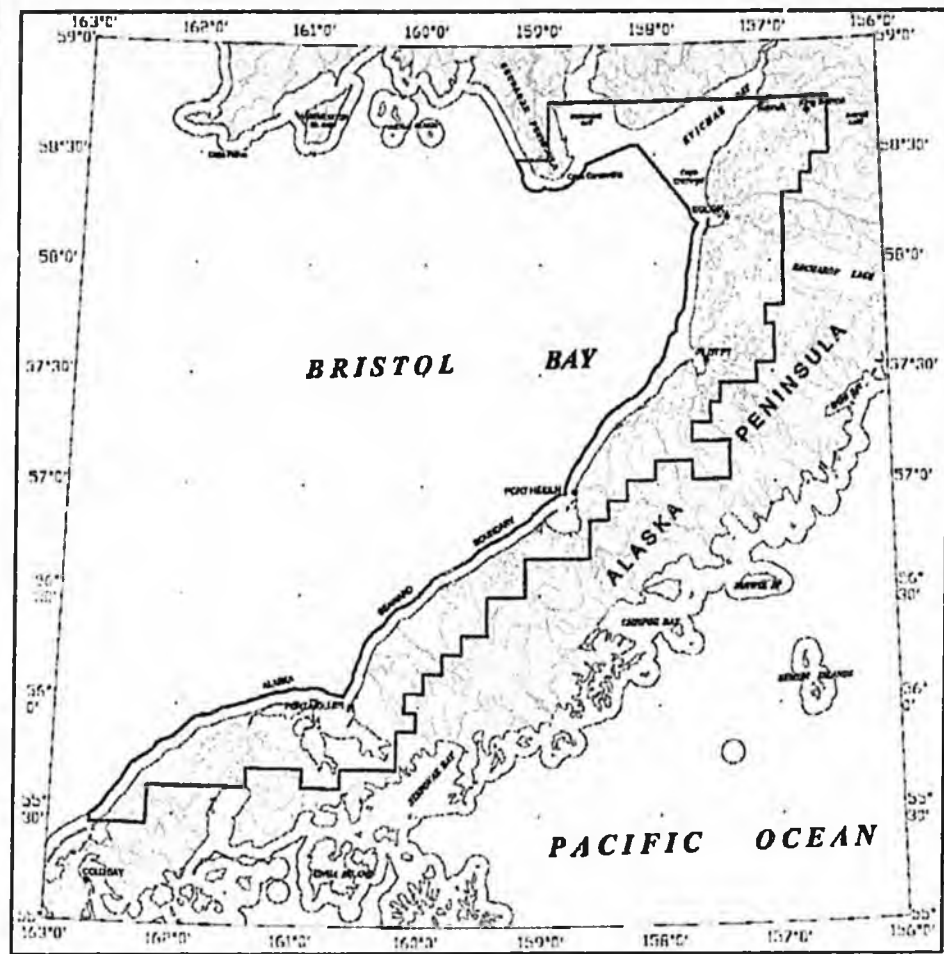
Legend

- Borough Boundary
- City Boundary
- Census Area Boundary



Amendments adopted by
Alaska Redistricting Board
April 13 as modified on April 18, 2002

Prepared by
Alaska Redistricting Board
May 4, 2002



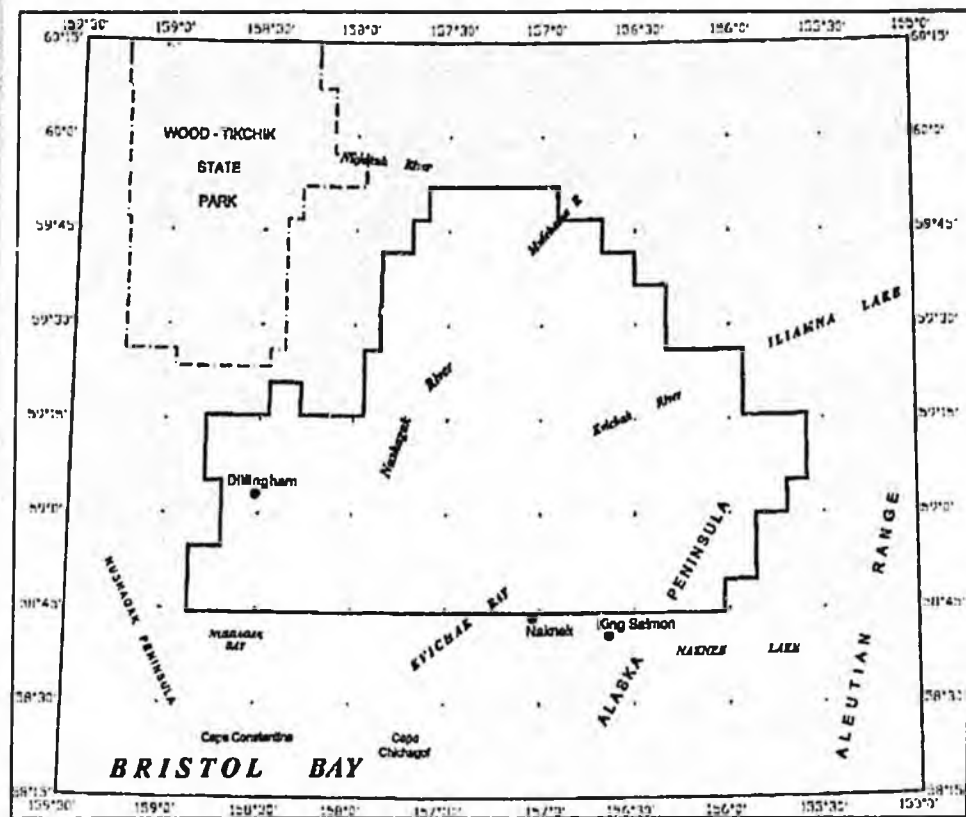
Proposed Alaska Peninsula Areawide Oil and Gas Lease Sale Area

Proposed AK Peninsula Areawide Oil and Gas Lease Sale

Proposed Sale Area =

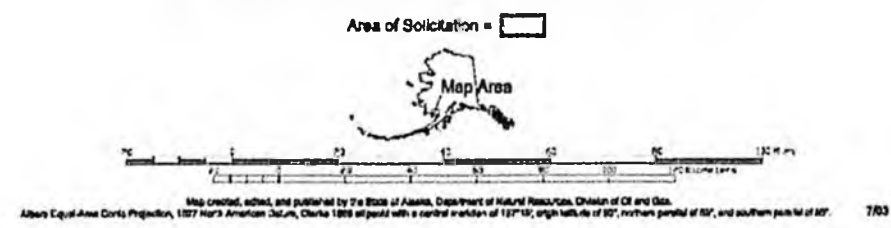


Map created, edited, and published by the State of Alaska, Department of Natural Resources, Division of Oil and Gas
 ADNR 7/03
 Albers Equal-Area Conic Projection, 1827 North American Datum, Clarke 1866 spheroid with a central meridian of 158°30', origin latitude of 60°, northern parallel of 66°, and southern parallel of 54°.

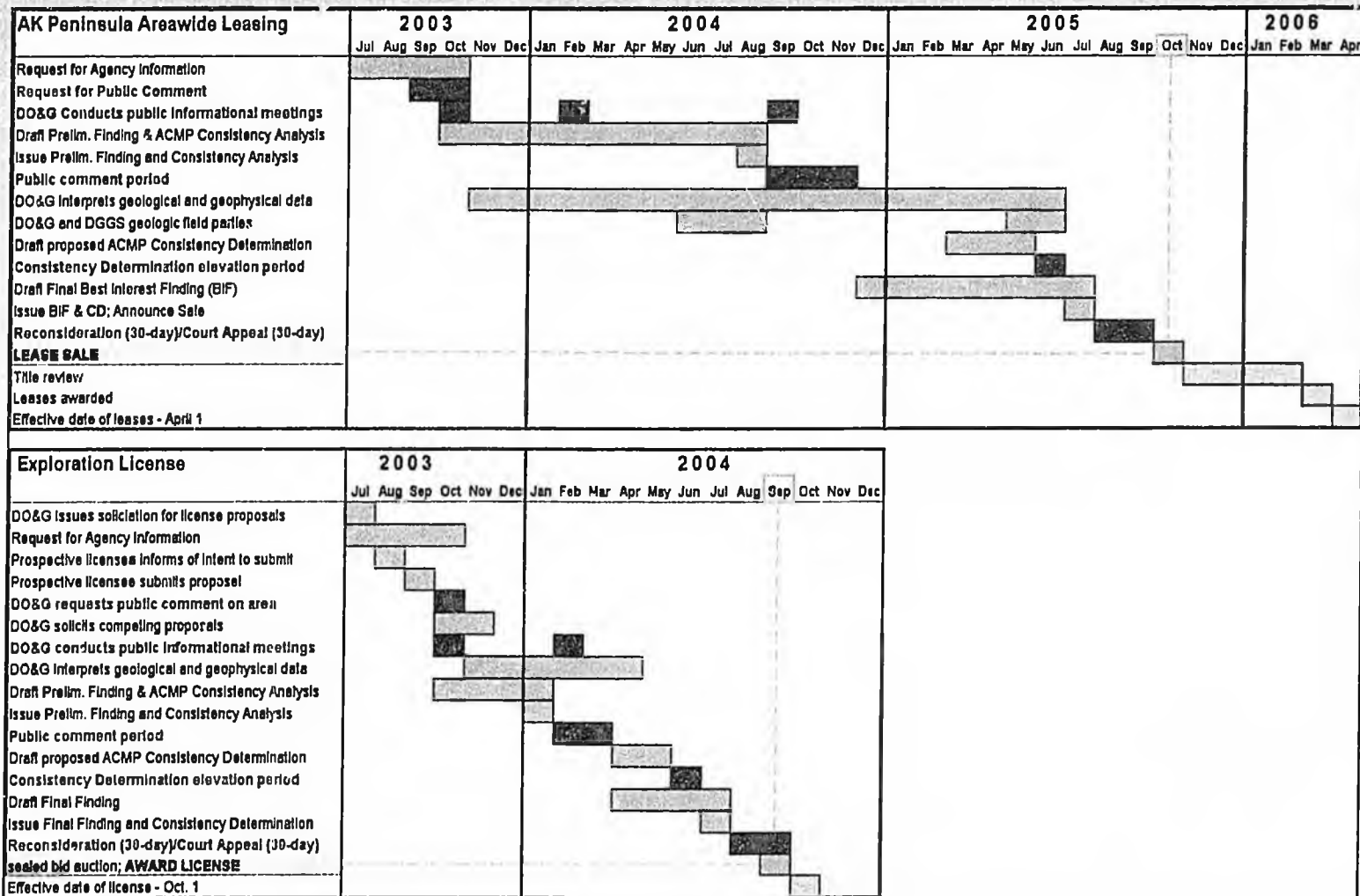


Bristol Bay Basin Exploration License Study Area

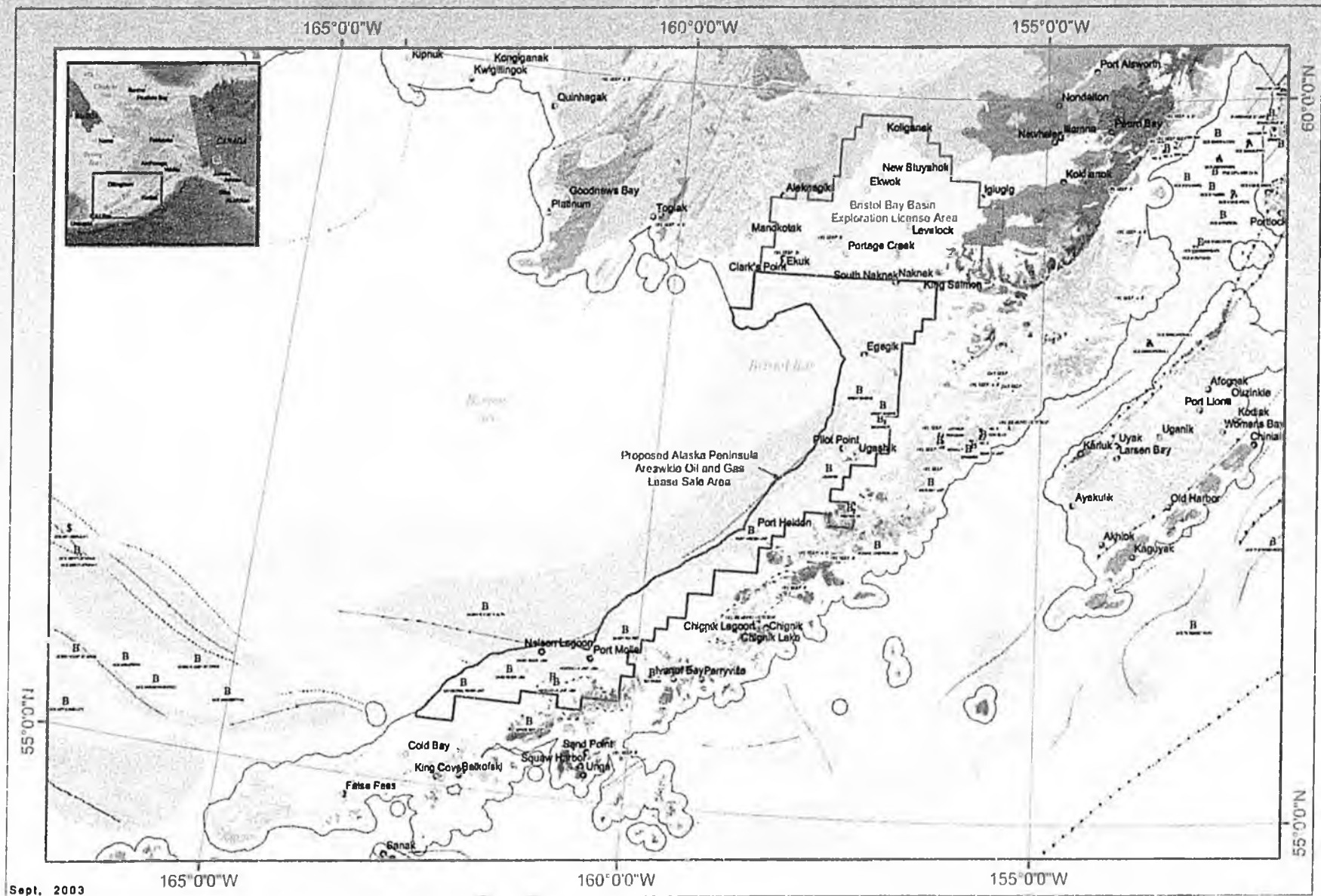
Bristol Bay Basin Exploration License Solicitation



Alaska Peninsula Areawide Oil and Gas Lease Sale and Bristol Bay Basin Exploration License Timeline



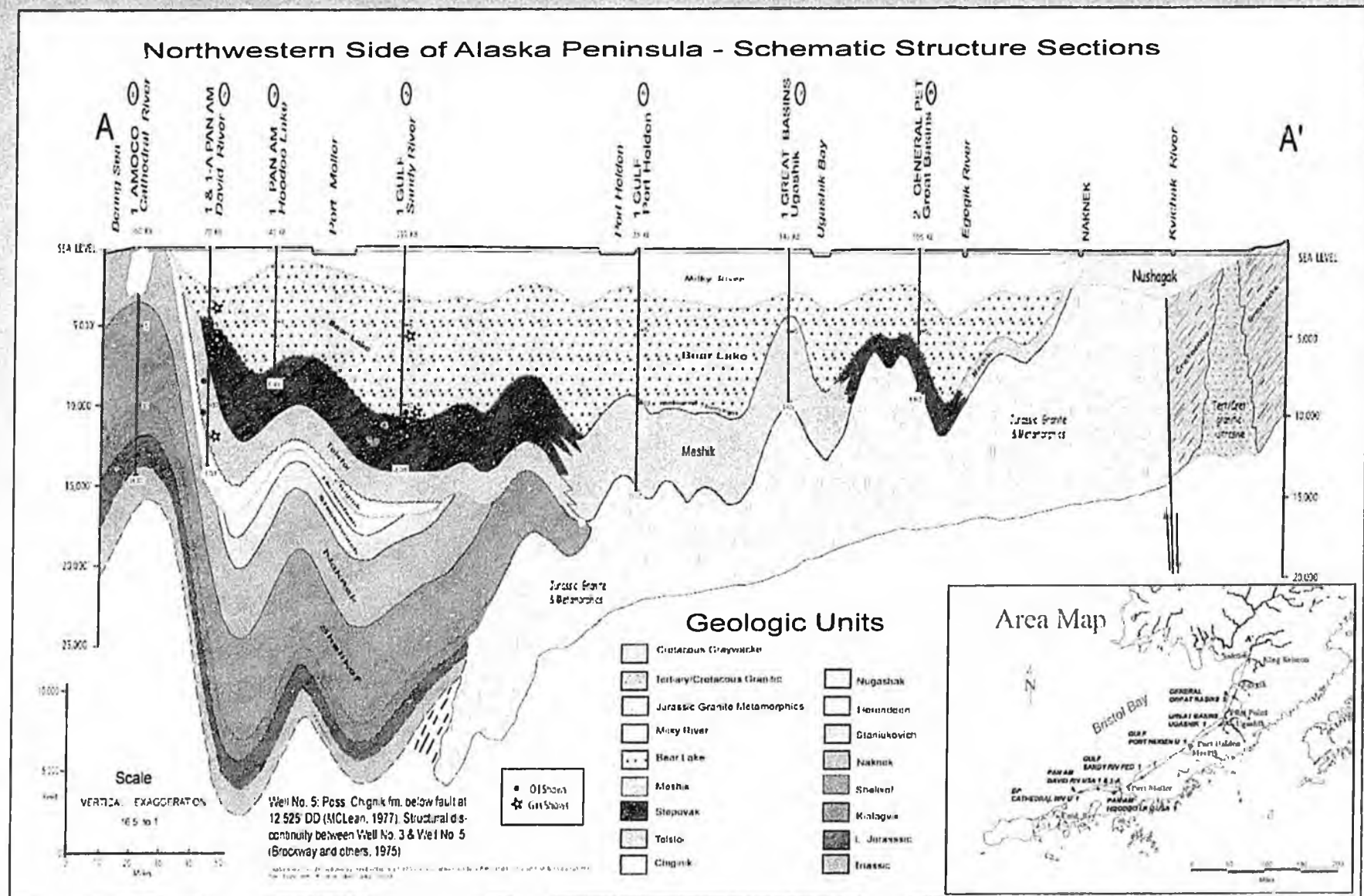
Alaska Peninsula Geologic Map



Sept, 2003

dwb 09/03

Alaska Peninsula Geologic Cross Section



COMPOSITE STRATIGRAPHIC SECTION
BRISTOL BAY & ALASKA PENINSULA REGIONS, ALASKA

AGE	LITHOLOGY	FORMATION	DESCRIPTION
CENOZOIC TERTIARY	Quaternary - Recent		Unconsolidated sediments and volcanics <i>Unconformity</i>
	Volcanics 1000'		
	Miky River Fm (Tpm) 3000'		Conglomerates, sandstones, and mudstones; clastic fraction volcanic derived; fossiliferous; shallow marine environment <i>Unconformity</i>
	Bear Lake Fm (Tmb) 5000'		Sandstones, conglomerates and thin mudstones, locally volcanic derived; locally fossiliferous; transitional environment
CENOZOIC TERTIARY		Unga Cgl Mbr. (Tmbu)	Sandstones and conglomerates with interbedded siltstones, mudstones and coals; fossiliferous; transitional environment <i>Local Unconformity</i>
		Meshik Fm. (Tom)	Volcanic sandstones and conglomerates with interbedded thick units of black siltstone; all rock types locally carbonaceous with seams of lignite in upper part of sequence; locally highly fossiliferous; volcanic flows near base of unit and silt rare throughout; predominantly of marine origin
		Totolot Fm. (Tot) 6,000'	Volcanic conglomerates, sandstone, volcanic breccias, andesite-basaltic extrusive volcanics, or local siltstone and shale, present on surface and in sub-surface from Chugik Bay northeast to Ugashik Lakes areas; probably equivalent to the Staporok Formations and upper part of Totolot Formation
		Totolot Fm. (Tot) 6,000'	Siltstones with interbedded volcanic sandstones and conglomerates; fossil silt and volcanic breccia; non-marine to brackish water environment; marine fossils are rare; plant fossils common and very abundant in lower part of sequence <i>Unconformity</i>
CENOZOIC TERTIARY		Hoodoo Fm (Kh) 2,000'	Siltstone, siltstone and claystone with the granitic sandstone at base; thin streaks of carbonaceous siltstone and fine volcanic breccias; distinctive block to dark gray color and weathering to profusion of granitic spores; siltstone to fine marine environment <i>Unconformity</i>
		Chugik Fm (Kc) 1500'	Sandstone, siltstone and minor mudstone and conglomerate; shallow marine environment
		Coal Valley Mbr. (Kcc) 1000' (of the Chugik Fm)	Conglomerates, sandstone and coal; non-marine environment <i>Unconformity</i>
		Stanukovich Fm (JKa) 2000'	Feldspathic sandstones and arkoses; thin siltstones; locally abundant Bucha; shallow marine in origin
MESOZOIC LATE JURASSIC		Naknek Fm (Jn) 5000' to 10,000'	Claystone and siltstones predominate in upper part of unit; lower part of unit consists largely of feldspathic sandstones with some interbedded claystone, siltstone and conglomerate; locally abundant Bucha and bellerophites; shallow marine to neritic environment
		Chugik Cgl. Mbr. (Jnc) 800'	Pebble to boulder conglomerate of largely granitic debris at base of Naknek Formation; outcrop north of Wide Bay area
		Shale 1000'	Siltstone and shale; with lenses of limestone; abundant fossils; marine environment
		Shale of Fm (Js) 7000'	
MESOZOIC MIDDLE JURASSIC		SS & Cgl. 4000'	Sandstone, siltstone and conglomerate; marine environment
		Kulagvik Fm (Jk) 11,000'	Siltstone, sandy siltstone, sandstone, ash beds with abundant calcareous concretions and fossils; marine environment <i>Unconformity</i>
			Sandstone, sandy shale and conglomerate; becoming increasingly sandy near top of unit; fossiliferous; marine environment <i>Unconformity</i>
			Limestones, chert, volcanic rich rocks; outcrop at Puak Bay northeast

Alaska Peninsula Stratigraphic Section

Map of Alaska showing the location of the section. Source: Modified from Alaska Geological Survey, 1965. Alaska Geological Survey, 1965. Alaska Geological Survey, 1965. Alaska Geological Survey, 1965.

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

FRANK H. MURKOWSKI, GOVERNOR

- 400 WILLOUGHBY AVENUE
JUNEAU, ALASKA 99801-1796
PHONE: (907) 465-2400
FAX: (907) 465-3886
- 550 WEST 7TH AVENUE, SUITE 1400
ANCHORAGE, ALASKA 99501-3650
PHONE: (907) 269-8431
FAX: (907) 269-8918

RECEIVED
1/22

January 22, 2004

The Honorable Bert Stedman
Senate Community and Regional Affairs Committee
Alaska State Legislature
Juneau, AK 99801

RE: Hearing Request for SB 266

Dear Senator Stedman:

I am writing to request a hearing the week of January 27, 2004 for SB 266. SB 266 relates to the approval of an interim classification order that closes certain land within the proposed Bristol Bay (Alaska Peninsula) competitive oil and gas areawide lease sale to oil and gas exploration licensing and shallow natural gas leasing. Under AS 38.05.300(c), a mineral closing order is an interim classification which does not become permanent unless approved by the legislature by the 90th day of the next regular session, or adjournment.

The bill approves the interim classification by the Commissioner of Natural Resources that closed land in the proposed Bristol Bay (Alaska Peninsula) competitive oil and gas areawide lease sale to oil and gas exploration licensing under AS 38.05.131-38.05.134 and shallow natural gas leasing under AS 38.05.177. Passage of SB 266 ensures that land remains available for the competitive sale program under AS 38.05.180.

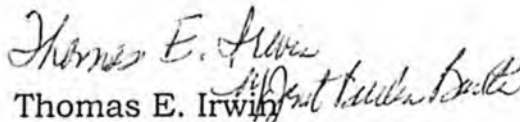
This legislation will help facilitate needed economic development and job creation in Alaska Peninsula. This bill promotes the governor's mission to use natural resource wealth to produce long-term, stable revenue sources for the state, local and property tax revenue for municipalities, and high paying jobs for Alaskans.

"Develop, Conserve, and Enhance Natural Resources for Present and Future Alaskans."

Senator Stedman
Page 2
January 22, 2004

Thank you for your consideration. Please contact Janet Burleson Baxter at 465-4730 if have any questions. You may also contact Mark Myers, Director of the Division of Oil and Gas or Marie Crosley at 269-8800.

Sincerely,


Thomas E. Irwin
Commissioner

cc: Mike Tibbles, Legislative Liaison, Governor's Office
Randy Ruaro, Legislative Office
Mark Myers, Director, Division of Oil & Gas, DNR
Marie Crosley, DNR



ALASKA STATE LEGISLATURE

SENATE COMMITTEE ON COMMUNITY & REGIONAL AFFAIRS

Senator Bert K. Stedman, Chair

Official Business

Senator Tom Wagoner, Vice-Chair
Senator Kim Elton
Senator Georgianna Lincoln
Senator Gary Stevens

State Capitol, Room 30
Juneau, AK 99801-1182
Phone: (907) 465-4989
Fax: (907) 465-3922

February 02, 2004
1:30 – 3:30 PM
Fahrenkamp 203

AGENDA

I. Call To Order

II. New Business

SB 266 Bristol Bay Oil/Gas Lease Sale Closure
Sponsor: *Mark Meyers, Director Oil & Gas, DNR*

III. Adjourn



ALASKA STATE LEGISLATURE

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State Capitol, Room 30
Juneau, AK 99801-1182
Phone: (907) 465-4989
Fax: (907) 465-3922

TO: Senate Secretary
FROM: Senator Bert Stedman
DATE: January 28, 2004
SUBJECT: C&RA Committee Schedule Week of February 2nd, 2004

The following is the schedule for the Senate Committee on Community & Regional Affairs for the week of February 2nd, 2004:

Feb 2 nd	Monday	Fahrenkamp 203	1:30 PM
+*	SB 266 BRISTOL BAY OIL/GAS LEASE SALE CLOSURE		
Feb 4 th	Wednesday	Fahrenkamp 203	1:30 PM
+*	SB 250 NATURAL GAS LEASES KACHEMAK BAY & KENAI PENINSULA		
Feb 6 th	Friday	No Meeting Scheduled	

Bert K Stedman
Chairman

+ Teleconferenced
* First Hearing



ALASKA STATE LEGISLATURE

SENATE COMMITTEE ON COMMUNITY & REGIONAL AFFAIRS

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Phone: (907) 465-4989
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February 02, 2004

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Fahrenkamp 203

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ALASKA STATE LEGISLATURE

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State Capitol, Room 30
Juneau, AK 99801-1182
Phone: (907) 465-4989
Fax: (907) 465-3922

February 02, 2004

1:30 – 3:30 PM

Fahrenkamp 203

POTENTIAL WITNESSES

Mark Meyers, *Director, Div of Oil & Gas, Dept Natural Resources*

Shawn Parnell, *Deputy Director, Div of Oil & Gas, Dept Natural Resources*

Support Staff:

Janet Baxter – *Legislative Liaison, Dept Natural Resources*

Marie Crosley – *Dept Natural Resources (Via Off-Net)*

Pirtle Bates – *Dept Natural Resources (Via Off-Net)*

Jim Hansen – *Dept Natural Resources (Via Off-Net)*

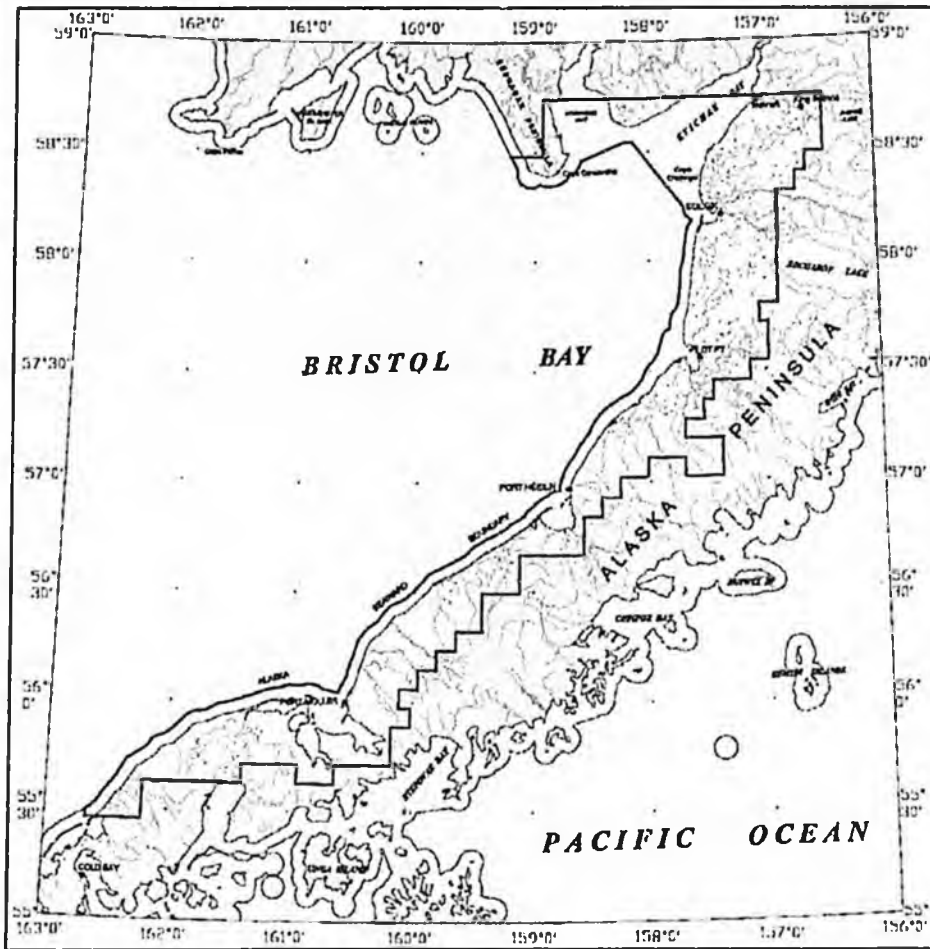
Alaska Peninsula Oil and Gas Study

Division of Oil and Gas
September 2003



Alaska Department of
**Natural
Resources**

<http://www.dog.dnr.state.ak.us/oil/products/products.htm>



Proposed AK Peninsula Areawide Oil and Gas Lease Sale

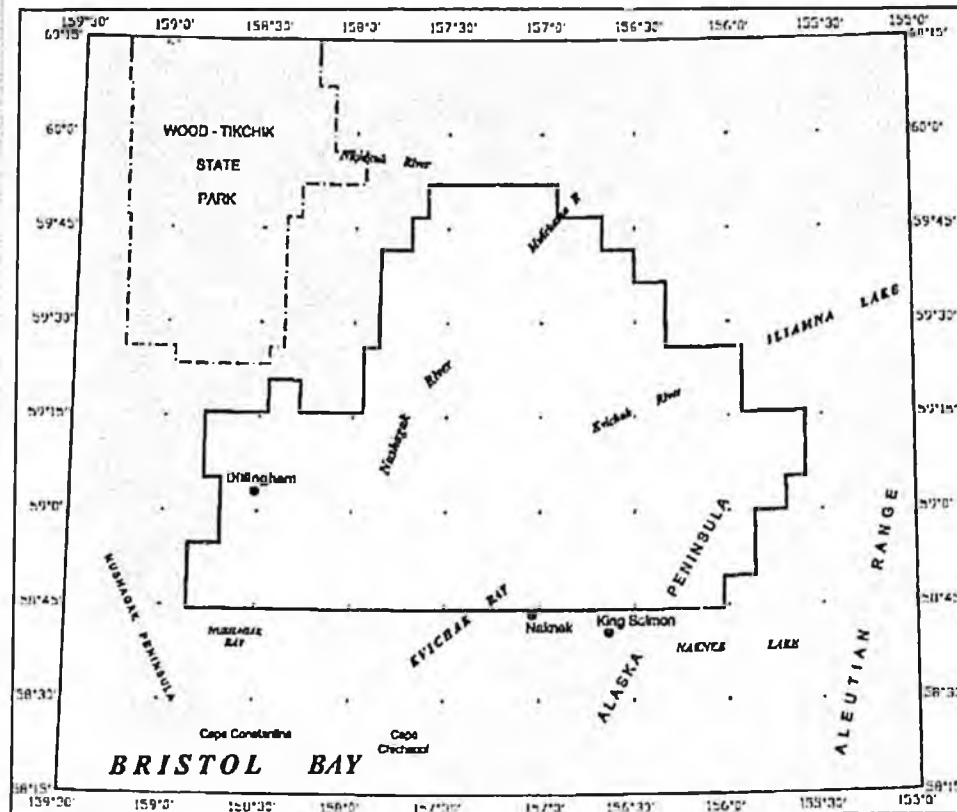
Proposed Sale Area =



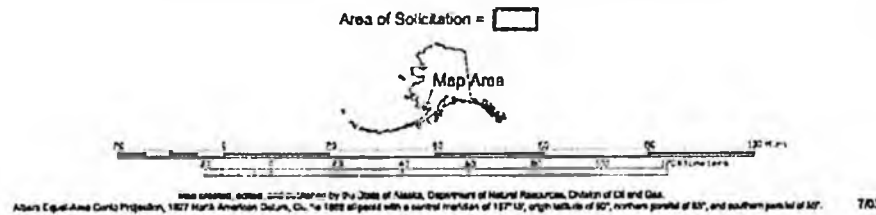
Map created, edited, and published by the State of Alaska, Department of Natural Resources, Division of Oil and Gas. ADNR 7/03
 Albers Equal-Area Conic Projection, 182.7 North American Datum, Clarke 1866 spheroid with a central meridian of 156°30', origin latitude of 50°, northern parallel of 65°, and southern parallel of 50°.

Proposed Alaska Peninsula Areawide Oil and Gas Lease Sale Area

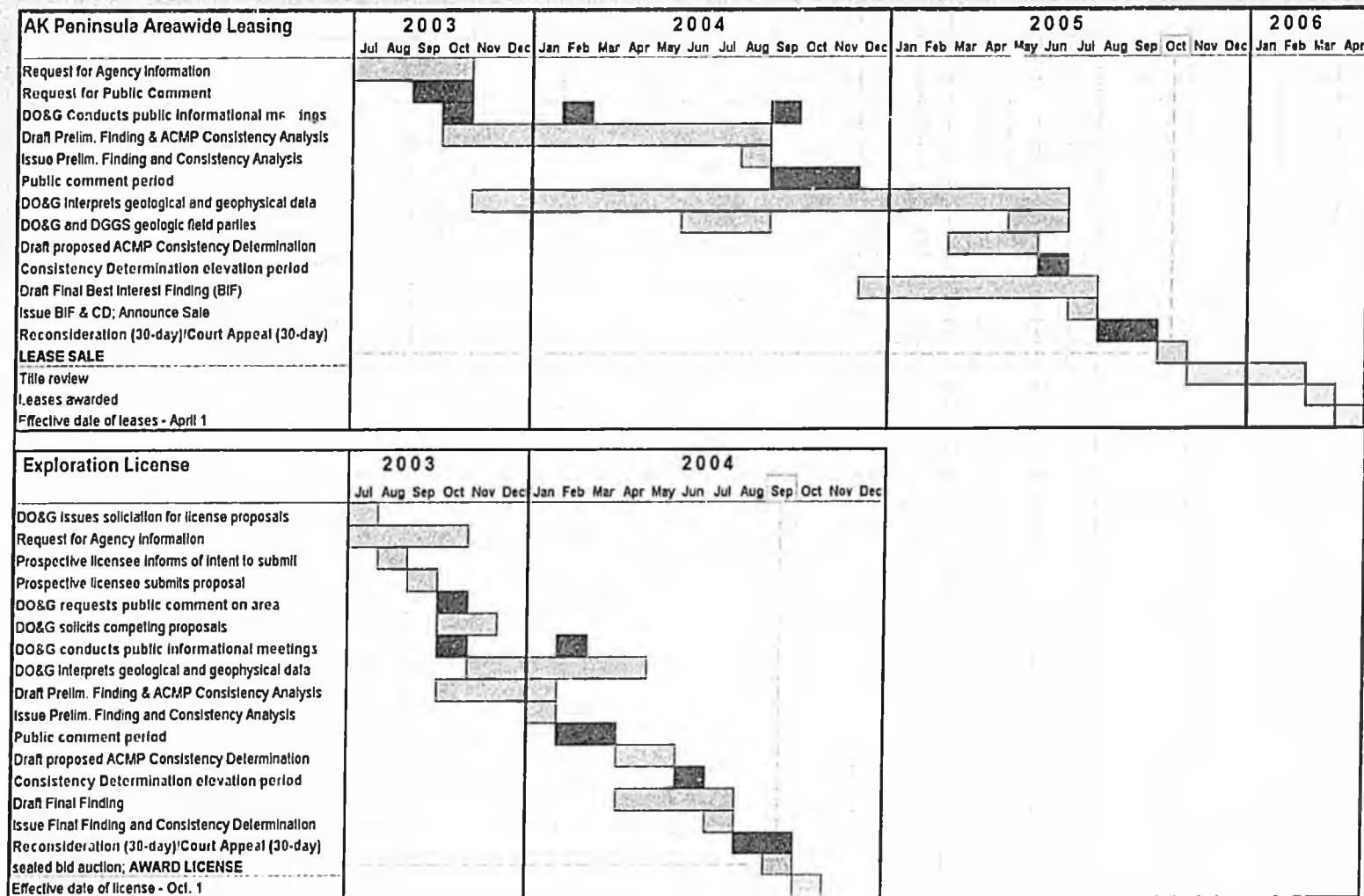
Bristol Bay Basin Exploration License Study Area



Bristol Bay Basin Exploration License Solicitation



Alaska Peninsula Areawide Oil and Gas Lease Sale and Bristol Bay Basin Exploration License Timeline

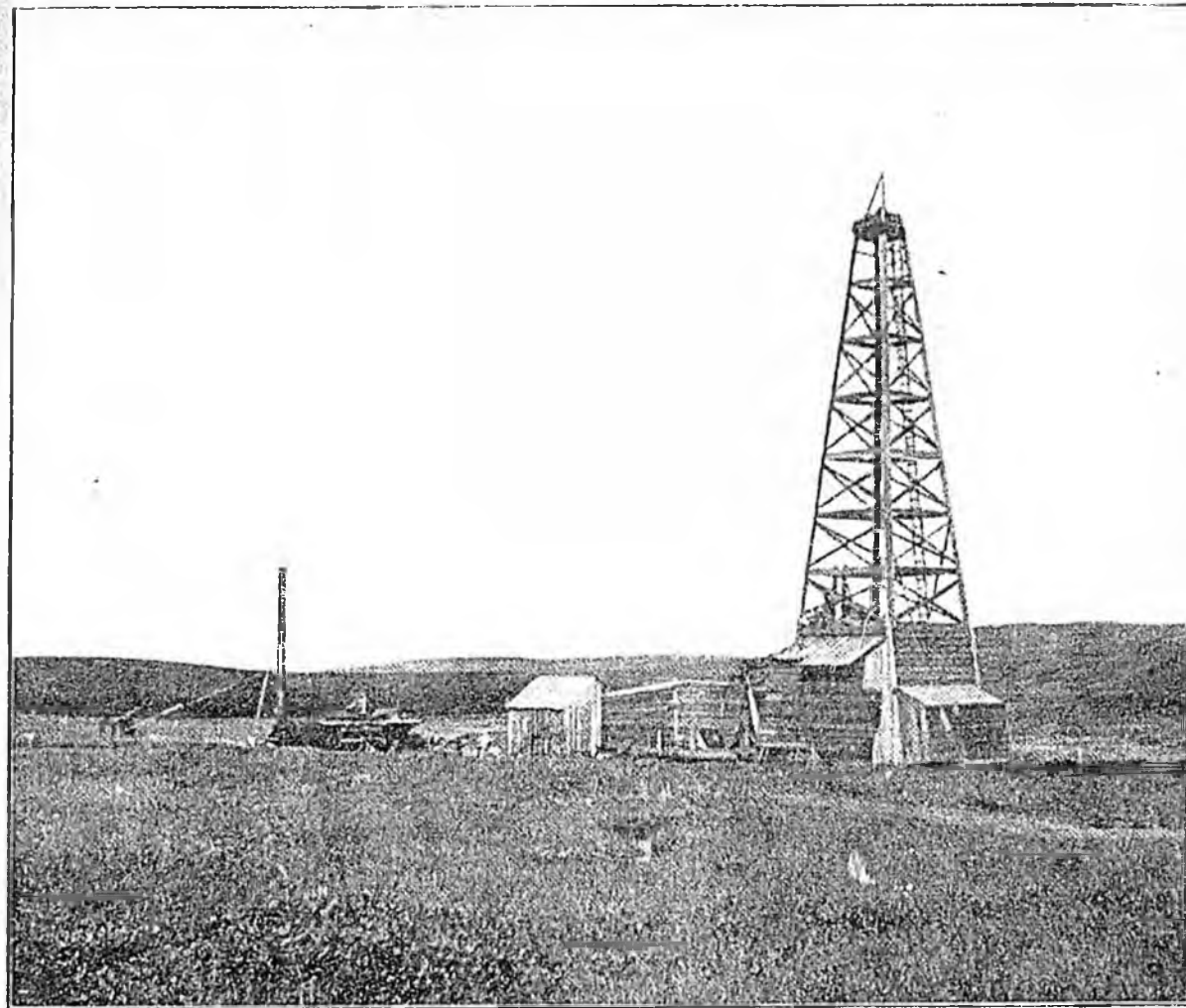


Onshore Exploration Well Typical Permit Process

Typical Permit Process - Onshore Exploration Well on the AK Peninsula														
ID	NAME	M	J	J	A	S	O	N	D	J	F	M	A	M
1	Preapplication Conference		□											
2*	ACMP Consistency Determination - AS 46.40			■	■	■	■							
3	DNR DO&G - Lease Plan of Operations Review			■	■	■	■							
4	DNR Parks - Cultural Resource Survey		□											
5	DNR DMLW - Temporary Water Use Permit			■	■	■	■							
6	DEC - Oil Spill Discharge and Contingency Plan			■	■	■	■							
7	DEC - Solid Waste Disposal Permit			■	■	■	■							
8	DEC - Wastewater Disposal Permit			■	■	■	■							
9	ADNR - Title 41 Anadromous Fish Stream			■	■	■	■							
10	Army Corps of Engineers - Section 404 Permit			■	■	■	■							
11	AOGCC - Conservation Order							■						
12	AOGCC - Permit to Drill								■					
13	AOGCC - Application for Sundry Approval									□				
14	Construction and Drilling									■	■	■	■	■
15	Demobilization and Rehabilitation												■	■

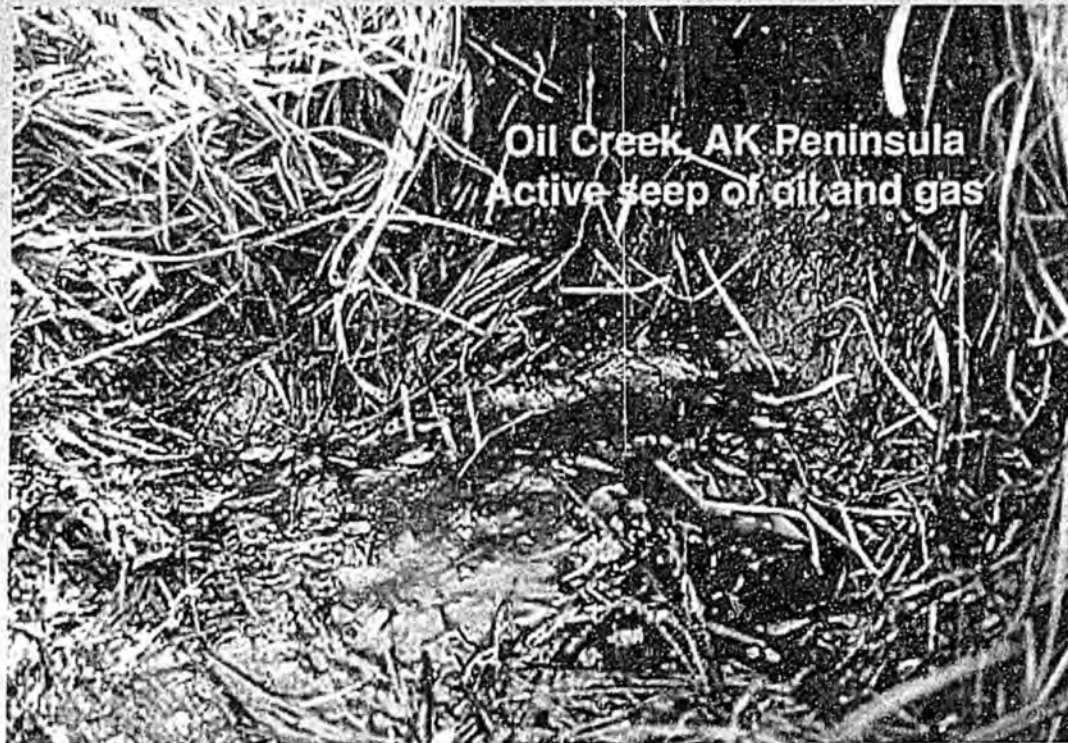
Project: Onshore	Permitting Activity <input style="width: 80%;" type="text"/>	Public Notice <input style="width: 80%;" type="text"/>
Date: 9/03/03	* Only for activity within the Coastal Zone.	

Oil Derrick at Puale Bay (1903)



The Petroleum Fields of the Pacific Coast of Alaska, USGS Bulletin No. 250, 1905, Plate VII

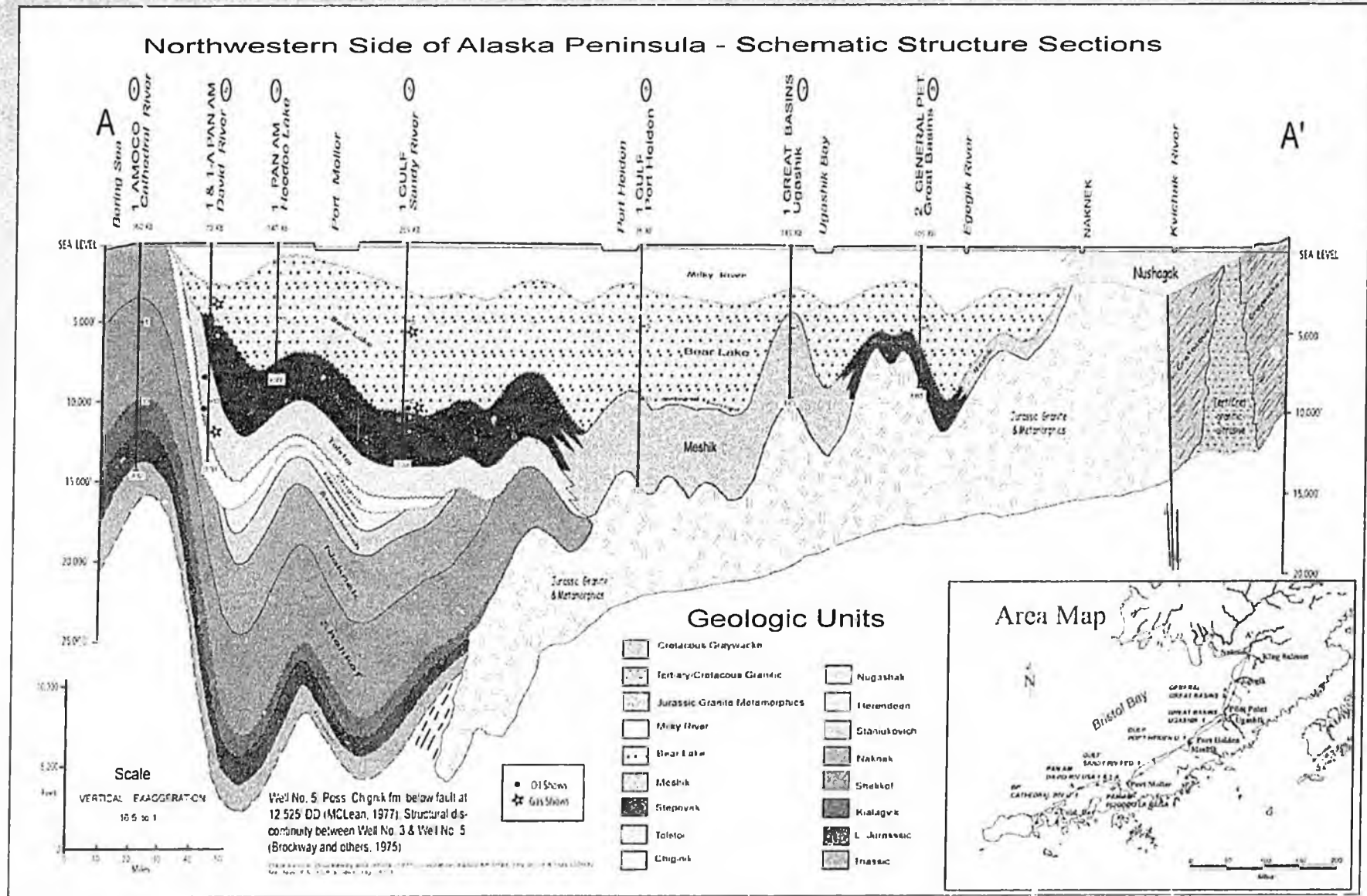
Active Oil and Gas Seep



Brown oil and natural gas (fizzy bubbles) comes out of this hole in the ground continuously. There are several oil creeks in Alaska - not a very original name. This particular oil creek feeds into Puale Bay on the western side of the Alaska Peninsula. There is continuous seepage of oil into the creek throughout its upper part. The lower part of the creek is a salmon spawning area where salmon runs are counted by the State of Alaska.

Alaska Peninsula Geologic Cross Section

Northwestern Side of Alaska Peninsula - Schematic Structure Sections



COMPOSITE STRATIGRAPHIC SECTION
BRISTOL BAY & ALASKA PENINSULA REGIONS, ALASKA

AGE	LITHOLOGY	FORMATION	DESCRIPTION		
CENOZOIC TERTIARY	Quaternary - Recent		Unconsolidated sediments and volcanics <i>Unconformity</i>		
	Volcanics	1000' ±			
	Miley River Fm (Tpm)	3000' ±	Conglomerates, sandstones and mudstones, clastic fraction volcanic derived fossiliferous, shallow marine environment <i>Unconformity</i>		
	Boar Lake Fm (Tmb)	5000' ±	Sandstones, conglomerates and thin mudstones, locally volcanic derived, locally fossiliferous, transitional environment		
	Unga Cgl Mbr. (Tmbu)		Sandstones and conglomerates with interbedded siltstones, mudstones and coals, fossiliferous, transitional environment <i>Local Unconformity</i>		
CENOZOIC TERTIARY			Volcanic sandstones and conglomerates with interbedded thin units of black siltstone, all rock types locally carbonaceous with seams of lignite in upper part of sequence, locally highly fossiliferous, volcanic flows near base of unit and silt rare throughout, predominantly of marine origin		
		Mashik Fm. (Tm)	Volcanic conglomerates, sandstone, volcanic breccias, andesitic-basaltic extrusive volcanics or local siltstone and shale present on surface and in sub surface from Chignik Bay northwest to Ugashik lakes areas, probably equivalent to the Stupoval Fm. formations and upper part of Tostia Formation		
		Tatal Fm. (Tat)	Siltstones with interbedded volcanic sandstones and conglomerates, flows, silt and volcanic breccia, non-marine to brackish water environment, marine fossils are rare, plant fossils common and very abundant in lower part of sequence <i>Unconformity</i>		
LATE CRET		Hoodoo Fm (Kht)	Siltstone, clay shale, claystone with fine grained siltstone in base, thin streaks of calcareous siltstone and few calcareous concretions, distinctive dark to gray clay and weathering into profusion of prismatic, columnar, subconformal to deep marine environment		
		Chignik Fm (Kc)	1500' ±	Sandstone, siltstone and minor mudstone and conglomerate, shallow marine environment	
MESOZOIC LATE JURASSIC		Cool Valley Mbr. (Kcc)	1000' ±	Conglomerates, sandstone and coal, non marine environment <i>Unconformity</i>	
		Stamukovich Fm (JKa)	2000'	Felspathic sandstones and arkoses, thin siltstones, locally abundant Bucha, shallow marine in origin	
		Naknek Fm (Jn)	5000' to 10,000'	Claystone and siltstones predominate in upper part of unit, lower part of unit consists largely of felspathic sandstones with some interbedded claystone, siltstone and conglomerate, locally abundant Bucha and teleosts, shallow marine to lentic environment	
		Chuk Co. Mbr. (Jnc)	400'	Pebble to boulder conglomerate of largely granitic debris at base of Naknek Formation, outcrops north of Bristol Bay area	
		Shale	1800' ±	Siltstone and shale, with lenses of limestone, abundant fossils, marine environment	
	MIDDLE JURASSIC CALIFORNIA		Shelikof Fm. (Jf)	7000' ±	Sandstone, siltstone and conglomerate, marine environment
			SD & Cpl	4000' ±	Siltstone, sandstone, sandstone, ash beds with abundant calcareous concretions and fossils, marine environment <i>Unconformity</i>
		Rhinograd Fm. (Jr)	1700'	Sandstone, sandy shale and conglomerate, becoming increasingly sandy near top of unit, fossiliferous, marine environment <i>Unconformity</i>	
	Early Jurassic, Triassic and Permian sediments & Early Jurassic granitic rocks		Limestone, chert, volcanic-rich rocks, outcrop at Puke Bay north and		

Alaska Peninsula Stratigraphic Section

Alaska Peninsula/ Bristol Bay Basin Hydrocarbon Potential

- **Numerous oil seeps are present along the southern half of the Alaska Peninsula.**
- **26 wells have been drilled onshore since 1903, the latest being the Amoco Becharof #1 in 1985. One offshore stratigraphic test was drilled in 1983, the ARCO North Aleutian COST Well #1.**
- **The northern half of the Alaska Peninsula is a low relief coastal plain underlain by a thick sequence (18,000+ feet) of Tertiary strata that is contiguous with the Bristol Bay Basin to the north. Here the setting is very good for both structural and stratigraphic traps as well as the likelihood of encountering good to locally excellent reservoir quality rocks.**

Alaska Peninsula/ Bristol Bay Basin Hydrocarbon Potential

- **Reservoir quality should be considered the highest risk as rocks derived from volcanic and plutonic source areas may give rise to pore plugging cements and clays.**
- **Oil and gas shows are evident in many of the wells. No commercial flow of oil has been proven to date.**
- **Hydrocarbon source rocks of Tertiary age appear to be largely gas prone. Deeper Mesozoic strata may have both gas and oil generating potential.**
- **Seismic control on the Alaska Peninsula is largely poor and archaic. Latest technology in seismic acquisition and processing is needed to further define prospects.**

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State of Alaska
Department of Natural Resource
Division of Oil & Gas
 550 West 7th Avenue, Suite 800
 Anchorage, AK 99501-3560
 (907) 269-8800



Fax Cover Sheet

TO:	Miles Baker	PHONE:	
COMPANY:	Sen. Stedman	FAX NO.:	465-3922
FROM:	Marice Crossley	PHONE:	269-8802

FAX NO.: (907) 269-8938

DATE:	2 Feb 2004	TIME:	
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CC:

Number of pages including cover sheet: 23

- Urgent
 For Review
 Please Comment
 As You Requested
 FYI

Message: SB 266 - For your files.

This is the information sent to
 Senators Elton and Lincoln.

Support requested by Sen Lincoln with regard
 to Community & Native Support of this closure bill.

MEMORANDUM OF UNDERSTANDING**Between****ALASKA DEPARTMENT OF NATURAL RESOURCES****And****THE ALEUT CORPORATION****To****HOLD CONCURRENT OIL AND GAS LEASE SALES OF STATE AND TAC
LAND IN THE ALEUT REGION &
TO FACILITATE CONSTRUCTION OF A TRANSPORTATION
INFRASTRUCTURE THAT WILL SUPPORT THESE DEVELOPMENT
PROJECTS**

THIS MEMORANDUM OF UNDERSTANDING (MOU) is made and entered into by and between the Alaska Department of Natural Resources (DNR) and The Aleut Corporation (TAC), collectively referred to as "the Parties." The purpose of this MOU is to contribute to the achievement of common goals and objectives of the Parties and to establish an effective communication framework between the Parties.

Background:

- A. The DNR is tasked with managing the State of Alaska's land in southwest Alaska and the natural resources contained therein, including oil, gas, and minerals, and TAC is responsible for managing its 1.572 million acre mineral estate on behalf of its 3,250 shareholders.
- B. Similar to the North Slope and Cook Inlet regions of Alaska, the Bristol Bay basin including portions of the Aleut region on the Alaska peninsula has been identified as having good potential for commercial quantities of oil and gas deposits.
- C. Any discoveries of, and subsequent development of, commercial quantities of oil, gas, & mineral deposits in the Aleut region should benefit both the State of Alaska and TAC's shareholders.
- D. Like other mineral deposits, oil and gas resources know no political boundaries, and it is often logical and desirable for two adjacent landowners to have similar land management and leasing programs in place.
- E. With TAC's support, the Alaska Division of Geological and Geophysical Surveys applied for a 3-year, \$700,000 U.S. Dept. of Energy grant to further evaluate the oil and gas potential of the Bristol Bay basin.
- F. The development of transportation infrastructure, as recommended by the Southwest Alaska Regional Transportation Plan, such as deep water ports, roads and airports, along the Alaska Peninsula should make oil, gas, and other mineral prospects more accessible, and thereby more economically feasible to explore and develop.

- G. The Alaska DNR, TAC, and BLM have been working collaboratively to rationalize ANCSA 17(b) and RS 2477 access issues.
- H. The Alaska DNR, TAC, and BLM have been working collaboratively to revoke obsolete federal land withdrawals in the Bristol Bay region.
- I. TAC supports the construction of an access road from Cold Bay to King Cove.

Agreements:

- The term of this MOU will be for five (5) years from the effective date and can be extended for five-year periods thereafter with the written agreement of the Parties.
- To the extent consistent with their respective interests and statutory or regulatory responsibilities, or corporate responsibilities, the Parties will work cooperatively to ensure that exploration and development activities are consistent with the land management and development plans of both Parties.
- The Parties agree that they will cooperate to ensure all development projects in the Aleut region are pursued in an environmentally responsible manner with maximum efforts to minimize impacts to fishery resources.
- TAC and the State of Alaska will work cooperatively to re-open offshore oil and gas prospects to exploration.
- Where reasonable to do so, the Parties will endeavor to synchronize the timing of their oil and gas-leasing schedule for their respective lands.
- The Parties will help facilitate the design and construction of a transportation network that will make oil, gas, and other mineral prospects more accessible and inter-connect communities.
- The Parties will communicate their development goals to other interested parties in southwest Alaska, such as tribal organizations, village corporations, and borough and city governments.
- The Parties will not act contrary to applicable laws, regulations, policies, and procedures.
- To the extent legally permissible, information generated pursuant to this MOU may be kept confidential when requested in writing by a party to this MOU. Information released by a party to this MOU must credit the source of the information.
- Where reasonable, the Parties will issue joint press releases on matters related to this MOU and will coordinate responses to media questions.
- Notices regarding actions under this MOU will be sent to (for each party):

DNR Commissioner
State of Alaska DNR
550 W. 7th Ave., Suite 1400
Anchorage, AK 99501-3561

Chief Executive Officer
The Aleut Corporation
4000 Old Seward Hwy, #300
Anchorage, AK 99503

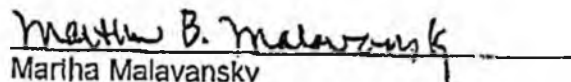
- This MOU may be terminated within thirty(30) days written notice by either Party.
- This MOU can be modified upon written consent of the Parties.
- Others may become party to this MOU upon written consent of the Parties.

Approved:



Tom Irwin, Commissioner
Alaska Dept. of Natural Resources

12/18/03
Date



Mariha Malavansky
President, TAC

12/18/03
Date

MEMORANDUM OF UNDERSTANDING**Between****ALASKA DEPARTMENT OF NATURAL RESOURCES****And****BRISTOL BAY NATIVE CORPORATION****To****FACILITATE OIL AND GAS LEASE SALES ON STATE AND BBNC LAND IN
THE BRISTOL BAY REGION**

THIS MEMORANDUM OF UNDERSTANDING (MOU) is made and entered into by and between the Alaska Department of Natural Resources (DNR) and the Bristol Bay Native Corporation (BBNC), collectively referred to as "the Parties." The purpose of this MOU is to contribute to the achievement of common goals and objectives of the Parties and to establish an effective communication framework between the Parties.

Background:

- A. The DNR is tasked with managing the State of Alaska's land in southwest Alaska and the natural resources contained therein, including oil, gas, and minerals, and BBNC is responsible for managing its 3.1 million acre mineral estate on behalf of its 7,100 shareholders.
- B. Similar to the North Slope and Cook Inlet regions of Alaska, the Bristol Bay basin has been identified as having good potential for commercial quantities of oil and gas deposits.
- C. Exploration of oil and gas resources is a vital component to stimulating the local economy and providing jobs and economic opportunities in the region.
- D. The discovery of commercial quantities of oil and gas would provide an opportunity for low cost energy in the region, further stimulating the local economy.
- E. Any discoveries of commercial quantities of oil and gas in the Bristol Bay region will benefit both BBNC's shareholders and the State of Alaska, so it is in the best interest of the Parties to encourage exploration for such resources.
- F. BBNC has requested that the State facilitate on-shore oil and gas exploration in the region by holding annual areawide leasesales, beginning as soon as possible.
- G. Like other mineral deposits, oil and gas resources know no political boundaries, and it is often logical and desirable for two adjacent

landowners to have similar land management and leasing programs in place.

- H. With BBNC's support, the DNR's Division of Geological and Geophysical Surveys applied for a 3-year, \$700,000 U.S. Dept. of Energy grant (\$150,000 of cash and in-kind contributions to be provided by BBNC) to further evaluate the oil and gas potential of the Bristol Bay basin.

Agreements:

The Parties agree to the following provisions:

- The Parties will work cooperatively to facilitate oil and gas leasesales of state and BBNC lands in the region to be held as soon as feasible.
- The Parties will cooperate to ensure all development projects in the Bristol Bay region will be pursued in an environmentally responsible manner and will minimize impacts to fishery resources.
- The Parties will work cooperatively to convince the federal government to re-open federal offshore oil and gas prospects in the region to exploration.
- The Parties will endeavor to synchronize the timing of their oil and gas leasing schedule for their respective lands.
- The Parties will help facilitate the design and construction of a transportation network that will make oil, gas, and other mineral prospects more accessible and inter-connect communities in the region.
- The Parties will communicate their development goals to other interested entities in southwest Alaska, such as tribal organizations, village corporations, and borough and city governments.
- The Parties will not act contrary to applicable laws, regulations, policies, and procedures.
- To the extent allowable by statutes and regulations, the Parties will share information that will assist in accomplishing the objectives of this agreement.
- Where reasonable, the Parties will issue joint press releases on matters related to this MOU and will coordinate responses to media questions.
- Notices regarding actions under this MOU will be sent to (for each party):

DNR Commissioner
State of Alaska
550 W. 7th Ave., Suite 1450
Anchorage, AK 99501

Chief Executive Officer
Bristol Bay Native Corporation
800 Cordova Street
Anchorage, AK 99501

- The term of this MOU will be five (5) years from the effective date and can be extended for five-year periods thereafter with the written agreement of the Parties.
- This MOU may be terminated with thirty days written notice by either Party.
- This MOU can be modified upon written consent of the Parties.

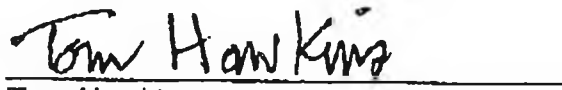
- Others may become party to this MOU upon written consent of the Parties.

Approved:



Thomas E. Irwin, Commissioner
Alaska Dept. of Natural Resources

7/10/03
Date



Tom Hawkins
SRVP & COO, BBNC

7.10.03
Date

P.O. BOX 189
NAKNEK, ALASKA 99633

www.theborough.com



TELEPHONE
(907) 246-4224
FAX
(907) 246-6633

Bristol Bay Borough

October 22, 2003

Commissioner Tom Irwin
Department of Natural Resources
550 W 7th Avenue, Suite 1400
Anchorage, Alaska 99501

RECEIVED
OCT 27 2003
DIVISION OF
OIL AND GAS

RE: Bristol Bay Region: Oil and Gas Programs
Public Comments Due October 30, 2003

Commissioner Irwin:

Please consider the following comments from the Bristol Bay Borough:

1. The Bristol Bay Borough Assembly is in strong support of the State of Alaska's recent efforts to advance oil & gas exploration in the Bristol Bay region.
2. The Bristol Bay Borough is committed to finalizing a Memorandum of Understanding with the Alaska Department of Natural Resources outlining critical areas of interest with respect to regional oil & gas development and outstanding municipal lands issues.
3. The Bristol Bay Borough is supportive of the continued public outreach evidenced to date by the State of Alaska on the Bristol Bay oil & gas exploration initiative and anticipates that this outreach effort will remain constant throughout the proposed development timeline.

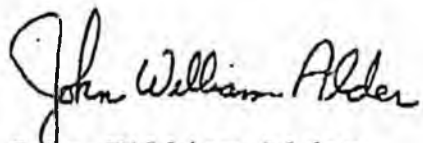
DEPARTMENT OF
NATURAL RESOURCES

OCT 24 2003

Letter to Commissioner Irwin
October 22, 2003
Page 2

4. The residents of the Bristol Bay Borough are heavily dependent upon the robust regional fish & wildlife resources for subsistence needs. While the Bristol Bay Borough Assembly is in support of resource development, all development must proceed with due diligence in order to minimize potential negative impacts to the fish & wildlife resources.
5. Local knowledge of regional environmental conditions and fish & wildlife characteristics is one of our greatest resources in the Bristol Bay region. Accordingly, the Bristol Bay Borough recommends that all state agencies proceed throughout the oil & gas development process in a method that relies heavily upon local input. Any subcommittees or advisory panels empowered by the state should include local knowledgeable residents.
6. The Bristol Bay region has long suffered from seasonally sporadic employment. The regional oil & gas development initiative offers an exciting departure from the long winter season low employment cycle. The Bristol Bay Borough Assembly strongly urges the State of Alaska to continue in its expressed commitment to channel oil & gas employment training through the newly established Southwest Alaska Vocational Education Center (SAVEC) in King Salmon thereby enabling optimal local hire during exploration and development of potential oil & gas prospects.

Sincerely,



John William Alder
Borough Manager

cc: Mayor Michael Swain
Borough Assembly members

ALEUTIANS EAST BOROUGH

SERVING THE COMMUNITIES OF
 KING COVE SAND POINT AKUTAN COLD BAY FALSE PASS NELSON LAGOON

October 14, 2003

James Hansen,
Leasing Manager
Division of Oil & Gas
Department of Natural Resources
550 West 7th Avenue, Suite 800
Anchorage, AK 99501

Ref.: Proposed Alaska Peninsula & Bristol Bay
Oil & Gas Leasing Program

Dear Mr. Hansen,

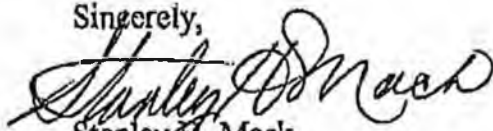
The Assembly of the Aleutians East Borough wants to thank you and your team for the presentation on October 7, 2003. Even though the weather did not allow everyone to get to Cold Bay, the Assembly's comments after the meeting included their appreciation of your efforts to brief the Assembly and the residents of the Aleutians East Borough.

First, it is the Borough's understanding that if there is Best Interest Finding, all development will take place within the State's jurisdiction and that there will be no development off shore. Furthermore, the Borough understands that the majority of the development will likely be on State owned land. Second, the concerns voiced by the people of Nelson Lagoon are symptomatic of the concerns of the majority of the Aleutians East Borough's residents. They were:

1. We need to protect our fish and game resources.
2. We need local jobs and employment at all stages of development. This must be at all levels, management, technical and labor, union and non union, should oil or gas be produced within the Aleutians East Borough.
3. We need any and all exploration sites returned to their original nature.

To this end, the Assembly passed a motion supporting the State of Alaska's efforts to conduct a Best Interest Finding process for the proposed oil & gas leasing program on the Alaska Peninsula.

Sincerely,



Stanley M. Mack
Mayor

RECEIVED
OCT 16 2003
DIVISION OF
OIL AND GAS

CLERK/PLANNER
P.O. BOX 349
SAND POINT, AK 99661
(907) 383-2699
(907) 383-3496 FAX
e-mail: AEBCLERK@aol.com

BOROUGH ADMINISTRATOR
3380 C STREET, SUITE 205
ANCHORAGE, AK 99503-3952
(907) 274-7555
(907) 276-7569 FAX
e-mail: aebanc@gcl.net

FINANCE DIRECTOR
P.O. BOX 49
KING COVE, AK 99612
(907) 497-2588
(907) 497-2386 FAX
e-mail: aebfinance@aol.com

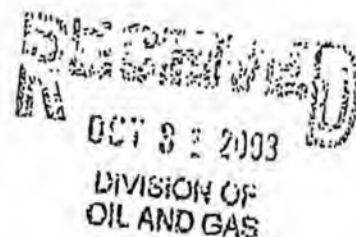


Lake and Peninsula Borough

P.O. Box 495
King Salmon, Alaska 99613

Telephone: (907) 246-3421

Fax: (907) 246-6602



October 27, 2003

Patrick Galvin, Petroleum Land Manager
Division of Oil & Gas
550 W 7th Ave, Suite 800
Anchorage, Alaska 99501-3560

RE: Call for Comments, AK Peninsula Areawide 2005 Oil & Gas Lease Sale

Dear Mr. Galvin:

First, we would like to thank the Governor, the Governors staff and those within DNR's Oil & Gas Division for the recognition of the extra attention required "to get the word out" to those who live on the Alaska Peninsula concerning the upcoming oil and gas lease sales. There are many communication gaps in bush Alaska making your task that much more difficult.

The regional meetings in Dillingham, Bristol Bay Borough (Naknek) and in the Lake & Peninsula Borough offices (King Salmon) were instrumental in ensuring accurate information is "passed along" to others. However, due to the size of the Lake and Peninsula Borough and the steep transportation costs to travel between villages, some over 1 hour away from King Salmon by plane, I would encourage you consider additional informational meetings to be held in Port Heiden, Iliamna, and the Chignik, ASAP. We will be glad to provide you with local contacts for those communities.

Lake & Peninsula Borough responded earlier to Mr. James Hansen's request for information providing copies of the borough's latest Community Economic Development Strategies document. Additionally, community profile maps will soon be available (expected by June 2004) on-line at DCED's website of all the villages within the Borough. These maps will contain several layers of information readily accessible by the user. Local information pertaining to sensitive cultural areas, traditional hunting or gathering areas and local historic sites are included on most community maps (local preference so not every village map contains this information). These maps will no doubt prove to be invaluable relating to potential exploration that might be considered in close proximity to a village.

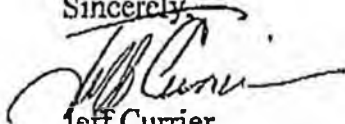
Finally, the Lake and Peninsula Borough supports onshore exploration and development but are concerned that the Best Interest Findings developed from this "call for comment period" also apparently apply to the 1.5 million acres of offshore acreage included in the lease sale, and further, that those findings are valid 10 years out.

We want to make it perfectly clear that while we are in support of onshore exploration and leasing, "the jury is still out" in most Borough villages when it comes to offshore exploration. I suspect much more information and discussion with the village leaders around the Bay will be required before offshore activities receive a majority of local support.

By supporting the current lease sale proposal, the resulting exploration and possible development of onshore sites within the next 5 years, we want to ensure we do not lose the ability to consider through separate actions, any potential exploration and development of offshore acreage in the future.

Thank you for the opportunity to provide this input. Please feel free to contact me as may be necessary.

Sincerely,



Jeff Currier
Borough Manager

P.O. Box 189
NAKNEK, ALASKA 99633

www.theborough.com



TELEPHONE
(907) 246-4224
FAX
(907) 246-6633

Bristol Bay Borough

BRISTOL BAY BOROUGH RESOLUTION 2002-02

A RESOLUTION SUPPORTING OIL & GAS EXPLORATION ON NATIVE CORPORATION LANDS NEAR BRISTOL BAY BOROUGH

WHEREAS, Bristol Bay Borough and Communities throughout Western Alaska face difficult economic conditions due in part to high costs of living, high costs of energy and depressed fish prices and;

WHEREAS, all refined petroleum products required to operate home heating furnaces, electrical generators, cannery retorts and fish harvesting vessels are imported into the region and stored, both at very high costs and;

WHEREAS, the oil & gas industry has in the past expressed interest in exploring for reserves on the Alaska Peninsula on or near lands currently owned by the Alaska Peninsula Corporation and Bristol Bay Native Corporation as well as other lands in the region and;

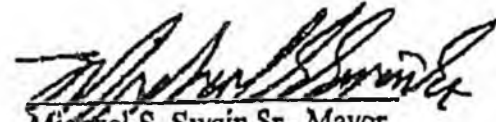
WHEREAS, the interest was significant enough for the private sector to invest considerable capital in seismic and actual drilling exploration and;

WHEREAS, Senator Stevens in recent conversations with Bristol Bay Borough officials and before the Alaska State Legislature indicated a willingness to petition Congress to add funding to the United State Geologic Survey in order to enable regional oil & gas assessments throughout rural Alaska and;

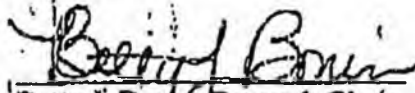
WHEREAS, potential development of oil & gas reserves on the Alaska Peninsula would likely yield direct benefits to the Bristol Bay Borough, borough residents and businesses and economic development efforts to revive our ailing economy and,

NOW THEREFORE BE IT RESOLVED, that the Bristol Bay Borough Assembly strongly encourages the local & regional Bristol Bay ANCSA corporations to work closely with the Borough, private sector oil & gas firms and the Congressional delegation in the wise development of our natural oil & gas resources in an effort to optimize benefits to the overall Bristol Bay region and State of Alaska.

PASSED AND APPROVED, by a duly constituted quorum of the Bristol Bay Borough Assembly on this 4th day of February, 2002.


Michael S. Swain Sr., Mayor

ATTEST:


Betty J. Borjas, Borough Clerk

JUL-02-03 WED 01:37 PM

FAX NO. 2698904

P. 08/27
4184
JP
TS



Bristol Bay Native Corporation

Enriching Our Native Way of Life

800 Cordova Street, Suite 200 / Anchorage, Alaska 99501-6299 / (907) 278-3602 / fax (907) 276-3924

VIA FEDEX & FAX: (907) 465-3532

June 26, 2003

Honorable Frank Murkowski, Governor
P.O. Box 110001
Juneau, Alaska 99811

Fax Received
JUN 26 2003
Office of the Governor

Subject: **Support for Leasing Program in the Bristol Bay Region**

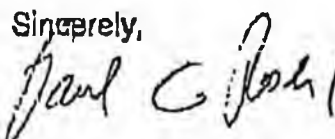
Dear Governor Murkowski:

Residents of the Bristol Bay region sorely need your help in order for them to help themselves. We need you to institute an oil and gas leasing program in Bristol Bay. We've compared and contrasted the pros and cons of exploration licensing and leasing, and we believe that, for several reasons, the State's best option is to put its uplands on the leasing schedule.

First, the "leasing notice" is announced to a wider audience than the exploration licensing notice is. Second, leasing, since it includes rental, bonus, and minimum work commitment terms, generally generates more revenue and more information for the State. Lastly, the land leased can be more than the 500,000-acre "cap" imposed by the exploration-licensing program, and this may be more desirable from the industry's standpoint.

BBNC has embarked on a mission to reinvigorate the environmentally responsible exploration for, and development of, oil and gas resources in Bristol Bay. We've also received the blessing, by resolution, of several Bay-area organizations that recognize the need for more jobs and cheaper energy. I've attached copies of the fourteen resolutions I've received so far, which include both regional and village-level organizations.

If you have any questions, please call me at 1-800-478-3602.

Sincerely,

Paul C. Roehl
V.P., Land & Resources

Cc: Tom Irwin, DNR Commissioner
Randy Ruiderich, AOGCC Commissioner
Mark Myers, DOG Director
BBNC Board of Directors

Post-It® Fax No: 7671	Date: 6/26/03	Page: 2 of 2
To: Gov. Murkowski	From: Paul Roehl	
Co./Dept: State of Alaska	Co.: BBNC	
Phone #	Phone #	
Fax # (907) 465-3532	Fax #	

SEP-25-03 15:26 From: BRISTOL BAY NATIVE CORPORATION

9072763924

T-213 9.02/02 Job-240



King Salmon Tribe

People of the Volcano

P.O. BOX 55 KING SALMON, AK 99612
TEL: 907/246-3553 FAX: 907/246-3449
E-MAIL: kstvs@bristolbay.com

September 15, 2003

Bristol Bay Native Corporation
800 Cordova Street
Suite 200
Anchorage, AK 99501-6299

VIA FACSIMILE: 907/276-3924

Dear Mr. President:

As you know, Bristol Bay has been faced with economic failure year after year, due to the low return of salmon and the low prices paid to the fisherman. Because of the failure in our fishery, our people are faced with having to live in poverty. We can no longer pretend that our fisheries will be, as we knew it. Other than fishing, most of our people in our villages have very few economic opportunities. As a result, we have friends and family fighting amongst themselves for these limited jobs. Until there are economic changes in place, we will forever be faced with economic despair because there are no other means to provide for ourselves other than what we have today. We need economic diversity.

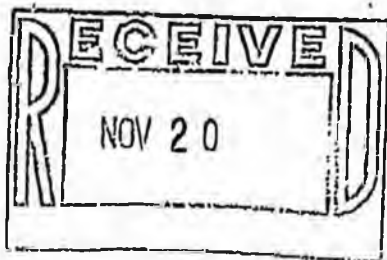
The village of King Salmon is in support of developing our oil and gas reserves both onshore and offshore and developing our mineral deposits here in Bristol Bay. We also support ground transportation from King Salmon to Anchorage so that we can reduce transportation costs to promote economic opportunities. This would also reduce the cost of living in our villages and region. Whether any of these development issues take place remains to be seen. However, we cannot continue to impoverish our people because of differences of opinions in regards to economic development.

It is unfair of people and organizations who criticize development in our region when in fact they offer no solutions to address our current short and long-term needs. In addition, many people who are opposed to economic development have good paying jobs, or work and live outside our region. Yet, many try to dictate what is best for us and our villages.

In closing, the village of King Salmon asks that we all put aside any differences that we may have of economic development in Bristol Bay. Our people deserve more than having to live in poverty and the consideration of going on welfare.

Sincerely,

Ralph Angasan, Sr.
President



NEWHALEN TRIBAL COUNCIL
100 POWER LANE
P.O. BOX 207
NEWHALEN, AK 99606
PHONE (907) 571-1410 OR (907) 571-1317
FAX (907) 571-1537
EMAIL NEWHALENTRIBAL@STARBAND.NET

November 12, 2003

Fred Angasan
Bristol Bay Native Association
P.O. Box 310
Dillingham, Alaska 99576

NOV 25 2003
U.S. MAIL
DILLINGHAM, ALASKA

Re: Native Village of Newhalen Statement of Interest

Dear Mr. Angasan;

The Newhalen Tribal Council has become increasingly aware of potential resource development activities within our area. In particular, we are aware of the increasing interest in the Pebble Copper mine. We believe resource development has the ability to bring economic opportunities to our community. However, we are concerned that improper management, poor planning and the lack of consideration of our local concerns can adversely affect our interests.

- On November 12, 2003 the Newhalen Tribal Council discussed our understanding of the potential commercial viability of the Pebble Copper mine. In addition, we discussed our understanding of the State of Alaska's Roads to Resources program and the current efforts to revise the Bristol Bay Area Plan. Through our discussion we identified the need to ensure the opportunity for active participation, effective public involvement and cooperative consultation regarding these matters.

We are writing to notify you that we have identified Joanne Wassillie as the primary point of contact for the Native Village of Newhalen. Joanne can be reach at:

Joanne Wassillie, Administrator
Newhalen Tribal Council
P.O. Box 207
Newhalen, Alaska 99606
(907) 571-1410 (907) 571-1537 fax

- We request that you add our designated point of contact to all public/stakeholder distribution lists so that the Newhalen Tribal Council will receive adequate advance notice of all upcoming public meetings related to the development of the Pebble Copper mine, including planning efforts by the State of Alaska to promote natural resource development within our region.

Newhalen Tribal Council

100 Power lane

P.O. Box 207

Newhalen, AK 99606

phone (907) 571-1410 or (907) 571-1317

Fax (907) 571-1537

EMAIL NEWHALENTTRIBAL@STARBAND.NET**RESOLUTION 03-24****A RESOLUTION OF THE NEWHALEN TRIBAL COUNCIL FOR DEVELOPING AND MAINTAINING AN ACTIVE VOICE AND PARTNERSHIP WITH ALL APPROPRIATE GOVERNMENTAL, PUBLIC AND PRIVATE SECTOR ENTITIES FOR THE SUSTAINABLE DEVELOPMENT OF NATURAL RESOURCES AND FOR RELATED PURPOSES.**

WHEREAS: the Native Village of Newhalen is a federally recognized tribal government possessing the powers of a sovereign entity and the rights of self-determination; and

WHEREAS: the Newhalen Tribal Council is the governing body for the Native Village of Newhalen and is authorized and responsible to protect its members, property, resources and interests; and

WHEREAS: the protection of the health, safety, and welfare of our tribal members, families and village is critical to the exercise of tribal self-governance and self-determination; and

WHEREAS: the tribal members of Newhalen rely on subsistence resources and the subsistence way of life which is essential to meet the nutritional, cultural and traditional needs and values of the tribe; and

WHEREAS: the health, productivity and availability of our subsistence resources are critical to the health, safety and welfare of our tribal members, families and village; and

WHEREAS: the development of natural resources, including mining, oil and gas development, and associated transportation infrastructure, may adversely affect the health, safety and welfare of our tribal members, families and village, and the subsistence resources we rely on, if not properly planned, designed, sited, operated, managed or maintained; and

WHEREAS: proper planning, design, siting, operation, and management of development projects, and all associated activities and infrastructure, requires the active involvement, cooperation, coordination and consultation at all levels (tribal, federal, state, local and international governments and private and public sectors); and

WHEREAS: the Tribal Council is aware that Northern Dynasty Minerals Limited is actively accessing the economic viability of the Pebble Copper mine which is considered to be one of the largest copper-gold deposits in the world; and

WHEREAS: the Tribal Council is aware that the Pebble Copper mine is being considered under the Department of Transportation & Public Facilities 'Roads to Resources' program and that Department of Natural Resource is revising the Bristol Bay Area Plan which governs resource management on state land; and

WHEREAS: the Tribal Council wishes to ensure its active involvement, participation and consultation through governmental, public and political processes to ensure protection of tribal interests and rights and the protection of the health, safety and welfare of our tribal members, families and village.

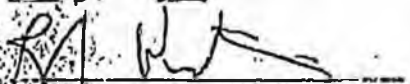
NOW THEREFORE BE IT RESOLVED, that the Newhalen Tribal Council hereby authorizes the Tribal President, with the assistance of the Tribal Administrator, to serve as the lead point of contact for all correspondence related to the development of the Pebble Copper mine, including all correspondence related to the state's Roads to Resource program and the Bristol Bay Area Plan revisions.

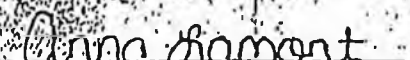
BE IT FURTHER RESOLVED, that the Newhalen Tribal Council hereby directs the Tribal President to forward a letter to all appropriate governmental, public and private sector entities notifying them of Newhalen Tribal Council's interest in being actively involved, informed, and consulted regarding matters related to the development of the Pebble Copper mine and associated activities.

BE IT FURTHER RESOLVED, that this resolution is intended for the stated purpose of establishing and fostering cooperative relationships with Tribal, State, Federal and local governments and private and public sector entities and should not be used as an approval or disapproval of the Pebble Copper mine, and shall not be interpreted in any way to diminish the protected rights and interests and unique legal status of the Native Village of Newhalen as a federally recognized tribe.

BE IT FURTHER RESOLVED, that Mr. Raymond Wassillie, President of the Newhalen Tribal Council, or his designee, hereby authorized to sign and or negotiate any terms, or conditions, or modifications to this "638" contract with the Bureau of Indians Affairs.

This resolution was duly considered and adopted at the general meeting of the Newhalen Tribal Council called and convened this 12 day of Nov, 2003 by a vote of 6 in favor and 0 against 0 abstain.


Raymond Wassillie, President


Anna Lamont, Secretary

The Newhalen Tribal Council wishes to establish and foster on-going cooperative relationships with those governmental, public and private sector entities associated with the potential development of the Pebble Copper mine to ensure the interests of the Native Village of Newhalen are protected. We look forward to working with you in the future and if we can be of any assistance please contact Joanne.

Sincerely;



Raymond Wassillie
President

2832
JP

CITY OF ALEKNAGIK

P.O. Box 33, MAIN STREET
ALEKNAGIK, ALASKA 99555-0033
PHONE: 907-842-5953 OR 842-2528
FAX: 907-842-2107
EMAIL: cityalek@nushtel.com

April 11, 2003

Governor Frank H. Murkowski
Office of the Governor
3rd Floor State Capital, Mail Stop 0001
P.O. Box 110001
Juneau, Alaska 99811-0001

RECEIVED

APR 16 2003

GOVERNOR'S OFFICE

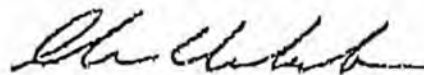
RE: Oil and Gas Development in Bristol Bay

Dear Governor Murkowski:

The City Council of the City of Aleknagik passed Resolution 03-11 supporting OCS 92 lease sales for oil and gas development in Bristol Bay at their regularly meeting on April 8, 2003. The City of Aleknagik supports economic development, local jobs, lower energy costs, less dependence on foreign oil, and protection of the fisheries and environment.

Please support oil and gas development in Bristol Bay and help to move up the OCS sales from 2011 to the earliest possible date. Thank you for your time and favorable consideration.

Sincerely,



Chris Chuckwuk
Mayor

Enclosure: Resolution 03-11

cc: Senator Ted Stevens
Senator Laura Murkowski
Congressman Don Young
Alaska State Legislature
Paul Rochl, Bristol Bay Native Corporation

CITY OF ALEKNAGIK
RESOLUTION 03-11A RESOLUTION OF THE CITY COUNCIL, OF THE CITY OF ALEKNAGIK
SUPPORTING OCS 92 LEASE SALES FOR OIL AND GAS DEVELOPMENT IN
BRISTOL BAY.

WHEREAS, Outer Continental Shelf (OCS) Sale 92, which occurred in October 1988, garnered nearly \$96 million in oil and gas bids for 122,000 acres contained in 23 leases; and

WHEREAS, the lease sale happened at a time when the price for sockeye salmon was high (up to \$2.60/lb.) and the price for oil was relatively low (\$17.30/bbl.); and

WHEREAS, the high commercial value of salmon in the late 1980's, coupled with the threat posed by the oil industry to salmon and wildlife habitat (particularly after the March 1989 Exxon Valdez oil spill), resulted in widespread opposition to the OCS 92 lease sales, and eventually lead to the cancellation of those lease sales and the return of the bid proceeds to the respective oil companies; and

WHEREAS, lease sale area OCS 92 is not scheduled to be revisited by the U.S. Minerals Management Service until 2011; and

WHEREAS, the environmentally responsible exploration for, and development of, Bristol Bay oil and gas resources could create needed high-paying, rewarding jobs for the people of the region, especially given the recent, disastrous Bristol Bay commercial salmon seasons; and

WHEREAS development of these oil and gas resources could also result in substantially reduced heating and energy costs for residents in the Bristol Bay region, and could enhance the competitiveness of the Bristol Bay commercial salmon and other industries, such as mining; and

WHEREAS, given the rising tensions in the Middle East, it is becoming increasingly clear that America's dependence on foreign oil imports is highly undesirable, both from a strategic and domestic standpoint.

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Aleknagik that the City of Aleknagik strongly supports oil and gas exploration and development in the Bristol Bay region provided maximum protection be given to the fishery resources and that exploration and development be done in an environmental manner; and

BE IT FURTHER RESOLVED that the City of Aleknagik supports immediate exploration and development of the OCS 92 area and request the assistance of Senator Stevens, Senator Murkowski, Congressman Young, Governor Murkowski, and the

Alaska State Legislature to assist in moving the OCS sales schedule up from 2011 to 2004 or as earliest as possible.

PASSED AND APPROVED this 7 day of April, 2003 at Aleknagik, Alaska.

SIGNED:


Chris Cluckwuk, Mayor

ATTEST:


Pauline Kohler, City Clerk



ALASKA STATE LEGISLATURE

SENATE COMMITTEE ON COMMUNITY & REGIONAL AFFAIRS

Senator Bert K. Stedman, Chair

Official Business

Senator Tom Wagoner, Vice-Chair
Senator Kim Elton
Senator Georgianna Lincoln
Senator Gary Stevens

State Capitol, Room 30
Juneau, AK 99801-1182
Phone: (907) 465-4989
Fax: (907) 465-3922

*February 02, 2004
1:30 – 3:30 PM
Fahrenkamp 203*

POTENTIAL WITNESSES

Mark Meyers, *Director, Div of Oil & Gas, Dept Natural Resources*

Shawn Parnell, *Deputy Director, Div of Oil & Gas, Dept Natural Resources*

Support Staff:

Janet Baxter – *Legislative Liaison, Dept Natural Resources*

Marie Crosley – *Dept Natural Resources (Via Off-Net)*

Pirtle Bates – *Dept Natural Resources (Via Off-Net)*

Jim Hansen – *Dept Natural Resources (Via Off-Net)*

SENATE COMMITTEE REPORT First Committee of Referral

DATE: 1/14/04

FURTHER: Resources

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 2/2/04

Community and Regional Affairs Committee considered SENATE BILL NO. 266

SB 266 BRISTOL BAY OIL & GAS LEASE SALE CLOSURE

"An Act approving an interim classification by the commissioner of natural resources closing certain land within the area of the proposed Bristol Bay (Alaska Peninsula) competitive oil and gas areawide lease sale to oil and gas exploration licensing and shallow natural gas leasing; and providing for an effective date."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:
 Same Title
 New Title

House Bill:
 Same Title
 Technical Title Change
 New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DNR	12/2/03			✓	1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	Do PASS	Do NOT PASS	No REC	AMEND
<i>Thomas H. Wagner</i>	X			
<i>Gemma A. Rucinski</i>			✓	
<i>Bob H. Peterson</i>	X			
<i>[Signature]</i>	X		✓	
CHAIR:				

Chair

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 266
(S) Publish Date: 1/14/04

Revision Date/Time (Note if correction): _____ Dept. Affected: Natural Resources
Title: Mineral Closing Order for Bristol Bay RDU: Resource Development
Oil and Gas Competitive Sale Area Component: Oil and Gas Development
Sponsor: Rules
Requester: Governor Component No.: 439

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation ensures that land remains available for the competitive sale program under AS 38.05.180. The bill approves an interim classification by the commissioner of natural resources closing land in the proposed Bristol Bay (Alaska Peninsula) competitive oil and gas areawide lease sale to oil and gas exploration licensing under AS 38.05.131-38.05.134 and shallow natural gas leasing under AS 38.05.177.

No fiscal impact.

Prepared by: Mark D. Myers Phone 269-8800
Division: Oil and Gas Date/Time 12/2/03
Approved by: Thomas Irwin, Commissioner Date 12/2/03
Agency: Natural Resources

*Senate Community & Regional Affairs
Committee*

