

HCR

7

Senate Resources

April 27, 2005

HCR 7 Materials

- Sponsor Statement: 1 page
- CS HCR 7 (RES): 2 pages
- Fiscal Note: 4-18-05: H-RES: 1 page

ALASKA STATE LEGISLATURE

REPRESENTATIVE KURT OLSON

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

Session: January - May
State Capitol
Juneau, AK 99801-1182
Phone: 907-465-2693
Fax: 907-465-3835



Interim: May - December
145 Main Street Loop, Ste 221
Kenai, AK 99611
Phone: 907-283-2690
Fax 907-283-2763

Official Business

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: CSHCR 7(RES)
 (H) Publish Date: 4/19/2005

Revision Date/Time _____ Dept. Affected: N/A
 Title Cook Inlet O&G Platform Abandonmen BRU _____
 Component _____
 Sponsor Representative Olson
 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						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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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)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

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