

HCR

7

# ALASKA STATE LEGISLATURE HOUSE RESOURCES COMMITTEE

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## Fax

To: Jack Chenoweth

Fax #: 2029

Number of pages including cover: 1

Fm: Jim Pound 

Cc:

Date: April 18, 2005, 2:54 PM

Re: amendment for HCR 7 24-LS0876\A

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Please amend the above referenced Resolution with the amendment 24-LS0876\A.1 and return in final.

Thanks

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Thank you

# HOUSE COMMITTEE REPO

(9)

Date Referred to Committee: April 7, 2005

FURTHER REFERRALS:

Date of Committee Action: 4/18/05

The RESOURCES Committee considered:

HCR 7

## HOUSE CONCURRENT RESOLUTION NO. 7 COOK INLET OIL & GAS PLATFORM ABANDONMENT

Urging the governor to direct the division of oil and gas, Department of Natural Resources, to undertake a comprehensive review of the subject of Cook Inlet oil and gas platform abandonment for the purpose of developing new oil and gas platform abandonment regulations and their adoption and implementation.

Recommends it be replaced with  HCS or  CS for \_\_\_\_\_ (\_\_\_\_\_)  
 For Senate Bills with new title:  Technical Title  New Title: HCR \_\_\_\_\_  Same Title  New Title

- attach amendments
- add new referral to \_\_\_\_\_ Committee
- Letter of Intent \_\_\_\_\_ Committee

List of Abbrev for Depts.:

- ADM
- CED
- COR
- CRT
- EED
- DEC
- DFG
- GOV
- HSS
- LEG
- LAW
- LWF
- MVA
- DNR
- DPS
- REV
- DOT
- UA

<u>NEW FISCAL NOTES</u>				
*Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
LEG				✓

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
	OLSON	✓			
Mary Kapsner	KAPSNER	✓			
	SEATON	✓			
Paul Seaton	SEATON	✓			
	ELKINS CRAWFORD	✓			
Elkins Crawford	ELKINS CRAWFORD	✓			
Chair:	RAMRAS	✓			
Chair:	SAMUELS	✓			

# ALASKA STATE LEGISLATURE

## REPRESENTATIVE KURT OLSON

- Co-Chair, Community and Regional Affairs
- Member, Resources



Session: January - May  
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Interim: May - December  
145 Main Street Loop, Ste 221  
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Official Business

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### **Sponsor Statement HCR 7 Cook Inlet Oil & Gas Platform Abandonment**

The Senate and House Resources Committees held a joint committee meeting in Kenai in February 2005. The purpose of the meeting was to receive testimony from individuals and companies doing oil and/or natural gas business in the Cook Inlet basin. The committee heard comments and suggestions on methods to improve the business conditions in the oil and natural gas industry.

One of those suggestions was the need to provide for regulations on the abandonment of the platforms in the Cook Inlet.

Production in the Cook Inlet has declined since the date the platforms were in place in the 1960's. Four of the sixteen platforms are "lighthoused" and inactive.

However, it is possible that the platforms could be instrumental in reversing the declining production trend. The platforms could be used to drill new, deeper wells and might tap into larger fields than have been developed to date.

In 1996, the Alaska Oil and Gas Conservation Commission (AOGCC) proposed implementation of revised platform abandonment regulations. However, a decision by the attorney general indicated that the Department of Natural Resources (DNR) and not the AOGCC was responsible for developing regulations.

This resolution urges the Governor to direct the DNR to undertake a comprehensive review of the platform abandonment.

# FISCAL NOTE

**STATE OF ALASKA**  
**2005 Legislative Session**

Fiscal Note Number: 1  
 Bill Version: H.C.R. 7  
 ( ) Publish Date: 4/18/2005

Revision Date/Time \_\_\_\_\_ Dept. Affected: N/A  
 Title Cook Inlet O&G Platform Abandonmer BRU \_\_\_\_\_  
 Sponsor Representative Olson Component \_\_\_\_\_  
 Requester House Resources Committee Component No. \_\_\_\_\_

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

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
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>						
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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--Do not abbreviate)						
<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 (FY2005) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)  
 The House Resources Committee has determined that passage of this resolution will have no fiscal impacts.

Prepared by: Jim Pound Phone 465-3004  
 Division for House Resources Date/Time 4/18/05 9:00 AM  
 Approved by: Representative Ramras & Representative Samuels Date 4/18/2005  
 Agency Co-Chairs House Resources Committee

AMENDMENT

OFFERED IN THE HOUSE  
TO: HCR 7

BY REPRESENTATIVE OLSON

- 1 Page 2, line 6:
- 2 Delete "smaller"
- 3 Insert "growing, independent"