

SCR

7

ALASKA STATE LEGISLATURE



Official Business

SENATE RESOURCES COMMITTEE

Senator Tom Wagoner, Chair

State Capitol, Room 427

Juneau, AK 99801-1182

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Senator Ralph Seekins, Vice-Chair

Senator Ben Stevens

Senator Kim Elton

Senator Fred Dyson

Senator Bert Stedman

Senator Gretchen Guess

SCR 7: Oil and Gas Regulatory Revisions **Sponsor Statement**

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 continue to streamline the regulatory process for oil and gas exploration.

Exploration is critical to the development and production of new fields and attention to the permitting processes and the efforts and costs of those processes is necessary in order to assure continued exploration efforts.

This resolution recognizes the efforts undertaken by Governor Murkowski since his administration took office in December 2002 and endorses ongoing efforts to continue to review and revise regulations to streamline the exploratory oil and gas process.

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Sponsor Statement

SCR 6: 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.