

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672

4980 HRES HB 459 - HB 471

52

LEVEL: STATE AK
 SELECTION:
 SEQUENCE: STATE, SITE N/IE
 EVENTS: ALL

U.S. EPA SUPERFUND PROGRAM

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LIST-01 SITE/EVENT LISTING

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| EPA_ID_NO. | SITE NAME STREET CITY COUNTY CODE AND NAME | STATE ZIP LONG DIST. | NFA CLASS | OPRDL UNIT | EVENT TYPE | ACTUAL START DATE | ACTUAL CUMPL DATE | CURRENT EVENT LEAD |
|--------------|--|-------------------------|--------------|---------------|-------------------|-------------------------|----------------------------------|---|
| AK0900979215 | UNLSON MTN TOP OF UNLSON MTN NUMBER 290 YUKON-KOYUKUK | AK 99602 | | 00 | DS1 PA1 | 09/14/87 | 02/01/85 09/19/87 | EPA (FUND) EPA (FUND) |
| AK0900664635 | OLD CREOSOTE PLANT WHITTIER WHITTIER 261 VALDEZ-CORODVA | AK 99693 | | 00 | DS1 PA1 S11 | 01/02/85 09/30/86 | 04/01/81 02/06/85 09/30/86 | EPA (FUND) STATE(FUND) EPA (FUND) |
| AK0900639272 | PACIFIC AIRMOTIVE CORP. MERRILL FIELD ANCHORAGE 020 ANCHORAGE | AK 99501 | | 00 | DS1 PA1 | 09/07/84 | 06/01/81 09/28/84 | EPA (FUND) STATE(FUND) |
| AK0980975106 | PERSERVERANCE MILL HASTIN ROAD, END OF JUNEAU 110 JUNEAU | AK 99801 | | 00 | DS1 PA1 | 12/26/84 | 05/01/84 01/18/85 | EPA (FUND) STATE(FUND) |
| AK0069559276 | PRESCOTT EQUIPMENT COMPANY 467 W. CHIPPERFIELD, POB 650 ANCHORAGE 020 ANCHORAGE | AK 99510 | | 00 | DS1 PA1 | 11/25/87 | 03/13/85 12/08/87 | EPA (FUND) EPA (FUND) |
| AK0980495610 | RED DEVIL MINE WASTE POND KUSKOKWIM RIVER BETHEL 050 BETHEL | AK 99502 | | 00 | DS1 PA1 | 01/02/85 | 07/01/79 02/14/85 | EPA (FUND) STATE(FUND) |
| AK0097246789 | RED SAMM CONSTRUCTION 2961 RIVERSIDE DR JUNEAU 110 JUNEAU | AK 99801 | NFA | 00 | DS1 PA1 | 12/29/87 | 05/16/85 12/30/87 | STATE(FUND) STATE(FUND) |
| AK0018542969 | ROGERS & DAHLER INC 1301 E 64TH AV ANCHORAGE 020 ANCHORAGE | AK 99510 | | 00 | DS1 PA1 | 09/07/84 | 08/01/80 09/28/84 | EPA (FUND) STATE(FUND) |

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|--------------|--|---------------|-------------|-------------------|-------------------------|----------------------------------|--|
| AKD980665152 | SAGWON AIRSTRIP DUMP 115H RIVE STU111 SAGWON 185 NORTH SLOPE AK 99723 | | 00 | OS1 PA1 S11 | 01/02/85 09/30/86 | 01/01/81 02/15/85 09/30/86 | EPA (FUND) STATE (FUND) EPA (FUND) |
| AKD981766256 | SITKA, CITY OF, LOFL SEC 28 NEAR KASHEVAKOFF SITKA 220 SITKA AK 99835 | | 00 | OS1 | | 03/18/87 | OTHER |
| AKD980976203 | SULDUINA LANDFILL STERLING HWY, MI 98.5 SULDUINA 122 KING'S PENINSULA AK 99669 | | 00 | OS1 PA1 | 01/14/86 | 08/24/84 09/11/86 | EPA (FUND) EPA (FUND) |
| AKD980664676 | SOUTH HARTER ISLAND BARKEL DUMP TYN, R33 - SEC 25 HARTER ISLAND 105 NORTH SLOPE AK 99790 | | 00 | OS1 PA1 | 08/21/84 | 07/01/81 09/27/84 | EPA (FUND) EPA (FUND) |
| AKD981765894 | ST. LAWRENCE ISLAND ST. LAWRENCE ISLAND GAMBELL 100 NONE AK 99743 | | 00 | OS1 PA1 | 08/29/86 | 07/05/85 12/24/86 | EPA (FUND) EPA (FUND) |
| AKD981770084 | ST. LAWRENCE ISLAND-CARGO BEACH SITE CARGO BEACH NORTH LAST CAPE 100 NONE AK 99742 | | 00 | OS1 PA1 | 08/29/86 | 08/01/85 12/24/86 | EPA (FUND) EPA (FUND) |
| AKD980977707 | STANDARD STEEL & METALS 2400 RAILROAD AV ANCHORAGE 020 ANCHORAGE AK 99501 | | 00 | OS1 | | 10/28/85 | STATE (FUND) |
| AKD981767117 | STEADMAN FIELD LOT 19 BLOCK 65 NONE 100 NONE AK 99762 | | 00 | OS1 | | 10/27/86 | OTHER |

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|--------------|---|-------------|--------------|-------------------|-------------------------|----------------------------------|-----------------------------------|
| AK0980722177 | STERLING SPECIAL WASTE DISPOSAL SITE 1.5 MI NE OF STERLING HWY STERLING AK 99672 122 KENAI PENINSULA | NFA | 00 | DSI PA1 S11 | 01/05/87 | 11/01/79 11/01/79 09/30/87 | EPA (FUND) OTHER EPA (FUND) |
| AK0048679682 | TLSUKU ALASKA PLTRULUM CO KENAI SPUR RD, MI 22 KENAI AK 99611 122 KENAI PENINSULA | | 00 | DSI PA1 | 01/02/85 | 06/01/81 02/21/85 | EPA (FUND) STATE(FUND) |
| AK0481767320 | THANE MINE DUMP THANE ROAD JUNEAU AK 99801 110 JUNEAU | | 00 | DSI PA1 | 10/26/87 | 06/19/84 11/12/87 | EPA (FUND) EPA (FUND) |
| AK0045330651 | THE LETTER SHOP 157 STEISE HIGHWAY FAIRBANKS AK 99701 090 FAIRBANKS NORTH STAR | NFA | 00 | DSI PA1 | 09/01/84 | 09/01/80 09/17/84 | EPA (FUND) STATE(FUND) |
| AK0981767387 | TREADWELL MINES GASTINEAU CHANNEL, NE SIDE DOUGLAS AK 99801 110 JUNEAU | | 00 | OS1 | | 03/01/87 | STATE(FUND) |
| AK0980980216 | U.S. SMELTING, PULPING & MINING ADJACENT TO ILLINOIS ST. FAIRBANKS AK 99701 090 FAIRBANKS NORTHSTAR | | 00 | DSI PA1 | 09/30/87 | 08/05/86 09/30/87 | STATE(FUND) STATE(FUND) |
| AK0980980791 | UNION OIL GRAVEL PIT GRAVEL PIT RD, N OF W PUPPY LN SOLDOTNA AK 99611 122 KENAI PENINSULA | NFA | 00 | DSI PA1 | 09/30/87 | 11/01/84 09/30/87 | OTHER STATE(FUND) |
| AK0092876390 | UNION OIL OF LA - KENAI PLANT KENAI SPUR ROAD, MI 22 NORTH KENAI AK 99611 122 KENAI PENINSULA | | 00 | DSI PA1 | 01/02/85 | 11/01/79 02/21/85 | EPA (FUND) STATE(FUND) |

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| EPA_ID | STATE | SITE NAME | ZIP | HAZ | UPR | EVENT | ACTUAL START DATE | ACTUAL COMPL DATE | CURRENT EVENT LEAD |
|--------------|-------|--|----------|-----|-----|------------|-------------------|----------------------|---------------------------|
| AK0048679567 | AK | UNIVERSITY OF ALASKA TANANA OR FAIRBANKS 090 FAIRBANKS NORTH STAR | AK 99701 | 00 | 00 | DS1 PA1 | 01/02/85 | 06/01/80 02/21/85 | EPA (FUND) STATE(FUND) |
| AK8570020615 | AK | USAF - ANIAK AFB LOFL HEAD SHANK KUSKOKWIM RIV/SLOGH ANIAK 050 BETHEL | AK 99557 | 00 | 00 | DS1 | | 06/01/81 | EPA (FUND) |
| AK4570020619 | AK | USAF - BEAR CREEK AFS LOFL YUKON RIVER ON N SHORE TANANA 290 YUKON-KUYUKUK | AK 99717 | 00 | 00 | DS1 | | 05/27/81 | EPA (FUND) |
| AK9570020622 | AK | USAF - BETHEL AFS LOFL AIRPORT - W END OF MAIN ROAD BETHEL 050 BETHEL | AK 99559 | 00 | 00 | DS1 | | 06/01/81 | EPA (FUND) |
| AK8570020623 | AK | USAF - BIG MOUNTAIN AFS LOFL S SHORE ILLIAMA/S SIDE BIG MTN BIG MOUNTAIN AFS 070 DILLINGHAM | AK 99501 | 00 | 00 | DS1 | | 06/01/81 | EPA (FUND) |
| AK6572720620 | AK | USAF - CAMPION AFS LOFL YUKON AVE - 6 MI E OF CITY SALENA 70 YUKON-KUYUKUK | AK 99741 | 00 | 00 | DS1 | | 06/01/81 | EPA (FUND) |
| AK1572720631 | AK | USAF - CAPE LISIORSNE AFS LOFL 40 MI NE OF PT NUPE CAPE LISIORSNE AFS 105 NORTH SLOPE | AK 99766 | 00 | 00 | DS1 | | 06/01/81 | EPA (FUND) |
| AK0572720632 | AK | USAF - CAPE NEWENHAM AFS LOFL KUSKOKWIM BAY CAPE NEWENHAM AFS 050 BETHEL | AK 99651 | 00 | 00 | DS1 | | 06/01/81 | EPA (FUND) |

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|--------------|---|---------------------|-------------|---------------|-------------------|-------------------------|----------------------------------|--|
| AK9572720633 | USAF - CAPE ROMANZOF AFS LOFL - 20 MI N OF HOOPER BAY HOOPER BAY 270 WADE HAMPTON | AK 99604 | | 00 | DS1 | | 06/01/81 | EPA (FUND) |
| AK5570020634 | USAF - CAPE SARCHIEF AFS LOFL UNIMAK ISLAND, W COAST UNIMAK 010 ALEUTIAN IS | AK 99605 | | 00 | DS1 | | 06/01/81 | EPA (FUND) |
| AK1570720638 | USAF - CLEAR AFS LOFL HWY 3 & NEMANA RD ANDERSON 290 YUKON-KUYUKUK | AK 99704 | | 00 | DS1 PA1 | | 05/01/81 10/01/81 | EPA (FUND) OTHER |
| AK5570020610 | USAF - DEWLINE SITE BAR-MAIN BARTEK ISL, 1/2 MI E OF NE SHR KAKTOVIK 105 NORTH SLOPE | AK 99747 | NFA | 00 | DS1 PA1 S11 | | 07/01/81 09/15/87 07/01/81 | EPA (FUND) EPA (FUND) EPA (FUND) |
| AK9570020697 | USAF - DEWLINE SITE LIZ-2 KASEGALIK LAGOON-CHUKCHI SEA POINT LAY 105 NORTH SLOPE | AK 99766 | NFA | 00 | DS1 PA1 | | 06/01/81 09/15/87 | EPA (FUND) EPA (FUND) |
| AK6570020716 | USAF - DEWLINE SITE LIZ-3 KUK RIVER & CHUKCHI SEA WAINWRIGHT 105 NORTH SLOPE | AK 99702 | NFA | 00 | DS1 PA1 | | 06/01/81 09/15/87 | EPA (FUND) EPA (FUND) |
| AK3570020677 | USAF - DEWLINE SITE POW-1 PITT POINT, E OF SHITH BAY LONLEY 105 NORTH SLOPE | AK 99999 | NFA | 00 | DS1 PA1 | | 06/01/81 09/15/87 | EPA (FUND) EPA (FUND) |
| AK5570020691 | USAF - DEWLINE SITE POW-2 SIMPSON LAGOON-DEAUFORT BAY ULIKTUA 105 NORTH SLOPE | AK 99599 | | 00 | DS1 PA1 | | 06/01/81 09/15/87 | EPA (FUND) EPA (FUND) |

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|--------------|---|-------------|---------------|-------------------|-------------------------|----------------------------------|--|
| AK2570028652 | USAF - DEWLINE SITE PUM-J E OF FLAXMAN ISLAND BULLH POINT 185 NORTH SLOPE AK 99723 | | 00 | US1 PA1 S11 | 09/15/87 07/01/81 | 01/01/81 07/15/87 07/01/81 | EPA (FUND) EPA (FUND) EPA (FUND) |
| AK1570028695 | USA - DEWLINE STA PUM-MAIN 1.7MI N SALT LAGOON & THIKPUK POINT BARROW 185 NORTH SLOPE AK 99723 | NFA | 00 | US1 PA1 | 09/15/87 | 06/01/81 09/15/87 | EPA (FUND) EPA (FUND) |
| AK3570220644 | USAF - DRIFTWOOD BAY AFS LOFL N COAST UNALASKA ISLAND DRIFTWOOD BAY 010 ALEUTIAN IS AK 99553 | | 00 | US1 | | 06/01/81 | EPA (FUND) |
| AK2570028645 | USAF - DUNCAN CANAL LOFL 12 MI SW OF CY PETERSBURG 270 WRANGELL-PETERSBURG AK 99033 | | 00 | DS1 | | 06/01/81 | EPA (FUND) |
| AK1570028646 | USAF - EIELSON AFB LOFL HWY 2 - 16 MI SE OF FAIRBANKS FAIRBANKS 070 FAIRBANKS NORTH STAR AK 99702 | | 00 | DS1 | | 06/01/81 | EPA (FUND) |
| AK0570028647 | USAF - ELMENDORF AFB N BOUNDARY OF CITY LIMITS ANCHORAGE 020 ANCHORAGE AK 99506 | | 00 | DS1 PA1 | | 03/01/81 03/01/81 | EPA (FUND) OTHER |
| AK3572720654 | USAF - FORT YUKON AFS LOFL N OF YLLOTA SLOUGH FORT YUKON 290 YUKON-KUYUKUK AK 99740 | | 00 | US1 | | 06/01/81 | EPA (FUND) |
| AK9570028655 | USAF - GALENA AIRPORT LOFL N OF TRACTOR CR 1 MI W OF CY GALENA 270 YUKON-KUYUKUK AK 99741 | | 00 | DS1 | | 06/01/81 | EPA (FUND) |

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|--------------|--|-------|-------|--------------|----------------|------------|-------------------------|-------------------------|-----------------------|
| AK5570020659 | USAF - GRANITE MOUNTAIN AFS LDFL 14 MI NW OF CY MAYCOCK 100 NONE | AK | 99762 | | 00 | DS1 | | 06/01/81 | EPA (FUND) |
| AK3572720662 | USAF - INDIAN MOUNTAIN AFS LDFL NW SHORCE OF INDIAN RIVER NETTLES 290 YUKON-KUYUKUK | AK | 99720 | | 00 | DS1 | | 06/01/81 | EPA (FUND) |
| AK8570020664 | USAF - KALAKAKEI CREEK S SHORE OF KALA CREEK GALLNA 290 YUKON-KUYUKUK | AK | 99741 | | 00 | DS1 | | 06/01/81 | EPA (FUND) |
| AK3570020669 | USAF - KING SALMON AIRPORT LDFL 15 MI E OF BRISTOL BAY KING SALMON 060 BRISTOL BAY | AK | 99613 | | 00 | DS1 | | 06/01/81 | EPA (FUND) |
| AK4570020684 | USAF - NIKOLSKI AFS LDFL W COAST OF UMNAK IS NIKOLSKI 010 ALLUTIAN ISLAND | AK | 99630 | | 00 | DS1 | | 06/01/81 | EPA (FUND) |
| AK3570020685 | USAF - NORTH RIVER AFS LDFL MOUTH OF NORTH RIVER UNALAKLEET 100 NONE | AK | 99604 | | 00 | DS1 | | 06/01/81 | EPA (FUND) |
| AK8570020690 | USAF - PORT HEIDEN AFS LDFL NW SHORE OF HEIDEN BAY PORT HEIDEN 070 DILLINGHAM | AK | 99549 | | 00 | DS1 | | 06/01/81 | EPA (FUND) |
| AK7570020699 | USAF - PORT MULLER AFS LDFL ALASKA PENINSULA PORT MULLER 010 ALLUTIAN ISLAND | AK | 99695 | | 00 | DS1 | | 06/01/81 | EPA (FUND) |

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|--------------|---|-------|-------|--------------|---------------|------------|-------------------------|-------------------------|-------------------------|
| AK9570028705 | USAF - SHEMYA AFB SHEMYA IS, S SHORE SHEMYA 010 ALEUTIAN ISLAND | AK | 99736 | | 00 | DS1 | | 05/15/85 | OTHER |
| AK8572728704 | USAF - SPARHENVNIN AFS HJOK CREEK-19 MI SW OF LY LIME VILLAGE 050 BETHEL | AK | 99557 | | 00 | DS1 | | 06/01/81 | EPA (FUND) |
| AK4572728711 | USAF - TATALINA AFS LOFL 9 MI SW OF CITY ON ROAD MCGKATH 290 YUKON KOYUKUK | AK | 99627 | | 00 | DS1 | | 06/01/81 | EPA (FUND) |
| AK3572728712 | USAF - TIN CITY AFS LOFL 1 MI NE OF CY TIN CITY AFS 100 NOME | AK | 99703 | | 00 | DS1 | | 06/01/81 | EPA (FUND) |
| AK4170024323 | USAF - WHITE ALICE ANTENNA SITE - ADAR ADAR IS ADAR 010 ALEUTIAN ISLAND | AK | 99579 | | 00 | DS1 | | 06/01/81 | EPA (FUND) |
| AK7572728742 | USAF - WHITE ALICE SITE - KOTZEBUE NW CORNER OF BALDWIN PENINSULA KOTZEBUE 140 KOBUK | AK | 99752 | | 00 | DS1 | | 08/01/81 | EPA (FUND) |
| AK7570020616 | USAF - WHITE ALICE SITE - NOME ANVIL PT 6.5 MI N OF NOME NOME 100 NOME | AK | 99762 | | 00 | DS1 | | 08/01/81 | EPA (FUND) |
| AK4570070079 | USAF-GRANT POINT DEWLINE RADAR SITE 10.3 MI NW OF COLD BAY COLD BAY 010 ALEUTIAN ISLANDS | AK | 99571 | | 00 | DS1 | | 09/08/86 | STATE(FUND) |

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|--------------|-------|-------|------|--------|------|---|-------------------|-------------------|--------------------------|
| AK210022342 | AK | 98733 | 00 | 00 | PA1 | USARMY GERSILE RIVER TEST SITE 1135 HIGH SEC 9415.16 FORT GREELEY 240 SOUTHEAST FAIRBANKS | 02/01/80 | 06/30/87 | EPA (FUND) EPA (FUND) |
| AK5210070002 | AK | 99693 | 00 | 00 | 051 | USARMY MILLTIER OIL STORAGE TANK 3/4 MI N OF TOWN MILLTIER 261 VALDEZ-CORDOVA | 06/01/81 | | EPA (FUND) |
| AK2210090115 | AK | 99732 | 00 | 00 | 051 | USARMY-COE FORT GREELEY AIRPORT BIG DELTA DELTA JUNCTION 240 SOUTHEAST FAIRBANKS | 02/06/87 | | EPA (FUND) |
| AK6210022426 | AK | 99703 | 00 | 00 | 051 | USARMY-FORT MAINWRIGHT RICHARDSON HWY, SE OF CY FORT MAINWRIGHT 090 FAIRBANKS NORTH STAR | 08/20/87 | | EPA (FUND) |
| AK5690361139 | AK | 99762 | 00 | 00 | 051 | USCG - POINT SPENCER USCG DUMP SITE POINT CLARENCE-60 MI NW OF CY NOME 196 NOME | 06/01/81 | | EPA (FUND) |
| AK690333742 | AK | 99619 | 00 | 00 | 051 | USCG - SUPPORT CENTER USCG SUPPORT CENTER KODIAK 150 KODIAK | 06/01/81 | | EPA (FUND) |
| AK5122370120 | AK | 99021 | 00 | 00 | 051 | USDA-FS COUGHLAN ISLAND LUUGHLAN ISLAND AUKA BAY 110 JUNEAU | 02/06/87 | | EPA (FUND) |
| AK0122390131 | AK | 99574 | 00 | 00 | 051 | USDA-FS HINCHINIKOIK ISLAND RANGE SITE FORT LITTLE (STAMBERY POI HINCHINIKOIK ISLAND 231 SHAGMAY-YAKUAT-ANGUUN | 02/06/87 | | EPA (FUND) |

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|--------------|--|--------------------------|-------------|----------------|------------|-------------------------|-------------------------|-----------------------|
| AK8122390125 | USDA-FS MIDDLETON ISLAND MIDDLETON ISLAND MIDDLETON ISLAND 261 VALDEZ-CORDOVA | AK 99999 | | 00 | US1 | | 02/06/87 | EPA (FUND) |
| AK2140990126 | USDOI-DIA ANNETTE ISLAND AIRPORT ANNETTE AIRPORT ANNETTE 201 PRINCE-WALLS-KETCHIKAN | AK 99926 | | 00 | US1 | | 02/06/87 | EPA (FUND) |
| AK2140990118 | USDOI-DIA MOSES POINT MOSES POINT MOSES POINT 100 NOME | AK 99767 | | 00 | US1 | | 02/06/87 | EPA (FUND) |
| AK5141157678 | USDOI-OLM ANIAK AIRPORT ANIAK AIRPORT ANIAK 050 UTHIEL | AK 99557 | | 00 | DS1 | | 02/06/87 | EPA (FUND) |
| AK5141190179 | USDOI-OLM BIKRKA ISLAND FACILITY BIKRKA ISLAND BIKRKA ISLAND 220 SITKA | AK 99835 | | 00 | DS1 | | 02/06/87 | EPA (FUND) |
| AK5141190103 | USDOI-OLM CAPE SARINE DEW LINE SITE POINT HOPE, 05 MI SE POINT HOPE 105 NORTH SLOPE | AK 99766 | | 00 | US1 P/L | 03/12/87 | 08/14/85 03/12/87 | OTHER EPA (FUND) |
| AK0141190116 | USDOI-OLM CAPE YAKATAGA AIRFIELD CAPE YAKATAGA CAPE YAKATAGA 261 VALDEZ-CORDOVA | AK 99560 | | 00 | US1 | | 02/06/87 | EPA (FUND) |
| AK2141190122 | USDOI-OLM DILLINGHAM ARPT DILLINGHAM DILLINGHAM 070 DILLINGHAM | AK 99576 | | 00 | DS1 | | 02/06/87 | EPA (FUND) |

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| NO. | AB | NAME | CD | DIS | LAB | ULE | START | CUMPL | EVENT |
| | | | | | | | DATE | DATE | LEAD |
| AK0141190124 | | USDOI-BLM FAREWELL - AIR NAVIGATION SITE FAREWELL LAKE FAREWELL 290 YUKON-KOYUKUK | AK | 99629 | 00 | US1 | | 08/06/87 | EPA (FUND) |
| AK4141190138 | | USDOI-BLM FIRE ISLAND HOUSING AREA FAA HOUSING AREA FIRE ISLAND 020 ANCHORAGE | AK | 99506 | 00 | DS1 | | 02/06/87 | EPA (FUND) |
| AK4141157699 | | USDOI-BLM FORT YUKON AIRPORT FORT YUKON AIRPORT FORT YUKON 290 YUKON-KOYUKUK | AK | 99740 | 00 | DS1 | | 02/06/87 | EPA (FUND) |
| AK9141190083 | | USDOI-BLM FORT YUKON WHITE ALICE SITE E. OF TOWN FORT YUKON 290 YUKON-KOYUKUK | AK | 99740 | 00 | DS1 | | 09/02/85 | OTHER |
| AK5141190137 | | USDOI-BLM GALENA AIRBASE GALENA AIRPORT GALENA 290 YUKON-KOYUKUK | AK | 99741 | 00 | DS1 | | 02/06/82 | EPA (FUND) |
| AK7141190127 | | USDOI-BLM GUSTAVUS AKPT GUSTAVUS GUSTAVUS 231 SKAGWAY-YAKUTAT | AK | 99826 | 00 | DS1 | | 02/06/87 | EPA (FUND) |
| AK2141190130 | | USDOI-BLM HAINES AIR NAVIGATION SITE HAINES-FAA ROAD HAINES 100 HAINES | AK | 99827 | 00 | DS1 | | 02/06/82 | EPA (FUND) |
| AK4141190104 | | USDOI-BLM ICY CAPE DEW LINE SITE WAINWRIGHT, 50 MI NE WAINWRIGHT 185 NORTH SLOPE | AK | 99702 | 00 | DS1 PA1 | 03/12/87 | 05/14/87 03/12/87 | EPA (FUND) EPA (FUND) |

LEVEL: STATE AK
 SELECTION:
 SEQUENCE: STATE, SITE NAME
 EVENTS: ALL

U.S. EPA SUPERFUND PROGRAM

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| EPA ID | SITE NAME STREET CITY COUNTY CODE AND NAME | SITE ZIP COUNTY | NFA ELG | OPRILE UMI | EVENT TYPE | ACTUAL START DATE | ACTUAL COMPL DATE | CURRENT EVENT LEAD |
|--------------|---|--------------------|------------|---------------|------------|-------------------------|-------------------------|-----------------------|
| AK0141190132 | USDOJ-BLM ILIAMNA SITE ILIAMNA ILIAMNA 070 OILLINGHAM | AK 99606 | | 00 | DSI | | 02/06/87 | EPA (FUND) |
| AK0141190082 | USDOJ-BLM KOGRO RIVER DEMLINE SITE W SIDE OF HARRISON BAY HARRON & PRUDHOE BAY 185 NORTH SLOPE | AK 99723 | | 00 | DSI | | 09/01/85 | OTHER |
| AK6141190136 | USDOJ-BLM KOTZEBUE AIRPORT KOTZEBUE AIRPORT KOTZEBUE 140 KOBUK | AK 99752 | | 00 | DSI | | 02/06/87 | EPA (FUND) |
| AK5141190087 | USDOJ-BLM LORAN STATION ON SITKINIK SITKINAK ISLAND SITKINAK ISLAND 150 KODIAK ISLAND | AK 99615 | | 00 | DSI | | 12/23/85 | OTHER |
| AK4141190120 | USDOJ-BLM NENANA FIELD SITE NENANA AIRPORT NENANA 270 YUKON-HUYUKUK | AK 99760 | | 00 | DSI | | 02/06/87 | EPA (FUND) |
| AK7141190119 | USDOJ-BLM NORTH NENANA VORTAC SITE NENANA NENANA 270 YUKON-KUYUKUK | AK 99760 | | 00 | DSI | | 02/06/87 | EPA (FUND) |
| AK8141190100 | USDOJ-BLM PEARO BAY DEMLINE SITE HARRON, 50 MI SW HARRON 185 NORTH SLOPE | AK 99723 | | 00 | DSI PAL | 03/12/87 | 08/14/85 03/12/87 | OTHER EPA (FUND) |
| AK3141190121 | USDOJ-BLM PUNTILLA AIR NAVIGATION SITE PUNTILLA LAKE PUNTILLA LAKE 170 MATANUSKA SUSTINA | AK | | 00 | DSI | | 02/06/87 | EPA (FUND) |

LEVEL: STATE AK
 SELECTION:
 SEQUENCE: STATE, SITE NAME
 EVENTS: ALL

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| EPA ID | SITE NAME STREET CITY | STATE | ZIP | NFA ELAB | OPRBL MUII | EVENT TYPE | ACTUAL START DATE | ACTUAL COMPL DATE | CURRENT EVENT LEAD |
|--------------|--|-------|-------|-------------|---------------|---------------|-------------------------|-------------------------|--------------------------|
| AK9141190133 | USDOJ-BLM SKWENTNA AIRFIELD SKWENTNA AIRFIELD SKWENTNA 270 MATANUSKA SUSITNA | AK | 99667 | | 00 | OS1 | | 02/06/87 | EPA (FUND) |
| AK7141190085 | USDOJ-BLM TANACROSS AIRFIELD TANACROSS AIRFIELD TANACROSS 240 SOUTHEAST FAIRBANKS | AK | 99776 | | 00 | OS1 | | 09/09/85 | OTHER |
| AK9141190117 | USDOJ-BLM UNALAKEET AIRPORT UNALAKEET UNALAKEET 100 NOME | AK | 99684 | | 00 | OS1 | | 02/06/87 | EPA (FUND) |
| AK7141190135 | USDOJ-BLM WUNDY ISLAND NAV SITE WUNDY ISLAND KODIAK 150 KODIAK ISLAND | AK | 99615 | | 00 | OS1 | | 02/06/87 | EPA (FUND) |
| AK1141190123 | USDOJ-BLM-HUMER AIRPORT HUMER HUMER 122 KENAI PENINSULA | AK | 99603 | | 00 | OS1 | | 02/06/87 | EPA (FUND) |
| AK8141190134 | USDOJ-BLM-TALKEETNA AIRPORT TALKEETNA AIRPORT TALKEETNA 170 TALKEETNA | AK | 99676 | | 00 | OS1 | | 02/06/87 | EPA (FUND) |
| AK3143690102 | USDOJ-FWS BROWNLOW POINT DEMLINE SITE BARRON, 265 MI SE BARRON 195 NORTH SLOPE | AK | 99723 | | 00 | OS1 PA1 | 03/12/87 | 07/23/85 03/12/87 | OTHER EPA (FUND) |
| AK4143690101 | USDOJ-FWS DEMARICATION POINT DEM LINE BARRON, 300 MI SE BARRON 185 NORTH SLOPE | AK | 99723 | | 00 | OS1 PA1 | 03/12/87 | 07/23/85 03/12/87 | OTHER EPA (FUND) |

LEVEL: STATE AK
 SELECTION:
 SEQUENCE: STATE, SITE NAME
 EVENTS: ALL

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| EPA_ID_NUM | SITE NAME STREET CITY | STATE ZIP | NFA LABEL | UPRILE UNII | EXEMPT TYPE | ACTUAL START DATE | ACTUAL COMPL DATE | CURRENT EXEMPT LEAD |
|--------------|---|-----------|--------------|----------------|----------------|-------------------------|-------------------------|---------------------------|
| AK7143690140 | USDOI-FWS NORTHWAY AIRSTRIP DUMP 114N R10E S25 NORTHWAY 240 SOUTHEAST FAIRBANKS | AK 99764 | | 00 | US1 | | 06/15/86 | STATE(FUND) |
| AK9143670114 | USDOI-FWS SWANSON RIVER OIL FIELD KENAI NAT WILDLIFE REFUGE KENAI 122 KENAI PENINSULA | AK 99611 | | 00 | DS1 | | 01/10/85 | EPA (FUND) |
| AK3141790086 | USDOI-NPS MALASPINA DRILLING HOD SITE WRANGELL-STELIAS NATIONAL PK GLENNALLFN 261 VALDEZ-CORDOVA | AK 99508 | | 00 | US1 PA1 | 01/05/87 | 11/12/85 01/05/87 | OTHER EPA (FUND) |
| AK5141790084 | USDOI-NPS HAGLATAK HILL CAPE KRUSENSTERN NAT. MONUMENT KUTZLUBE 140 KUBUK | AK 99752 | | 00 | DS1 | | 08/31/85 | OTHER |
| AK0141790113 | USDOI-NPS YUKON-CHARLEY RIVERS NAT PARK 15N, R21E, SEC 3 & 4 EAGLE 240 SOUTHEAST FAIRBANKS | AK 99738 | | 00 | DS1 | | 05/13/87 | EPA (FUND) |
| AK1690390025 | USDOI-CG KODIAK SAN LOFL USCG SUPPORT CENTER KODIAK 150 KODIAK ISLAND | AK 99619 | | 00 | DS1 | | 06/08/81 | EPA (FUND) |
| AK7690590057 | USDOI-FAA FIRE IS AIRCRAFT WARNING STA 112N R5W S7E ANCHORAGE 020 ANCHORAGE | AK 99506 | | 00 | US1 PA1 | 11/07/86 | 11/26/85 12/24/86 | OTHER EPA (FUND) |
| AK0690590088 | USDOI-FAA NORTHWAY STAGING FIELD NORTHWAY VILLAGE NORTHWAY VILLAGE 240 SOUTHEAST FAIRBANKS | AK 99764 | | 00 | US1 | | 09/11/85 | OTHER |

LEVEL: STATE AK
 SELECTION:
 SEQUENCE: STATE, SITE NAME
 EVENTS: ALL

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LIST-H: SITE/EVENT LISTING

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| LEA ID NO | SITE NAME STREET CITY | STATE ZIP | NFA ELAB | OPRILE UNII | EVE TYPE | ACTUAL START DATE | ACTUAL COMPL DATE | CURRENT EVE ID LEAD |
|--------------|--|-----------|-------------|----------------|-------------|-------------------------|-------------------------|----------------------------|
| AK6690502459 | USDOT-FAA UMIAT AIRSTRIP STAGING AREA N BANK COLVILLE RIVER UMIAT 105 NORTH SLOPE | AK 99723 | | 00 | OSI SII | 07/01/81 | 07/01/80 07/01/81 | EPA (FUND) EPA (FUND) |
| AK2170027245 | USNAVY - NAVAL ARCTIC RESEARCH LAB MAIN ST, 4 MI N OF CY BARRUM 105 NORTH SLOPE | AK 99723 | | 00 | OSI | | 06/26/81 | EPA (FUND) |
| AK7170077099 | USNAVY-ADAK NAVAL AIR STATION 51 52N 176 36W ADAK 010 ALEUTIAN ISLANDS | AK 98791 | | 00 | OSI | | 10/18/79 | OTHER |
| AK0083354207 | WHITE PASS & YUKON RAILROAD MAIN ST SKAGWAY 231 SKAGWAY-YAKUTAI-ANGOON | AK 99840 | | 00 | OSI PAI | 01/02/85 | 06/17/80 02/21/85 | EPA (FUND) STATE (FUND) |

20 years of drilling

Prudhoe Bay — An environmental gem or lurking problem?

By PATTI EPLER
Daily News reporter

First of two parts

PRUDHOE BAY — The midnight sun is heavy red above a silvery skyline that stretches forever across the horizon. In the softening light, Prudhoe Bay is at peace.

Towering oil rigs are still at work, pumping black crude from deep within the earth. From a distance, they seem in harmony with the greens and browns of an arctic summer.

Suddenly, the vista is twisted by fire. — flames shoot from huge pipes as natural gas, pressurized by the ages, escapes skyward, burning. The flares slowly subside, leaving clouds of black smoke to hang in the cool June air until, finally, a fog creeps in and hides the changing scene.

Nearly two decades after North America's largest oil field began production, Prudhoe Bay is still somewhat of an environmental puzzle. Is it possible to extract one resource from within the earth while leaving an equally valuable one mostly intact on its surface?

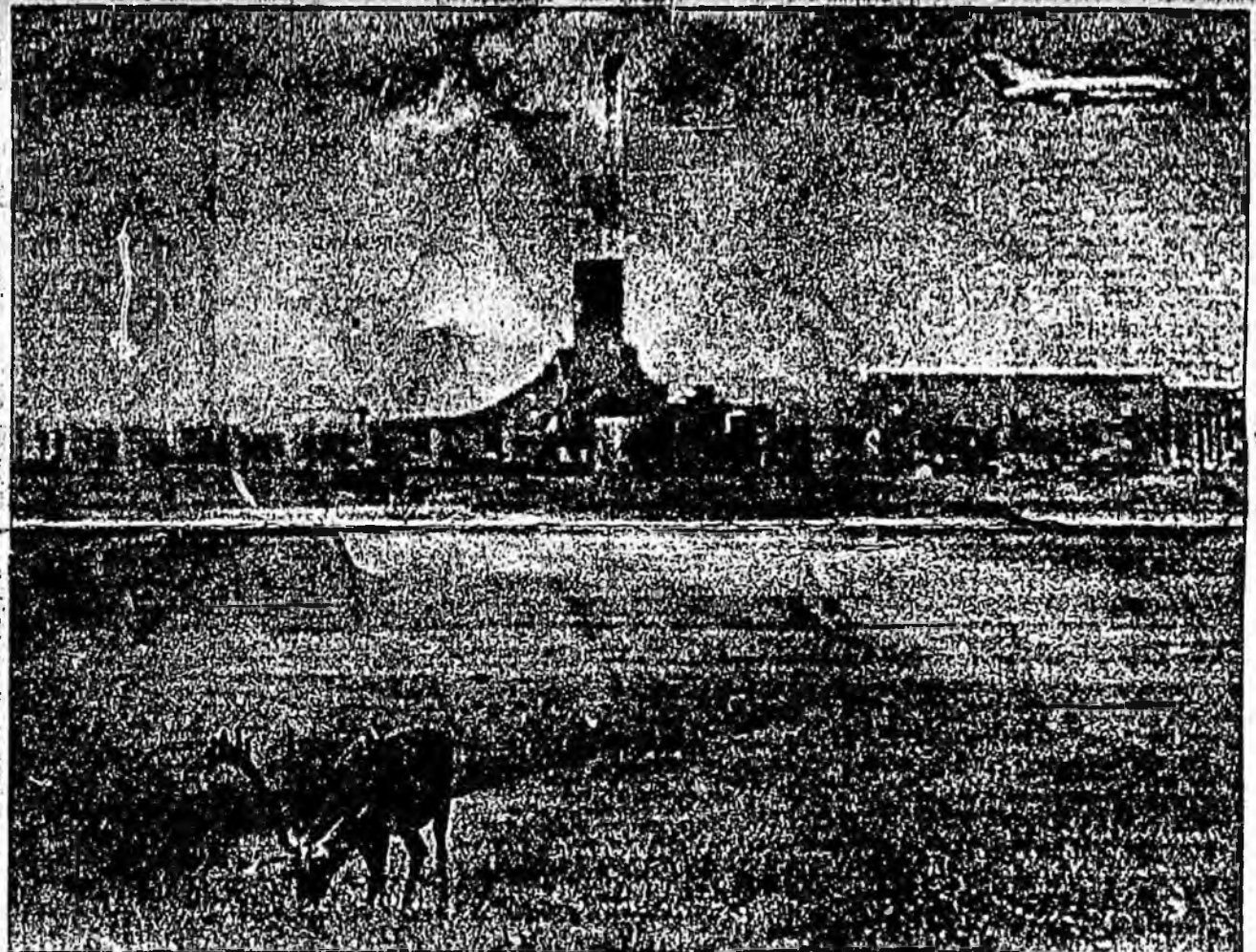
The question is being asked with more urgency these days, as congress wrestles with whether to allow oil development in a part of Alaska still relatively untouched — the coastal plain of the Arctic National Wildlife Refuge.

Some say the North Slope fields are environmental marvels, direct evidence that oil production leaves little lasting mark on the arctic ecosystem.

Environmental groups, who believe any intrusion on ANWR is unacceptable, say that's not true. "Contrary to oil industry claims," says a new report by the pro-environment Alaska Coalition, "pollution problems plague the oil and gas development that has taken place in Alaska's arctic region."

Who's right? A week of touring North Slope oil fields, numerous interviews and the review of dozens of technical reports indicate that the answer, predictably, lies somewhere between.

See Page A-8, PRUDHOE



Anchorage Daily News/Enc. H8

One question being asked now is what effect further arctic development will have on the caribou herds and other arctic wildlife.

Deadhorse gives industry black eye

By PATTI EPLER
Daily News reporter

DEADHORSE — The state will likely pay tens of thousands of dollars to clean up leaking drums of oily waste abandoned on a gravel pad here, state environmental officials say.

Several weeks ago, the Alaska Department of Environmental Conservation discovered more than 500 drums of petroleum liquids on a pad leased to Child's Equipment

Services, a company that had filed for protection from creditors in U.S. Bankruptcy Court.

Since then, DEC has found several more dump sites in this haphazard community on the edge of the Prudhoe Bay oil fields. The public burden is likely to grow as an economic slump in Alaska's oil patch squeezes service companies off the Slope, their messes conveniently left behind.

Deadhorse is giving the oil industry an

environmental black eye, and at a most inopportune time. Oil companies are struggling to convince Congress to allow development in the Arctic National Wildlife Refuge east of here. But environmentalists have found much anti-development ammunition in the mess that is Deadhorse.

The Child's pad is a prime example. It appears that the barrels, as well as tons of

See Page A-8, DEADHORSE

and would need legislative approval before it could be earmarked for cleanup of the Child's pad.

So, it looks like the state of Alaska will foot the bill. Cormack estimated it will cost \$20,000 initially.

In the end, the major oil companies that originally owned the barrels of waste spent more than \$1 million.

PRUDHOE: After 20 years of drilling, area remains environmental puzzle

Continued from Page A-1

"I'd be hesitant to say one way or the other," said Brad Fristoe, an environmental engineer who heads the Alaska Department of Environmental Conservation's North Slope office. "There are things up there that have been impacted that are going to take a long time to recover. But (the area) still produces a lot of the things that it used to and still supports caribou populations and waterfowl populations. The long-term effects haven't really been determined."

Upcoming congressional hearings will focus on the environmental consequences of developing ANWR's coastal plain, about 100 miles east of Prudhoe Bay. The oil industry's record in the Arctic promises to be central to the debate. Pro-development interests wave pictures of caribou frolicking in front of oil rigs, while conservationists display photos of huge pits of oily black waste on fire.

No one knows yet what effect the development of Prudhoe Bay will have 50 or 100 years from now. Prudhoe Bay began in the late 1960s, without the benefit of today's knowledge of the Arctic and before most of the country's environmental laws were in force. Government watchdog agencies began regular field inspections only four years ago; before that, they monitored development

from offices in Anchorage, Fairbanks and Seattle.

It's obvious that development has improved with new technology and greater experience by industry and environmental regulators. It's also clear that increasing oversight by state and federal agencies has brought about more sound environmental practices. Lawsuits by conservation groups also have forced government agencies to enforce previously ignored environmental rules.

Regulatory officials say they now have a good understanding of problems at North Slope fields. They say they have learned many things that will help guide environmentally sound development at ANWR.

For the most part, state and federal officials believe that oil development in Alaska's Arctic can proceed with minimal environmental harm — as long as there are tough controls, careful planning and enough money for regulatory agencies to do their jobs.

Chief among the concerns is the way oil companies dispose of hundreds of millions of gallons of oily waste. Officials also question whether the air is being polluted by the massive turbines that run production facilities, and what effect expanding oil field development is having on fish and wildlife.



OILY WASTES

By far the most serious environmental problem identified by watchdog agencies involves hundreds of huge pits that hold hundreds of millions of gallons of toxic waste produced during the drilling of oil wells. Some of the pits, especially those built in the early years of Prudhoe Bay, are thousands of feet long.

The pits sometimes leak, allowing poisonous heavy metals and hydrocarbons to seep onto the tundra. In addition, oil companies can legally discharge millions of gallons of water from the pits onto roads or the tundra directly — if the water meets standards set out in state permits.

State and federal officials worry that enough pollutants could accumulate in the tundra to kill plants and destroy important waterfowl habitat or work their way into the food chain.

The structures are called reserve pits. Mostly they contain drilling muds and cuttings. Muds are basically clay mixed with chemicals. They are used to control pressure in wells, preventing blowouts and making drilling easier. Cuttings are chips of rock.

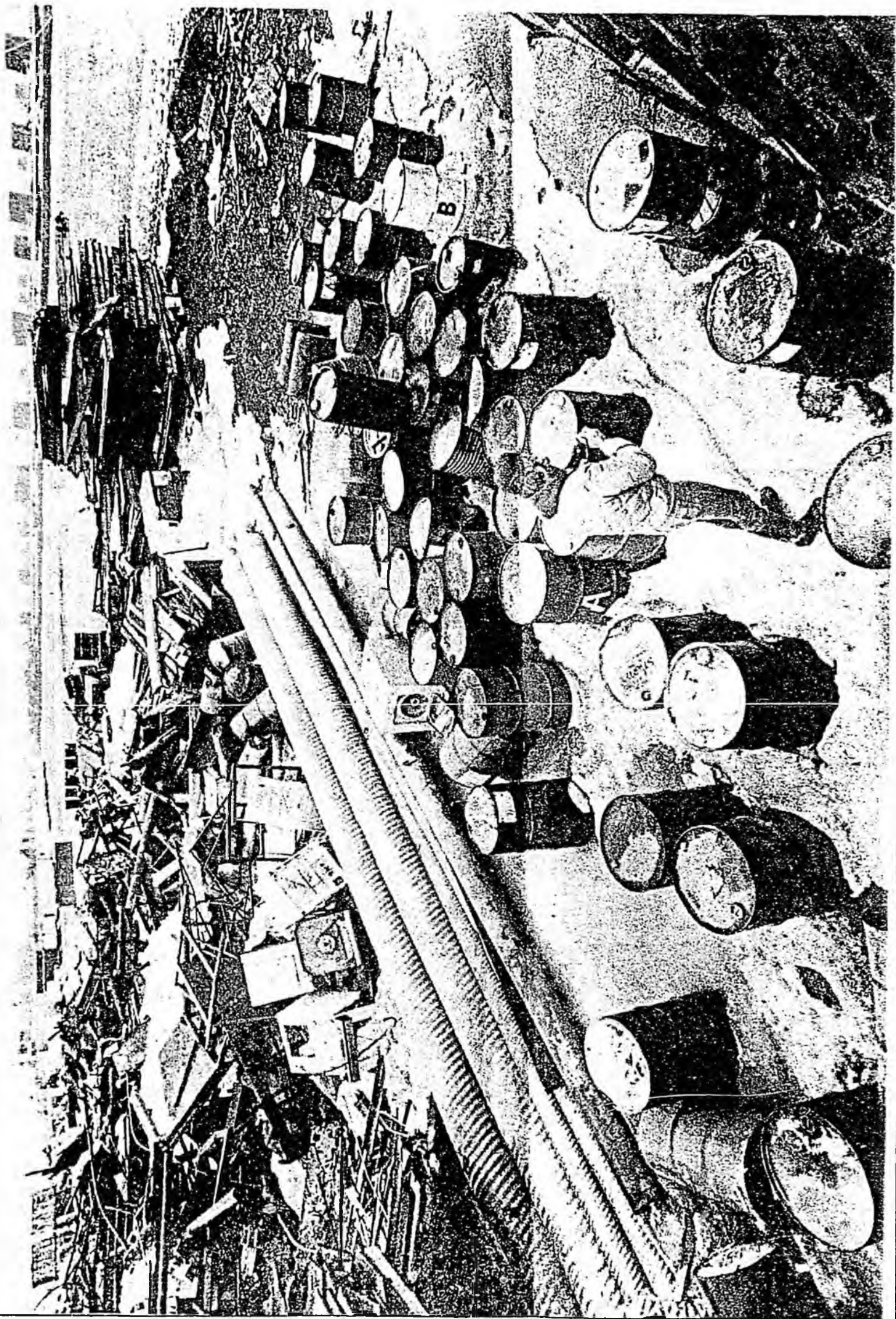
But sometimes the pits also contain crude oil, water produced along with the crude, rig wastewater and contaminated snow.

Tests of the pits show a wide range of contaminants, including arsenic, cadmium, chromium, lead, benzene, toluene, naphthalene and paraformaldehyde. While these can be highly toxic in large concentrations, environmental officials say the biggest problem is salt, which is present in high levels that kills plants.

The contents of many pits have accidentally leaked through the gravel walls or spilled over the top in summer as accumulated snow melts. In 1985, the contents of one pit poured through a breach in a dike into a nearby lake used for drinking water.

Steve Taylor, head of the environmental division of Standard Alaska Production Company, acknowledges that reserve pit construction has not been adequate to prevent leaking. He said new state regulations requiring strict control over the pits will force North Slope operators to improve or close many pits. Standard is looking for ways to install impermeable liners into the walls of the pits.

Oil companies are allowed to reduce the contents of the pits in several ways. Some used muds are pumped back into nearby wells through "annular injection," a process by which muds are pumped into the part of the well that doesn't carry oil. In 1986, mo



DEC investigator Rich Cormack takes photos of dumped construction debris at a pad leased by Child's Equipment Services, a company that has filed for protection under bankruptcy laws.

DEADHORSE: Prudhoe Bay staging area gives the oil industry black eye

Continued from Page A-1

scrap metal, old wood, tires and other junk, came from a variety of sources. DEC talked to a number of companies that had once used the pad, but no one would accept responsibility, said Rich Cormack, a DEC field officer on the North Slope.

When officials contacted Child's, which had leased the gravel pad from the state, they found the company in Bankruptcy Court and unable to pay for the cleanup, he said.

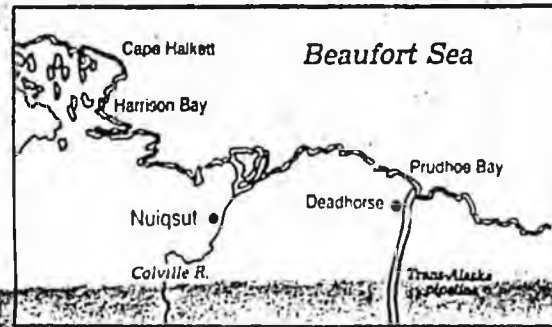
The state has a \$25,000 certificate of deposit posted by Child's when the company leased the tract, but Jerry Brossia of the state Department of Natural Resources said it is rare for the state to actually draw against such bonds. In fact, he said, in the five years he has been with DNR, the state has not cashed a single leaseholder's bond to pay for a problem.

Even if the money were claimed, Brossia said, it would go to the state's general fund and would need legislative approval before it could be earmarked for cleanup of the Child's pad.

So, it looks like the state of Alaska will foot the bill. Cormack estimated it will cost \$20,000 initially, just to stop the leaking and do the first phase of cleanup. DEC already has put containment booms around the site and shoveled out an area of the pad to slow runoff onto the tundra.

Deadhorse is a more difficult environmental problem than the oil fields themselves. The major oil companies, which operate the fields, keep a tight rein on contractors working in them, but Deadhorse is a patchwork of gravel pads leased in the mid-1970s by the state.

Individual leaseholders hauled in gravel — much of it purchased from the state — and built their own pads along a road that runs from the airport to the oil fields. The pads are three to 60 acres, with troughs between



them. Various lease stipulations and restrictions are aimed at keeping the pads clean and orderly, Brossia said.

DNR and other regulatory agencies conduct annual inspections to make sure companies comply with the rules. This year,

mindful of the economic slump, DNR is stepping up inspections and trying to work with companies that might otherwise walk away, Brossia said.

"About three out of four pads are disgusting for one reason or another," Cormack said.

On a day in early June, just around the corner from the Child's pad, water drained from large mounds of oily snow on a pad leased by Kodiak Oil Field Haulers. The water flowed down one trough and toward the Saganavirktok River.

It happens year after year, said Brad Fristoe, who heads DEC's North Slope office, because the company cleans its oily trucks outside and just pushes the contaminated snow to one side. The company should have an indoor shop so the oily waste could be

contained, drummed up and sent to a waste facility, he said.

But all that involves considerable expense, Fristoe said, so the oil flows to the tundra again and again.

Jim Taylor, president of Kodiak Oil Field Haulers, declined to discuss the waste problem, except to say it has been resolved.

DEC hasn't taken legal action against the company, Fristoe said, because it costs too much money and manpower to prosecute such cases.

"The department's philosophy is to work with the companies rather than take them to court," Fristoe said.

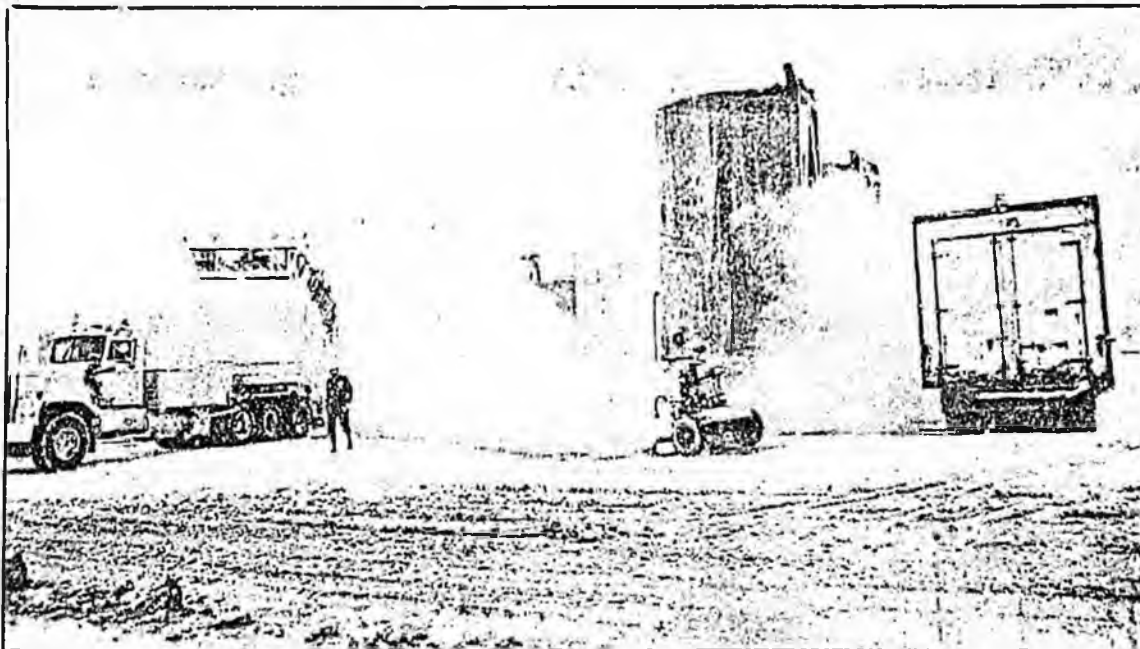
For example, he said, several years ago DEC spent 300 man-hours putting together a case against a North Slope salvage company that had dumped 15,000 drums on the tundra just off one of the pads. The case took years to move through the courts. The defendants were convicted on criminal charges and ordered to perform community service, rather than to pay fines or go to jail.

In the end, the major oil companies that originally owned the barrels of waste spent more than \$1 million to complete the cleanup the salvage company had been paid to perform.

DEC and oil industry officials agree that a Deadhorse-type staging center must not be allowed to happen again, especially in an area like ANWR.

About six years ago, when ARCO Alaska Inc. developed its Kuparuk River field to the west of Prudhoe Bay, the service area was designed much differently. Called the Kuparuk Industrial Center, it has a single large gravel pad, with a central housing facility shared by all companies. Service companies lease shop space from the borough.

"Everybody is evolving and learning as we go along," said Ben Odom, senior vice president of operations for ARCO. "Each time we do it better. You won't see another Deadhorse the next place we go."



At ARCO drilling site #6, a large vessel is steam cleaned while waste water runs off the pad.

regular field inspections only four years ago; before that, they monitored development

massive turbines that run production facilities, and what effect expanding oil field development is having on fish and wildlife.

drilling easier. Cuttings are chips of rock. But sometimes the pits also contain crude oil, water produced along with the crude, sludge

flows through annular injection," a process by which muds are pumped into the part of the well that doesn't carry oil. In 1986, more



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

P.O. Box Y, State Capitol
Juneau, Alaska 99811-3100
Mail Stop 3100
(907) 465-3991

March 9, 1988

MEMORANDUM

TO: Representative Mike Davis

ATTN: Marilyn Heiman

FROM: Heidi Borson-Paine ^{HBP}
Legislative Analyst

RE: Other States' Liability Statutes for Hazardous Substance Releases
Research Request 88.191

You requested this agency to determine how many states have strict liability or joint and several liability statutes for hazardous substance releases. As we agreed in a recent conversation, this memorandum provides the information we have collected to date concerning strict liability statutes for hazardous substance releases. A follow-up memorandum will provide copies of other states' strict liability and joint and several liability statutes for hazardous substance releases.

Strict liability in tort and criminal law can be defined as "liability without regard to fault." Under a strict liability standard, the plaintiff is not required to prove negligence on the part of the defendant but must prove that the injury was proximately caused by the defendant. According to Black's Law Dictionary, proximate cause is defined as the "primary or moving cause, or that which, in a natural and continuous sequence, unbroken by any efficient intervening cause, produces the injury and without which the accident could not have happened." Defenses against strict liability are usually limited to: 1) foreseeability, 2) acts of God, 3) governmental immunity, 4) governmental privilege, and 5) the assumption of risks.

Strict liability principles have been developed in response to situations in tort law where persons or legal entities engage in activities that have inherent risks of injury to the public. The rationale behind the development of the tort law of strict liability is that it discourages dangerous activities while not completely prohibiting any social benefit they may produce.¹

¹Office of Waste Programs Enforcement, "Current Status of State Liability Standards for Superfund Response Action Contractors," December 1987, United States Environmental Protection Agency, Washington, D.C., p. 2.

Representative Davis
March 9, 1988
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According to a July 1987 survey conducted by the Office of Waste Programs Enforcement of the Environmental Protection Agency (EPA), 24 states have hazardous waste management statutes that may hold generators, transporters, and disposers of hazardous waste strictly liable. The 24 states are: Alaska, California, Connecticut, Florida, Illinois, Iowa, Louisiana, Maine, Massachusetts, Minnesota, Missouri, Nevada, New Hampshire, New Jersey, North Carolina, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, Texas, Utah, Vermont, and Wisconsin.

In addition, states without strict liability statutes for hazardous waste releases may apply the strict liability standard through common law. Under common law, strict liability may be imposed for injury resulting from activities that fall under the following three categories: 1) dangerous instrumentality principle; 2) inherently dangerous operations or ultra-hazardous operations principle; or 3) strict product liability principle.

Under the dangerous instrumentality principle, an owner or occupier of land who possesses, maintains, or stores a dangerous instrumentality, such as gasoline, toxic chemicals, and explosives, on their premises is strictly liable for injuries caused by its presence. The ultra-hazardous operations principle imposes strict liability for any injury or property damage that results from operations conducted by the owner or occupier which are unreasonably dangerous to others in the proximity of their property. These operations could include oil well drilling, mining, blasting, or the production of dangerous chemicals.²

Under the strict product liability principle, strict liability is imposed on a vendor who sells any defective product that is unreasonably dangerous to users or consumers, or their property. In product liability cases, the strict liability standard applies even if the vendor has exercised all possible care in the preparation and sale of the product. The plaintiff must simply prove the product was in fact defective and that damages resulted.

* * *

I hope this memorandum meets your immediate needs. You will receive a follow-up memorandum containing copies of state strict liability statutes and joint and several liability statutes within two weeks.

²Ibid., p. 3.

JOINT AND SEVERAL LIABILITY

ABOLITION OR MODIFICATION
AS OF

JULY 1987

ALABAMA

Contributory no changes

ALASKA

1986 - any defendant less than 50 % at fault cannot be held jointly liable for more than two times the percentage of fault.

✓ ARIZONA

1987 - Abolished except for:

1. intentional torts
2. hazardous waste

ARKANSAS

No changes

CALIFORNIA

1986 - Abolished for non-economic damages (Prop. 51).

COLORADO

1986 - Total abolition

1987 - Except in cases in which the defendants:

1. acted in concert
2. conspired to commit a wrongful act.

CONNECTICUT

1986 - Total abolition except where the defendants share of judgment is uncollectable.

1987 - Except for economic damages.

DELAWARE

No changes

KANSAS

1978 - Abolished case law. Brown v. Keill, 580 P.2d 867 (Kan. 1978)

KENTUCKY

No changes

LOUISIANA

1987 - Abolished to the extent that a less than 20 percent defendant would not be responsible for more than 50 percent of the damages awarded.

MAINE

No changes

MARYLAND

Contributory - No changes

MASSACHUSETTS

No changes

MICHIGAN

1986 - The doctrine is fully applicable if the plaintiff is fault free. If a plaintiff is attributed with any degree of fault the doctrine applies as follows:

1. a defendant is severally liable for the degree of fault the court or jury assessed; and
2. there is joint liability for the degree of fault the unpaid portion at the same percentage of fault assessed.

MINNESOTA

No changes

MISSISSIPPI

No changes

MISSOURI

1987 - If the defendant is less at fault than the plaintiff, the defendant is limited to two times the level of fault assessed.

MONTANA

1987 - Abolished except for:

1. defendants more than 50 % at fault

NORTH CAROLINA

Contributory no changes

NORTH DAKOTA

1987 - Abolished except for:

1. intentional torts
2. cases in which defendants acted in concert

OHIO

1980 - Total abolition (Ohio Rev Code)

OKLAHOMA

1978 and 1981 - Case law which limits the rule to cases where damages cannot be apportioned or when plaintiff is not at fault.

✓ **OREGON**

1987 - Limits the doctrine to defendants who are 15 percent or more responsible. The doctrine applies in full in pollution, hazardous waste and radioactive waste cases.

PENNSYLVANIA

No changes

RHODE ISLAND

No changes

SOUTH CAROLINA

Contributory no changes

SOUTH DAKOTA

1987 - Limited joint for those who are 50 % or less responsible for a wrongful action. Defendants pay no more than twice their percentage of fault.

TENNESSEE

Contributory - No changes

✓ TEXAS

1987 - In order to be held jointly liable, a defendant's percentage of responsibility must reach certain thresholds:

1. In negligence and malpractice cases:
 - a. "Texas Rule" - defendant's percentage of responsibility must be greater than the plaintiff's; and
 - b. 21 % threshold - defendant's percentage of responsibility must be greater than 20 %.
2. In products liability cases a defendant must reach the 21 % threshold.
3. Where the plaintiff is fault free the defendant must reach a 11 % threshold.
4. There is no threshold for defendants in pollution injury cases and toxic torts.

UTAH

1986 - Total abolition.

VERMONT

1981 - Abolished the doctrine in favor of several liability. Vt. Stat. Ann. Tit. 12, Sec. 1036.

VIRGINIA

Contributory no changes

✓ WASHINGTON

1986 - Abolished except for:

1. fault free plaintiff
2. defendants acted in concert
3. hazardous waste
4. business torts
5. manufacturing of generic products

WEST VIRGINIA

1980 - Abolition except in cases where defendants are more than 25 % at fault.

WISCONSIN

No changes

WYOMING

1986 - total abolition

4

anges

JA

7 - Abolished except for:

1. product liability cases
2. toxic wastes
3. intentional torts
4. cases in which defendants acted in concert

NEW HAMPSHIRE

1981 - Abolished the doctrine in favor of several liability. N.H. Rev Stat. Ann. Sec. 507.7-a.

NEW JERSEY

No changes

NEW MEXICO

1981 - Abolished by case law. Abolition with exceptions.

1987 - Abolished except for:

1. intentional torts
2. situations not found in the main text of the legislation and "having sound basis in public policy"
3. among defendants who have a relationship imposing vicarious liability
4. defendants held strictly liable for the manufacture and sale of a defective product

✓ NEW YORK

1986 - Abolished in non-economic damages cases except for:

1. a defendant who is more than 50 % at fault
2. administrative hearings
3. in workers' compensation cases which implead third parties
4. intentional torts
5. toxic torts
6. product liability cases where the responsibility cannot be joined to the action
7. construction cases
8. contract cases
9. motor vehicle cases

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

NEBRASKA

No changes

✓ NEVADA

1987 - Abolished except for:

1. product liability cases
2. toxic wastes
3. intentional torts
4. cases in which defendants acted in concert

NEW HAMPSHIRE

1981 - Abolished the doctrine in favor of several liability. N.H. Rev Stat. Ann. Sec. 507.7-a.

NEW JERSEY

No changes

NEW MEXICO

1981 - Abolished by case law. Abolition with exceptions.

1987 - Abolished except for:

1. intentional torts
2. situations not found in the main text of the legislation and "having sound basis in public policy"
3. among defendants who have a relationship imposing vicarious liability
4. defendants held strictly liable for the manufacture and sale of a defective product

✓ NEW YORK

1986 - Abolished in non-economic damages cases except for:

1. a defendant who is more than 50 % at fault
2. administrative hearings
3. in workers' compensation cases which implead third parties
4. intentional torts
5. toxic torts
6. product liability cases where the responsibility cannot be joined to the action
7. construction cases
8. contract cases
9. motor vehicle cases

✓FLORIDA

1986 - Abolished except for:

1. cases less than \$25,000 worth of total damages
2. intentional torts
3. fault free plaintiffs
4. land sale practices
5. pollution control cases
6. security transactions
7. anti-trust
8. RICO Act cases

GEORGIA

1987 - Abolished, however, a jury may specify particular damages and award a jury verdict severally.

✓HAWAII

1986 - Abolished in non-economic damages cases except for:

1. a defendant is more than 25 % at fault
2. intentional torts
3. environmental pollution
4. toxic cases
5. aircraft accidents
6. strict liability cases
7. product liability cases
8. motor vehicle accidents

✓IDAHO

1987 - Abolished except for:

1. intentional torts
2. hazardous wastes

✓ILLINOIS

1986 - Abolished except for:

1. defendants more than 25 % at fault
2. medical expenses
3. medical malpractice cases
4. environmental cases

INDIANA

1984 - Total abolition

IOWA

1984 - Limited the doctrine so it would not apply to defendants found to bear less than 50 percent of total fault assigned to all parties, leaving them liable for their several amount. Iowa 1984 Act, Secs. 668.1-668.3, 619.17.

H B

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Alaska State Legislature

REPRESENTATIVE
MARK BOYER

HOUSE FINANCE COMMITTEE



House of Representatives

FAIRBANKS

1098 LAKEVIEW TERRACE
FAIRBANKS, ALASKA 99701
(907) 456-6473

JUNEAU

P.O. BOX V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3466

MEMORANDUM

TO: Representative Sam Cotten, Co-Chair
Representative Adelheid Herrmann, Co-Chair
Committee Members
House Resources Committee

FROM: Representative Mark Boyer *MB*

SUBJECT: HB 464, advisory commission on federal areas

DATE: March 1, 1988

HB 464 extends the termination date of the Citizen's Advisory Commission on Federal Areas for a period of ten years to June 30, 1998. The bill is companion legislation to SB 373, which has been introduced in the Senate by Senator Fahrenkamp. Attached is a memorandum on the commission by Senator Fahrenkamp and a short summary of its activities by Stan Leaphart, executive director of the Citizens' Advisory Commission on Federal Areas.

I would like to thank the committee for the prompt attention which has been given to HB 464.

Alaska State Legislature

SENATOR BETTYE FAHRENKAMP
CHAIRMAN, LEGISLATIVE COUNCIL
CHAIRMAN, OIL AND GAS COMMITTEE
515 7TH AVENUE, SUITE 130
FAIRBANKS, ALASKA 99701
OFFICE (907) 452-4882
HOME (907) 456-2899



WHILE IN JUNEAU
PO. BOX V
JUNEAU, ALASKA 99811
CAPITOL ROOM 125
OFFICE (907) 465-3834
HOME (907) 780-6027

MEMORANDUM

Senate

TO: Members of the Senate Resources Committee

FROM: Senator Bettye Fahrenkamp

DATE: February 22, 1988

RE: SB 373 An Act extending the termination date of the Citizens' Advisory Commission on Federal Areas

SB 373 would extend the termination date of CACFA for a period of ten years to June 30, 1998.

History of the Commission

The Citizens' Advisory Commission on Federal Areas was created as a temporary advisory agency of the executive branch of State government by the Alaska Legislature in 1981. Because CACFA is a temporary agency, it is not allocated to a department, although for budget purposes, it appears in the Department of Natural Resources, Office of the Commissioner component.

The Commission is scheduled to sunset on June 30, 1988. This sunset date was selected at the time of passage because it was believed that implementation of the Alaska National Interest Lands Conservation Act (ANILCA) would be essentially complete. However, federal agency planning schedules have resulted in delays in the implementation of several important provisions of the law.

What the Commission does

The Citizens' Advisory Commission is the only State agency that works directly with the public in reviewing federal agency planning and rulemaking activities. The statutory mandate to "consider, research, and hold hearings on the impact of federal regulations and federal management decisions on the people of the state" is a charge that the Commission has placed at the forefront of its activities. Other state agencies, through the Division of Governmental Coordination, review most of the same and plans and regulations that the Commission does, however their review is focused primarily on the effects that the federal management proposal will have on State management programs and policies and not how those proposals will affect the general public. The Commission provides an additional level of input for the individual citizen into the federal planning process and also serves as an important source of information about planning activities.

Why the Commission is still needed

The Commission has demonstrated itself to be an invaluable player whose mission should not be abandoned when ANILCA is fully implemented. Foremost among the provisions yet to be implemented is the Section 1317 Wilderness review and recommendation process of the National Park Service. The first draft environmental impact statements containing the agency's wilderness recommendations are scheduled for release in March, 1988, with the public review period extending beyond the June 30 sunset date for the Commission. The remaining draft documents will be released throughout the Spring and Summer of 1988, also with review periods extending well beyond the sunset date.

The National Park Service is also currently preparing environmental impact statements and mineral management plans for three Alaskan park units, scheduled for release in June, 1989. Other federal agency planning efforts underway include the Bureau of Land Management's cumulative environmental impact statements on the effects of placer mining within four river drainages and the National Forest Service's revision of the Tongass Land Management Plan.

In addition, both the National Park Service and the U.S. Fish and Wildlife Service will be preparing dozens of refuge and park specific resource management plans. These plans, accompanied by additional regulations, will direct the management of resources within the various parks and refuges and as a result will have a greater impact on the public use of these areas than did the general management plans which have been prepared.

Public participation

Opportunities for public participation in the federal planning process have been greatly enhanced through the Commission's activities. The Commission has worked with the federal agencies to help ensure that adequate public comment periods are provided when a document is released for review and to ensure that public meetings are held in conjunction with the public comment period. In Fall, 1987 the Commission helped to have a controversial furbearer management plan for the Kenai National Wildlife Refuge withdrawn until the affected public had a chance to work with the U.S. Fish and Wildlife Service to develop a more acceptable plan.

Authority of the commission and its public role

AUTHORITY TO RECOMMEND LAWSUITS

The Commission, under its enabling legislation, has the authority to recommend that the State file suit against a federal agency if it is determined that the agency is acting in violation of an act of Congress, congressional intent or the best interest of the State of Alaska. In April, 1987, at the Commission's request, Governor

Cowper authorized the filing of a lawsuit against the National Park Service. At issue are regulations for the use and construction of cabins and other structures within Alaskan national park units. This lawsuit represents the first time that the State has brought suit over any aspect of the implementation of ANILCA and clearly signals a desire to protect the rights of Alaskan citizens' who own and use cabins within the national park system in Alaska.

THE ROLE OF OMBUDSMAN

Another role which the Commission fulfills is that of ombudsman for those citizens who may have a problem or complaint against a federal agency. The Commission can act as an intermediary between a citizen and a federal agency or manager and has, in many instances, been able to help resolve problems. The Commission has also helped agencies to avoid future problems by identifying inconsistencies and potential conflicts during the preparation of management plans.

Membership

The commission is composed of sixteen members, eight appointed by the Governor, four by the President of the Senate, and four by the Speaker of the House. Senators Fahrenkamp and Halford and Representatives Wallis and Goll serve on the commission.

Conclusion

Reauthorization of the Commission will continue to provide the citizens of Alaska with a strong advocate for their right to continue their customary and traditional uses of the federal lands in Alaska and with a "watchdog" agency to guard against erosion of those rights.

A fiscal note of \$156.0 for FY 89 is attached. The commission employs two fulltime employees.

State of Alaska
CITIZENS' ADVISORY COMMISSION ON FEDERAL AREAS
515 Seventh Avenue, Suite 310
Fairbanks, Alaska 99701
(907) 456-2012

TO: Representative Mark Boyer
FROM: Stan Leaphart, Executive Director
DATE: March 1, 1988
RE: Commission Activities

Since beginning operations in 1982, the Commission has reviewed the following documents or proposed regulations:

A. Statements for Management and draft and final General Management Plans for the following National Park units:

Aniakchak National Monument
Bering Land Bridge National Preserve
Cape Krusenstern National Monument
Denali National Park and Preserve
 Gates of the Arctic National Park and Preserve
Glacier Bay National Park and Preserve
Katmai National Park
Kenai Fjords National Park
Kobuk Valley National Park
Lake Clark National Park and Preserve
Noatak National Preserve
Wrangell-Saint Elias National Park and Preserve
Yukon-Charley Rivers National Preserve

B. Draft Comprehensive Conservation Plans for the following National Wildlife Refuges:

Alaska Peninsula NWR
Becharof NWR
Innoko NWR
Izembek NWR
Kanuti NWR
Kenai NWR
Kodiak NWR
Koyukuk NWR
Nowitna NWR
Selawik NWR
Tetlin NWR
Togiak NWR
Yukon Flats NWR

①

C. Currently reviewing Draft CCP's for:

Alaska Maritime NWR
Arctic NWR

D. Management Plans for the following National Wild and Scenic Rivers:

Dirch Creek WSR
Beaver Creek WSR
Delta WSR
Fortymile WSR
Gulkana WSR
Unalakleet WSR

E. Management Plans for the following BLM areas:

Steese National Conservation Area
White Mountains National Recreation Area
Central Yukon Planning Area
Utility Corridor and Central Arctic Management Area

F. Management Plans and Environmental Impact Statements for the following U.S. Forest Service Areas:

Chugach National Forest
Mist Fjords National Monument
Admiralty Island National Monument
Quartz Hill-U.S Borax Molybdenum Project EIS
Green's Creek Mining Project EIS
Coronation, Warren and Maurelle Islands Wilderness
West Chichagof Yakobi Wilderness
Russel Fjord Wilderness
South Prince of Wales Wilderness
Tebenkof Wilderness

In Addition the Commission has been involved in or commented on the following issues:

National Marine Sanctuary Proposals for Alaska
U.S Forest Service Resource Planning Act EIS
ANILCA 706(B) Report: Status of Management on Tongass N.F.
ANILCA Title VIII Subsistence Report
Kantishna Hills- Dunkle Mine Study Report
Oil and Gas Exploration Regulations in the Arctic NWR
ANILCA Title XI Regulations: Access into Conservation System Units
Bristol Bay Cooperative Management Plan
Denali Scenic Highway Study
Coastal Barrier Resource System Proposals
National Park Service Cabin Regulations 36 CFR Part 13
National Park Service Regulations- Mining Activities 36 CFR Part 9

Issues that the Commission has worked on with respect to complaints brought by citizens include the following:

(2)

Commercial fishing in Glacier Bay NP&P wilderness
On-shore commercial fishing facilities in Kodiak and Izembek NWR
Hunting guide permitting problems in Izembek and Kodiak NWR
Trapping and Furbearer Management in the Kenai NWR
Cabin Use in Yukon-Charley Rivers NP, Gates of the Arctic NP&P,
Wrangell-St. Elias NP&P, Glacier Bay NP&P, Kodiak NWR, Nowitna NWR,
Chugach NF, Tongass NF and Kobuk Valley NP.
Access problems in Wrangell-St. Elias NP&P and Denali NP&P
Native allotments review by the National Park Service
Private Inholdings in Kenai NWR
Mining claims in several National Park units

Many of these same or similar issues have been investigated in other conservation system units throughout the state. Some were resolved favorably, others have gone beyond administrative remedies and would require legal action on the part of the individual against the federal agency in question.

One of the major accomplishments of the Commission has been its work on the National Park Service cabin regulations. The draft regs were released in 1984 after the Commission requested the development of more comprehensive and uniform regulations. The Commission held public meetings in Glennallen, Eagle, Coldfoot and Kotzebue to gather public input on the regs. The agency issued final regs in September, 1986. These regs were actually more restrictive than the original cabin guidelines and, as a result, seriously threatened not only those people who utilize the cabins as their primary place of residence, but contained unnecessary restrictions on guides and outfitters, subsistence users and the general public.

At the request of the Commission and State agencies, Governor Sheffield petitioned the Secretary of the Interior to revise the regulations. When the petition still had not been responded to after six months, the Commission asked Governor Cowper to file a lawsuit against the national Park Service in an effort to overturn the regs. The lawsuit is still awaiting action by the Courts, although a preliminary ruling recognizing the State's standing to bring the suit has been made. The Commission is working closely with the Department of Law and the Division of Governmental Coordination in preparing the case.

Another issue that the Commission began working on in 1983 came to fruition in mid-1986. This issue involved on-shore facilities for commercial fishing activities in Kodiak NWR. The Commission, working with fishing groups on Kodiak and the State was able to convince the Fish and Wildlife Service to allow approximately 12 set-net operators to convert their tent camps to permanent structures to support their fishing activities.

The Commission continues to investigate complaints received from the public. Currently we are involved in trying to resolve permitting problems for two big game hunting guides operating on two national wildlife refuges. We are also providing assistance to several individuals attempting to secure permits to use their cabins on other conservation system units.

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: SB 373/AB 464
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: 2/4/88 Agency Affected: Natural Resources
 Title: An Act Extending the Termination of BRU: Commissions
 Date of the Citizens' Advisory Comm.: _____
 Sponsor: Sen. Fabrenkamp Components: Citizens' Advisory
 Requestor: _____ Commission on Federal Areas

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | 113.0 | 117.0 | 121.0 | 125.5 | 130.0 | 134.5 |
| TRAVEL | 20.0 | 22.0 | 23.5 | 25.0 | 26.5 | 28.0 |
| CONTRACTUAL | 2.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 |
| SUPPLIES | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | 150.0 | 156.0 | 161.5 | 167.5 | 173.5 | 179.5 |

| | | | | | | |
|---------|--|--|--|--|--|--|
| CAPITAL | | | | | | |
|---------|--|--|--|--|--|--|

| | | | | | | |
|---------|--|--|--|--|--|--|
| REVENUE | | | | | | |
|---------|--|--|--|--|--|--|

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|-------|-------|-------|-------|-------|-------|
| GENERAL FUND | 150.0 | 156.0 | 161.5 | 167.5 | 173.5 | 179.5 |
| FEDERAL FUNDS | | | | | | |
| OTHER | | | | | | |
| TOTAL | 150.0 | 156.0 | 161.5 | 167.5 | 173.5 | 179.5 |

POSITIONS:

| | | | | | | |
|-----------|-----|-----|-----|-----|-----|-----|
| FULL-TIME | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| PART-TIME | | | | | | |
| TEMPORARY | | | | | | |

ANALYSIS : (Attach a separate page if necessary) Personal Services figures represent an average annual increase of 3.5%. This is expected to cover annual step and/or merit increases. The figures for travel assume an average increase in travel costs of approximately 5%. Costs for contractual services and supplies are expected to remain constant.

Prepared by: Stan Leaphart - Executive Director Phone: 456-2012
 Division: CACFA Date: 2/4/88

Approved by Commissioner: _____ Date: _____
 Agency: _____

Distribution (by preparer) :
 Legislative Finance
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 Requestor
 Office of Management and Budget
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STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

400 WILLOUGHBY AVE.
JUNEAU, ALASKA 99801-1796
PHONE: (907) 465-2400

March
~~May~~ 8, 1988

The Honorable Sam Cotten
The Honorable Adelheid Herrmann
Co-Chairs, House Resources Committee
P.O. Box V
Juneau, Alaska 99811

Dear Representatives Cotten and Herrmann:

Subject: HB 466, An Act establishing the Caribou Creek Recreational Mining area.

Background: A recreational mining area will provide a location for recreational gold panners and suction dredges to mine as a recreation activity rather than as a commercial operation. Such a location should be free of mining claims and be managed with standard stipulations and "over the counter" permits. Each summer, the Mining Information Offices receive numerous inquiries about locations for such activities. Creation of this type of area would meet a real public need.

Position: The Department supports the idea of a recreational mining area. However, the Department of Fish and Game has identified this portion of Caribou Creek as anadromous. The bill contemplates a relatively small area for designation and the Department is confident that, should there be any problem with this particular site, that an equally or more suitable site is available and wishes to work with the sponsor, committee staff and other agencies to identify such a site.

We look foreword to working with the sponsor and committee staff as this bill progresses through the legislative process.

Sincerely,

Jennie Gornik
for Judith M. Brady
Commissioner

cc. Members, House Resources Committee
Bill Sponsors
Rod Swope
Bob Evans
Commissioner Collinsworth

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: HB 466 An Act Establishing the
Caribou Creek Recreational Mining area
Sponsor: Larsen and Menard
Requestor: House Resources

Agency Affected: DNR
BRU: Mineral Managemet
Components : _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | 0 | 0 | 0 | 0 | 0 | 0 |
| TRAVEL | | | | | | |
| CONTRACTUAL | | | | | | |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | | | | | | |
| CAPITAL | | | | | | |
| REVENUE | | | | | | |

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|---|---|---|---|---|---|
| GENERAL FUND | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS | | | | | | |
| OTHER | | | | | | |
| TOTAL | | | | | | |

POSITIONS:

| | | | | | | |
|-----------|---|---|---|---|---|---|
| FULL-TIME | 0 | 0 | 0 | 0 | 0 | 0 |
| PART-TIME | | | | | | |
| TEMPORARY | | | | | | |

ANALYSIS : (Attach a separate page if necessary)

The Department anticipates no additional expenditures with respect to this legislation.

Prepared by: Lawrence Ostrovsky Phone: 3/8/88
Division: Commissioner's Office Date: 3/8/88
Approved by Commissioner: *Jenni Gorsuch* Date: 3/8/88
Agency: DNR

Distribution (by preparer):

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Alaska State Legislature



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(907) 376-8628 Wasilla

Representative Ronald L. Larson
District 16B

To: House Resources Committee
From: Representative Ronald Larson *R.L.*
Re: HB 466; Caribou Creek Recreational Mining Area
Date: March 7, 1988

The Caribou Creek Recreational Mining Area is proposed to establish a designated recreational gold-panning location in the Mat-Su Valley. Such a tourist destination will permit a popular, historical activity to occur on state land.

The proposed legislation sets forth the primary purpose of recreational gold mining, yet maintains other compatible multiple-use activities within the area.

The Departments of Natural Resources and Fish and Game are instructed to manage the land, fish and wildlife resources within the designated area.

The following amendment is requested:

Pg. 2, line 16:

Section 29: NE 1/4, SE 1/4 [SW 1/4]

I encourage your suggestions and support of HB 466.

Stream: Caribou Creek, South Fork Matanuska River.

Location: Eastern portion of the Matanuska Susitna Borough, Township 20N, Range 10E, Seward Meridian, Sec. 28, 32, 33.

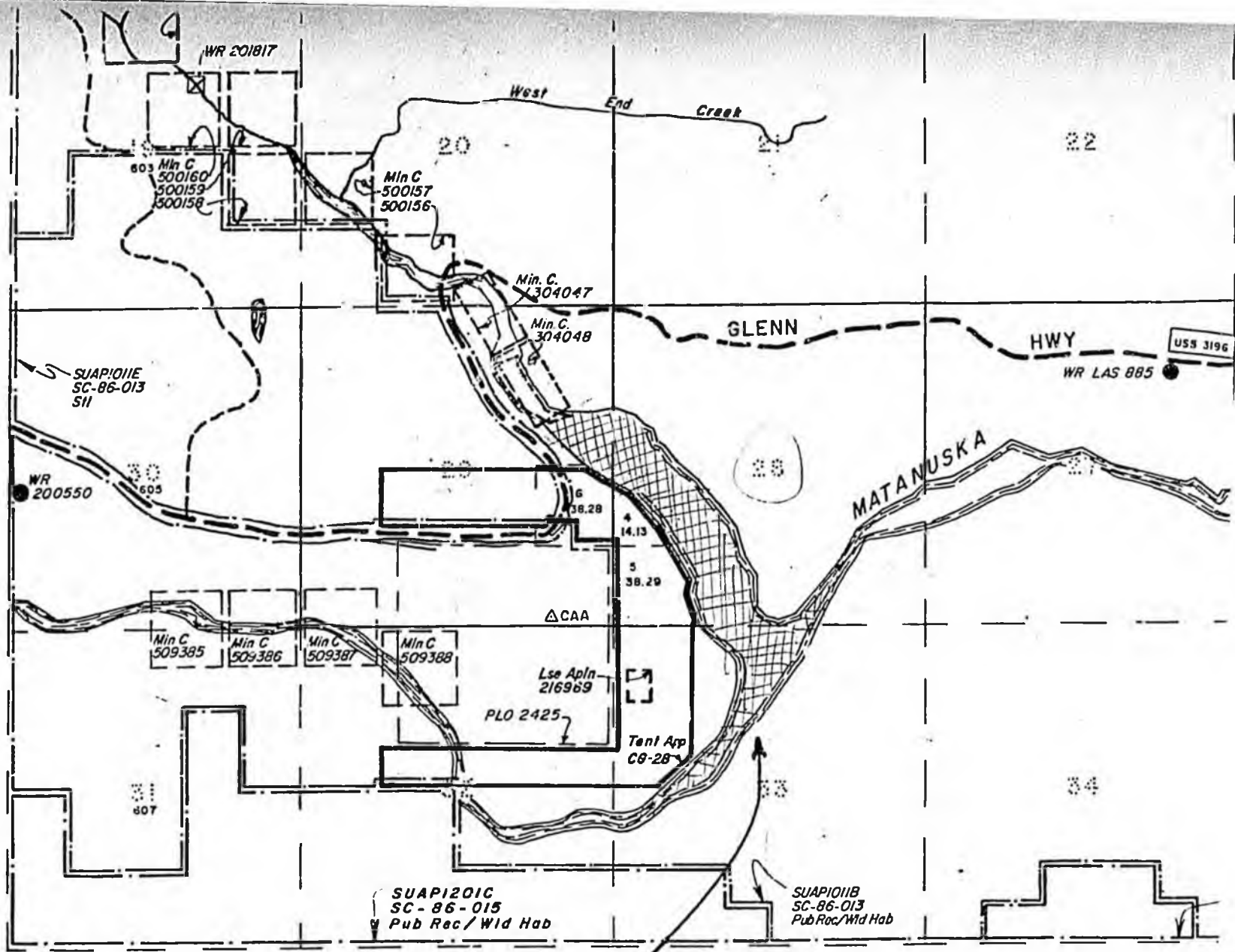
Access Point: Glenn Highway, south side near Caribou Creek bridge.

Discussion: Caribou Creek flows southerly from the Talkeetna Mountains to its confluence with the South Fork of the Matanuska River on the south side of the Glenn Highway. Caribou Creek is one of several streams draining the western portion of the Nelchina Mining district. Caribou Creek from the Glenn Highway bridge northward into the Talkeetna Mountains is heavily staked with mining claims.

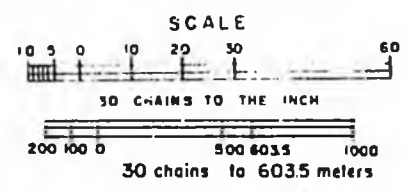
The section of stream proposed here lies south of the Glenn Highway bridge and is approximately a mile in length to its confluence with the South Fork of the Matanuska River. South of the confluence, approximately a mile and one-half of stream on the South Fork is also proposed.

Below the highway bridge, Caribou Creek forms a broad flood plain with numerous gravel bars. Large amounts of sediment is flushed through the canyon above the bridge during spring runoff replenishing the gravel bar each year. Gold is present in this drainage, although probably not in commercial quantity. Access would be off the south side of the Glenn Highway down a one lane gravel road along the east bank of Caribou Creek.

Land Status: This township is presently state selected.



area proposed



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AMERADA HESS CORPORATION

LEON HESS
Chairman of the Board

1185 AVENUE OF THE AMERICAS
NEW YORK NEW YORK 10036
(212) 997-8400

March 2, 1988

Senator John B. Coghill
Alaska State Legislature
Senate Resources Committee
Box V
Juneau, Alaska 99511

Dear Senator Coghill:

I regret that I must decline your invitation to testify at the Senate Resources Committee hearings next Monday, March 7, regarding legislation to encourage oil and gas development activities in Alaska.

I believe fervently in the need for legislation to encourage development of smaller, offshore Alaskan oil fields. I am convinced there are many, isolated smaller fields in the immediate vicinity of Seal Island and Northstar which will be oil bearing. Historically, similar discoveries have been made in various parts of the world. Prudhoe Bay was the original large discovery, and special legislation should be considered to enable future smaller discoveries to come to the market so that Alaska may continue to benefit from its valuable potential oil reserves. The local jobs that will be created, and the auxiliary effect on the Alaskan economy of the substantial capital investments that will be made, will greatly benefit the people of Alaska, both now and far into the future. The State should act now to encourage development. Because of the hostile operating environment, the lead time for development in Alaska is much longer and the costs are much higher.

Governor Cowper had advised me that he does not at this time believe it is in the best interests of the people of Alaska to support any legislative changes. Under no circumstances will I promote taking any action that the Governor of Alaska would not fully support as being in the best interests of all concerned. Unfortunately, this particular bill has been proposed to your Committee without my knowledge that it presented the same proposal made to Governor Cowper. This was not authorized.

Senator John B. Coghill
Page 2

After I received your letter, I telephoned Governor Cowper to ascertain whether he had changed his views. If he had requested me to testify because he supported the bill, I would be very happy to come to Alaska to appear before your Committee.

I do appreciate your invitation and hope you will understand why I cannot attend. I will not be a party to promoting legislation which the Governor does not want to support.

Very truly yours,

Leon Hess

cc: Governor Steve Cowper

Cotton Copy

MEMORANDUM

Division of Policy
Office of the Governor

To: Rep. Mike Navarre

Date: Feb. 24, 1988
(Rev.)

From: R.A. Fineberg, Policy Analyst
Division of Policy

Subject: Speech by ARCO's Wykoff to Indonesia Petroleum Assn.

Attached is an October 1987 speech by ARCO President Robert Wykoff to the Indonesia Petroleum Association. Note in particular this statement at page 5:

"Even though taxes are generally higher in foreign countries than in the U.S., the overall economics of overseas exploration are still attractive."

In view of all the recent arguments that tax breaks are necessary to promote North Slope development, I thought it might be interesting to compare Indonesia and Alaska in terms of oil production and revenues and Alaska. At 1.3 million barrels per day, Indonesia's production is approximately two-thirds that of Alaska. Indonesia's oil revenue (\$3.8 billion in 1986 and \$4.5 billion estimated for 1987) is more than twice that of Alaska.¹

When federal taxes are added, Indonesia's total tax bite is conservatively estimated to be more than 50% higher than that the companies face in Alaska. In other words, for every three oil tax dollars ARCO pays in Indonesia, it pays less than two dollars on the North Slope.

¹ For production, see Petroleum Intelligence Weekly, Aug. 31, 1987, p. 2; for revenue, see Petroleum Intelligence Weekly, Dec. 7, 1987, p. 3.

功夫

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I J

THE OIL INDUSTRY TODAY -

ADAPTING FOR TOMORROW

BY ROBERT E. WYCOFF

PRESIDENT

ARCO

SIXTEENTH ANNUAL CONVENTION OF

THE INDONESIAN PETROLEUM

ASSOCIATION

JAKARTA, INDONESIA

TUESDAY, OCTOBER 20, 1987

11:00 A.M.

Handwritten notes on the right margin, including a large '11' and other illegible scribbles.

Handwritten scribbles and marks at the bottom right of the page.

PROF DR. SUBROTO, MR. RAMLY, MR MOFFET
EXCELLÉNCIES, LADIES AND GENTLEMEN

I AM ALWAYS VERY HAPPY TO COME BACK TO THIS LOVELY COUNTRY. AND I AM HONORED TO HAVE THIS OPPORTUNITY TO TALK TO THE MEMBERSHIP OF THE INDONESIAN PETROLEUM ASSOCIATION ABOUT THE FUTURE OF THE OIL INDUSTRY AS WE SEE IT AT ARCO, THOUGH THAT VISION MAY AT TIMES BE A TRIFLE MORE CLOUDED THAN THE BEAUTIFUL SKIES THAT ARE SO TYPICAL OF THESE ISLANDS.

BUT IT IS A VISION WHICH IS TERRIBLY IMPORTANT TO ALL OF US HERE TODAY. THE BROAD MEMBERSHIP OF THE INDONESIAN PETROLEUM ASSOCIATION REFLECTS THE IMPORTANCE OF INDONESIA IN THE OIL INDUSTRY. THERE IS HARDLY A COMPANY OF ANY SIZE WHICH IS NOT REPRESENTED IN SOME WAY IN INDONESIA. THERE ARE IN FACT ABOUT 200 COMPANIES WHO HAVE AN INTEREST IN EXPLORATION OR PRODUCTION.

FOR ARCO, INDONESIA HAS BEEN A LAND OF OPPORTUNITY. WE HAVE BEEN SUCCESSFUL HERE IN DISCOVERING PROLIFIC FIELDS OF OIL AND GAS.

WE HAVE ALSO FOUND TO AN ALMOST UNPRECEDENTED DEGREE THE VERY DESIRABLE AND SOMEWHAT UNCOMMON QUALITIES OF STABILITY, HONOR AND FAIR DEALING. IN THE TURBULENCE OF THE INTERNATIONAL OIL BUSINESS, INDONESIA HAS BEEN AN ISLAND OF RATIONALITY AND WISDOM. FOR THAT WE'RE GRATEFUL.

DESPITE THE PROBLEMS THAT CAME TO THIS COUNTRY AS THE PRICE OF OIL FELL SHARPLY A YEAR AND A HALF AGO, INDONESIA AND HER PEOPLE CONTINUED TO CLING TO A REALISTIC VISION OF THE FUTURE. THEY CONTINUED TO REALIZE THAT ENERGY WOULD BE THE FIRM FOUNDATION ON WHICH THE PROGRESS OF TOMORROW COULD BE

BUILT.

THIS HUGE NATION OF 170 MILLION, FIFTH LARGEST IN THE WORLD, HAS WEATHERED THE IMPACT OF THE CRUDE PRICE DROP AND, LIKE THE REST OF US IN THE BUSINESS, WELCOMED THE PRICE REVIVAL THAT WE BEGAN TO EXPERIENCE SIX MONTHS AGO.

NOW THE QUESTIONS THAT ALL OF US FACE TOGETHER IS HOW STABLE THAT PRICE WILL PROVE TO BE IN THE FUTURE, AND HOW WE WILL PARTICIPATE TOGETHER IN FINDING AND DEVELOPING THE LARGE REMAINING PETROLEUM RESOURCES OF INDONESIA. IN BOTH RESPECTS, I BELIEVE WE CAN LOOK FORWARD TO A BRIGHT FUTURE.

WITH RESPECT TO PRICES I FIND MYSELF IN BASIC AGREEMENT WITH DR. SUBROTO. BARRING A MAJOR UPHEAVAL IN THE PERSIAN GULF, I THINK THE PRICE WILL PROVE TO BE STABLE IN THE \$20 RANGE. IT MAY BOB UP AND DOWN A BIT, BUT ALWAYS RETURN, IN THE NEXT FEW YEARS AT LEAST, TO THE VICINITY OF THE 20-DOLLAR MARK. WHEN I SAY VICINITY, I MEAN WITHIN 2 OR 3 DOLLARS, MORE OR LESS.

IN A FEW YEARS, SUPPLY AND DEMAND WILL PROBABLY BE A GOOD DEAL CLOSER TO EQUILIBRIUM THEN THEY ARE TODAY. IF SO, THE WORLD PRICE OF CRUDE CAN BE EXPECTED TO GO UP SUBSTANTIALLY, TO PERHAPS AS HIGH AS \$30 IN 1987 DOLLARS.

APPEARANCES TO THE CONTRARY, WHAT I HAVE JUST SAID IS DEFINITELY NOT A FORECAST OF "BUSINESS AS USUAL". NO ONE WITH ANY SENSE WHO HAS BEEN WHAT WE HAVE BEEN THROUGH IN THE PAST TWO YEARS CAN TALK OF ANYTHING IN THE PETROLEUM INDUSTRY AS BEING THE "USUAL" THING.

THE WORLD CRUDE PRICE CONTINUES TO BE AN EXPRESSION OF ECONOMIC AND POLITICAL FORCES THAT ARE IN MANY RESPECTS AT ODDS WITH EACH OTHER. AT THE CENTER OF THE ACTION IS OPEC, WHOSE MEMBERS, OFTEN SEEM TO BE DIVIDED IN THEIR APPROACH TO PRICE AND SUPPLY POLICY.

A CRISIS OF THE KIND WE EXPERIENCED TWICE IN THE 1970S IS CLEARLY A POSSIBILITY.

CERTAINLY, NO ONE CAN CONTEMPLATE THE PRESENT SITUATION IN THE PERSIAN GULF WITH ANYTHING BUT APPREHENSION. AND THE ENERGY POLICY OF THE UNITED STATES. -- PERHAPS I SHOULD SAY ENERGY NON-POLICY-- CONTINUES TO DRIVE UP OUR NEED FOR IMPORTED OIL, THUS ADDING TO THE GENERAL TENSION.

BUT UNLESS WE HAVE A MAJOR CONFLAGRATION AND LONG TERM INTERRUPTION OF PRODUCTION IN THE MIDDLE EAST, IT SEEMS TO US THAT THERE ARE GOOD REASONS TO SUPPOSE THAT OIL PRICES WILL BE STEADY UNTIL THE MID-90S WHEN THEY WILL RISE--AS WORLD DEMAND FOR CRUDE NEARS THE PRODUCTION CAPACITY OF THE EXPORTING COUNTRIES.

FOR ONE THING, WE BELIEVE THAT HOWEVER MUCH THE OPEC COUNTRIES MAY SEEM TO BE DIVIDED, THEIR ACTIONS HAVE NOT BEEN SO MUCH A RANDOM, EMOTIONAL RESPONSE TO POLITICAL IMPULSES AS A CALCULATED, RATIONAL REACTION TO ECONOMIC FORCES.

BACK IN 1983, FOR EXAMPLE, IT WAS OBVIOUS TO ANYONE WHO TOOK THE TIME TO LOOK THAT THE SAUDIS' MARKET SHARE COULD NOT CONTINUE TO DROP INDEFINITELY-- AND IT DID NOT. THEY REGAINED THEIR COMMAND OF THE MARKET BY RADICAL INCREASES IN THEIR PRODUCTION RATES, UNDER THEIR NETT BASIC PRICING

APPROACH.

THE PRICE CORRECTION THAT TOOK PLACE WAS DRASTIC, YET NECESSARY. AND NOW WE BELIEVE THAT THE OPEC LEADERSHIP WILL RESIST THE IMPULSE TO DRIVE PRICES TOO HIGH AS THEY DID IN THE 1970S. THE RESULT THEN WAS NOT WHAT THEY WANTED, WITH DEMAND CURTAILED AND EXCESSIVE ALTERNATE SUPPLY OF OIL AND OTHER ENERGY SOURCES DRAWN TO THE MARKET FROM NON-OPEC SOURCES BY EXCESSIVELY HIGH PRICES.

OUR VIEW IS THAT OPEC WILL WORK HARD TO PREVENT THAT FROM HAPPENING AGAIN. BY THE SAME TOKEN, IT HAS DEMONSTRATED IN THE PAST YEAR THAT IN THE FACE OF A PRICE COLLAPSE IT CAN RESTRICT ITS PRODUCTION BY JUST ENOUGH TO RAISE PRICES TO TODAY'S MORE REASONABLE LEVELS.

SO WE THINK THEY'LL BE ABLE TO HOLD IT AT A REASONABLE LEVEL OF PRODUCTION, A LEVEL SUITED TO MAINTAIN A MANAGEABLE PRICE. SOME CHEATING WILL PROBABLY OCCUR, THERE MAY BE SOME PERIODS OF PRICE VOLATILITY, BUT NOT ENOUGH, IN OUR VIEW, TO DISRUPT THE OVERALL STRATEGY.

IF WE'RE RIGHT AND THE PRICE OF CRUDE REMAINS STABLE AT AROUND \$20, WHAT DOES THAT IMPLY FOR THE OIL INDUSTRY-- AND PARTICULARLY FOR THE INDUSTRY HERE IN INDONESIA?

CERTAINLY, IT'S A FAR DIFFERENT WORLD THEN THOSE EXHILARATING DAYS OF THE LATE 1970S WHEN VISIONS OF \$100-A-BARREL CRUDE DANCED IN OUR HEADS.

TODAY THE INDUSTRY IS MUCH MORE CAUTIOUS IN ITS INVESTMENTS, BUT WE ARE BEGINNING TO SEE SIGNS OF RECOVERY. ARCO FOR ONE IS A LOT MORE DISCRIMINATING ABOUT THE SORT OF RISK WE ARE

WILLING TO ACCEPT.

BUT WE ARE FINDING OUR SEA LEGS IN THIS NEW WORLD --- AND, NOW THAT WE HAVE HAD TIME TO ADJUST OUR STRATEGIES AND LOOK AT OUR OPTIONS, WE CAN BEGIN TO SEE A LOT OF SOLID OPPORTUNITY OUT THERE, BOTH AT HOME AND OVERSEAS. I THINK MUCH OF THE INDUSTRY IS EXPERIENCING A SIMILAR REBIRTH OF WHAT I WOULD CALL A REALISTIC OPTIMISM.

LAST SUMMER, AS WE ALL KNOW TOO WELL, U.S. DRILLING ACTIVITY WAS DOWN TO THE LOWEST LEVEL SINCE WORLD WAR II, BUT IT'S CLIMBING AGAIN. WE'RE NOT EXPECTING TO RETURN TO THE DRILLING LEVELS OF THE 70'S AND EARLY 80'S, BUT I AM CONVINCED THERE IS A LOT OF OIL AND GAS-- PARTICULARLY GAS-- LEFT TO BE FOUND IN THE U.S., AND WE'RE LOOKING.

BUT WE'RE PUTTING MORE EMPHASIS NOW ON THE INTERNATIONAL ASPECT OF OUR BUSINESS AND FOR GOOD REASON. WE, ALONG WITH MOST OF THE INDUSTRY, ARE FINDING IT GENERALLY MORE ECONOMICALLY TO EXPLORE FOR OIL AND GAS IN OVERSEAS LOCATIONS SUCH AS INDONESIA.

THE OVERRIDING FACTOR IS THE CHEAPER FINDING COST. EVEN THOUGH TAXES ARE GENERALLY HIGHER IN FOREIGN COUNTRIES THAN IN THE U.S., THE OVERALL ECONOMICS OF OVERSEAS EXPLORATION ARE STILL ATTRACTIVE.

SO THAT WE FEEL THE PRESENT PRICE ENVIRONMENT IS MORE THAN STRONG ENOUGH TO SUPPORT A REASONABLY ACTIVE WORLDWIDE EXPLORATION PROGRAM.

OF COURSE, IT ALSO HELPS QUITE A BIT THAT THE TECHNIQUES WE'RE USING NOW ARE A WHOLE LOT MORE SOPHISTICATED THAN THEY

USED TO BE. WE JUST KNOW A LOT MORE ABOUT WHAT'S DOWN THERE AND HOW TO GET IT OUT.

THESE TECHNIQUES WILL HAVE THE EFFECT OF EXTENDING THE PETROLEUM ERA MUCH FURTHER INTO THE 21ST CENTURY THAN SEEMED POSSIBLE AS RECENTLY AS 10 YEARS AGO.

IT NOW APPEARS TO MOST PEOPLE THAT EVEN IN THE U.S., IN MANY RESPECTS A TIRED AREA, WE WILL NEVER COME CLOSE TO ACTUALLY "RUNNING OUT" OF OIL. AS WE COMBINE NEW RECOVERY TECHNIQUES WITH HIGHER PRICES, U.S. PRODUCTION WILL BE STRONG FOR DECADES TO COME.

BUT EVEN WITHOUT HIGHER PRICES-- THERE IS EVEN MORE REASON FOR OPTIMISM INTERNATIONALLY- AND ESPECIALLY HERE IN INDONESIA.

BEAUSE FOR THOSE OF US AT ARCO, AND I KNOW THIS IS TRUE OF ALL OF THE PRODUCER/CONTRACTORS REPRESENTED HERE TODAY, ANY VISION OF THE FUTURE THAT DID NOT INCLUDE A POSITION HERE IN INDONESIA WOULD BE DIFFICULT TO IMAGINE.

WE'VE BEEN HERE A LONG TIME, AND, LIKE MANY OF YOU HAVE ENJOYED GOOD SUCCESS. LAST YEAR WE PARTICIPATED IN THE START UP OF THREE NEW FIELDS AND WE'RE LOOKING RIGHT NOW AT SOME VERY GOOD EXPLORATION PROSPECTS OFFSHORE BALI.

BUT WE REALIZE THAT THE FUTURE OF THE OIL INDUSTRY HERE HAS SOME OF THE CHARACTERISTICS OF THE UNITED STATES. SOME PARTS OF INDONESIA, LIKE MOST OF THE U.S., ARE WELL BEYOND THE INITIAL STAGES OF FLUSH PRODUCTION.

FROM NOW ON, THE OIL IS GOING TO COME HARDER BUT, WORKING TOGETHER, WE CAN MAKE IT WORK — AND THAT'S THE IMPORTANT THING.

THE EXPERIENCE AND KNOWLEDGE THAT ARCO AND THE OTHER COMPANIES ARE GAINING IN THE U.S. RIGHT NOW CAN BE APPLIED HERE.

AS WE CONTINUE TO DEVELOP NEW UNDERSTANDINGS OF CONCEPTS SUCH AS STRATIGRAPHIC TRAPS, HORIZONTAL DRILLING, DEEP-WATER EXPLORATION AND ENHANCED OIL RECOVERY, THAT INFORMATION WILL ENABLE INDONESIA TO FIND AND RECOVER NEW RESERVES OF OIL IN THE MATURE AREAS, AND TO REACH OUT TO THE MORE REMOTE FRONTIER AREAS FOR OIL AND GAS PROSPECTS THAT WE ALL KNOW ARE THERE.

THIS BLEND OF EXPERIENCE AND NEW TECHNOLOGY HAS ENABLED ARCO TO ADD MORE THAN A BILLION NET BARRELS OF OIL IN OUR FIELDS ON THE NORTH SLOPE— MORE THAN REPLACING OUR PRODUCTION SINCE STARTUP TEN YEARS AGO.

HERE IN INDONESIA, VARIOUS SECONDARY AND EOR TECHNIQUES CAN ALSO BE APPLIED TO MATURE FIELDS, OFFERING THE PROSPECT OF GREATLY EXTENDING THEIR PRODUCTIVE LIVES.

NEW DEVELOPMENTS IN SEISMIC TECHNOLOGIES ALSO OFFER EXCITING POSSIBILITIES FOR DISCOVERIES IN EXISTING PRODUCING AREAS AS WELL AS INDONESIA'S FRONTIER AREAS.

AS WE CONSIDER THE WAYS IN WHICH THE INTERNATIONAL ENERGY MARKETS WILL DEVELOP THROUGH THE 1990S, IT SEEMS APPARENT TO ME THAT INDONESIA IS VERY WELL POSITIONED TO TAKE ADVANTAGE OF THE GROWTH THAT IS SURE TO TAKE PLACE IN THE CONSUMPTION

OF NATURAL GAS.

IN SOME RESPECTS, NATURAL GAS IS THE "SLEEPER" IN THE ENERGY ECONOMY.

BACK IN THE 70S, WHEN SOME PEOPLE THOUGHT OIL PRICES WOULD RISE AS HIGH AS \$100 A BARREL THE IDEA WAS THAT THERE WERE NO EFFECTIVE SUBSTITUTES FOR OIL OTHER THAN HIGH-COST SYNTHETICS DEVELOPED FROM COAL, SHALE OR BIOMASS.

THEIR PRICE -- HIGH THEN, HIGH TODAY -- WAS CONSIDERED TO BE THE ONLY THING SETTING THE UPPER LIMITS ON THE PRICE OF OIL.

WELL, THAT TURNED OUT TO BE WILDLY INCORRECT. WE KNOW THERE ARE ALTERNATIVES TO OIL THAT ARE AVAILABLE AND AT A PRICE WELL BELOW THAT OF THE SYNTHETICS. CONSERVATION IS ONE AND NATURAL GAS IS ANOTHER.

GAS WILL CERTAINLY BE A MAJOR PLAYER BECAUSE THERE'S A LOT OF IT AROUND. IN BTU TERMS, GAS RESERVES ARE NOW EQUAL TO 80 PERCENT OF KNOWN DEPOSITS OF OIL -- BUT THE POTENTIAL FOR FUTURE DISCOVERIES IS MUCH GREATER FOR GAS THAN OIL.

WE REALLY HAVEN'T AIMED OUR EXPLORATION AT GAS, BUT THAT'S CHANGING. AS ENERGY DEMAND FIRMS, THERE WILL BE REASON TO LOOK FOR IT FAR MORE INTENSIVELY THAN WE HAVE IN THE PAST.

AND AT THE DEEPER DEPTHS WE'RE DRILLING TODAY, CHANGES FOR FINDING OIL TEND TO DIMINISH BUT GAS PROSPECTS ACTUALLY INCREASE AS YOU GO DEEPER.

FINDING GAS IS ONE THING, OF COURSE; MARKETING IT IS ANOTHER, CHIEFLY BECAUSE OF THE DIFFICULTY IN TRANSPORTING

IT FROM ONE PLACE TO ANOTHER.

IN THE CASE OF ARCO INDONESIA, WE INTEND TO AVOID THAT PROBLEM BY DEVELOPING MARKETS HERE IN INDONESIA. WE HAVE A LARGE DISCOVERY IN THE KANGEAN ISLAND GROUP WHICH WE HOPE TO BRING ON STREAM IN THE NEAR FUTURE FOR POWER GENERATION AND OTHER USES IN EAST JAVA.

THIS WOULD FREE UP ADDITIONAL OIL AND COAL FOR EXPORT AS WELL AS PROVIDE A LOW COST, RELIABLE ENERGY SUPPLY FOR THE SURABAYA AREA OF EAST JAVA.

WE BELIEVE GAS WILL BECOME INCREASINGLY IMPORTANT AS THE INDONESIAN GOVERNMENT CONTINUES ITS ADMIRABLE EFFORT TO ENCOURAGE ITS USE AS A SUBSTITUTE FOR OIL.

AND WE CAN SEE THE POSSIBILITY OF DEVELOPMENT OF GAS-TO-GASOLINE TECHNOLOGY AS A PARALLEL TO THE USE OF COMPRESSED NATURAL GAS IN CARS IN THE JAKARTA AREA.

AS MORE GAS IS DISCOVERED HERE IN INDONESIA AND ELSEWHERE IN THE WORLD IT'S NOT TOO DIFFICULT TO ENVISION A HUGE INCREASE IN BOTH LNG, AND PIPELINE TRAFFIC FOR LOCAL MARKETS. GROWING ASEAN CONSUMPTION WOULD BE SERVICED FROM INDONESIA, AUSTRALIA, MALAYSIA, CHINA AND PERHAPS EVEN ALASKA SOMETIME IN THE FUTURE.

IN REVIEWING THESE DEVELOPMENTS THAT I'VE SKETCHED HERE THIS MORNING, IT SEEMS FAIR TO SAY THAT THE WORD PETROLEUM INDUSTRY IS CAPABLE OF ADAPTING TO THE CURRENT PRICE ENVIRONMENT AND BUILDING TOWARD THE FUTURE ON PERHAPS A MORE REALISTIC BASIS THAN WAS THE CASE 10 YEARS AGO.

OIL IS STILL THE LARGEST INDUSTRY IN THE WORLD. THERE IS STILL A LOT OF OIL AND GAS TO BE FOUND. AND EVEN IF THE QUARRY IS A BIT MORE ELUSIVE THAN IT USED TO BE, THANKS TO RECENT AND CONTINUING TECHNOLOGICAL ADVANCES, WE'RE FAR BETTER EQUIPPED FOR THE HUNT.

CERTAINLY THAT IS TRUE IN INDONESIA. THERE ARE OPPORTUNITIES FOR US HERE THAT PRICE AND TECHNOLOGY CAN BRING TO REALITY TO THE BENEFIT OF EVERYONE CONCERNED.

AND YET, AS THE RELATIONSHIPS THAT THE CONTRACTORS HAVE ENJOYED HERE OVER THE YEARS HAVE PROVEN, MONEY AND TECHNOLOGY AREN'T THE ONLY KEYS TO SUCCESS.

THERE IS ALSO COOPERATION. THERE IS UNDERSTANDING. THERE IS RECOGNITION OF THE PRIORITIES OF EACH PARTY TO THE AGREEMENTS THAT WE HAVE HAD IN INDONESIA AND HOPE TO GO ON ENJOYING FOR YEARS TO COME.

THE SPIRIT OF COOPERATION BETWEEN PERTAMINA AND THE PRODUCER/CONTRACTORS WILL, I'M SURE REMAIN MUCH AS IT HAS BEEN AS WE PROCEED TOGETHER INTO THIS NEW ENERGY ERA.

WE RECOGNIZE AT THE SAME TIME THAT SOME ELEMENTS OF THE CONTRACTS MUST CHANGE EVEN AS THE FIELDS HAVE CHANGED. ADJUSTMENTS WILL BE NECESSARY TO MAKE IT ATTRACTIVE FOR THE PRODUCER TO OPERATE IN THE COUNTRY, AND PARTICULARLY TO APPLY THE HIGHLY PROSPECTIVE BUT COSTLY NEW TECHNOLOGIES NOW BEING DEVELOPED.

FOR THAT REASON, WE'RE MUCH ENCOURAGED THAT STEPS ARE BEING TAKEN TO EXTEND PRODUCTION-SHARING CONTRACTS DUE TO EXPIRE

IN THE NEXT FEW YEARS. HERE THIS MORNING PRESIDENT SOEHARTO HAS EXPRESSED AGREEMENT IN PRINCIPLE WITH THIS STEP. WHILE TERMS ARE STILL IN NEGOTIATION, WE ARE CONFIDENT THAT THE QUESTIONS WILL BE RESOLVED SATISFACTORILY.

IN CLOSING, I WOULD LIKE TO EXPRESS MY APPRECIATION TO THE LEADERSHIP AND MEMBERS OF THE INDONESIAN PETROLEUM ASSOCIATION FOR KINDLY INVITING ME TO BE HERE TODAY.

IPA HAS BEEN A POSITIVE FORCE IN THE INDONESIAN OIL STORY SINCE ITS INCEPTION IN 1971. YOUR ROLE AS A BRIDGE BETWEEN THE PRODUCER AND THE GOVERNMENT IS CRUCIAL TO THE CONTINUED SUCCESS OF OUR COMBINED ENTERPRISE.

I AM SURE I SPEAK FOR ALL THE PRODUCERS WHEN I SAY THAT WE HAVE ENJOYED OUR LONG AND PLEASANT RELATIONSHIP, AND CAN ONLY HOPE THAT IT CONTINUES FOR MANY YEARS TO COME.

THANK YOU.

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 28, 1988

Mr. Leon Hess
Chairman
Amerada Hess Corporation
1185 Avenue of the Americas
New York, NY 10036

Dear Leon,

This is a somewhat tardy reply to your proposal to provide tax and royalty relief for the Seal Island leases. I have decided against the proposal, and I want to explain my reasons.

First off, I appreciate the spirit in which this proposal was made. You and Ron were very clear about your objectives and realistic about the political implications that would attach. I like a direct approach and normally do things that way myself.

As you know, any decision I make in this area must reflect a state policy which applies to the whole industry. At this time there are a number of outstanding leases which were purchased at a time when oil price projections were more sanguine than they are today. Many of those leases provided for a net profit share in lieu of larger up-front bonuses, as was the case with Amerada Hess at Seal Island.

Your proposal would benefit the state because of the jobs which would be created. It's hard to tell about the effect on state revenues, which also translates into jobs. That would depend on a judgment as to whether TAPS would otherwise be filled to capacity; if so, the oil produced under this incentive program would displace other oil on which the state was receiving its regular revenues. For the next few years, I am informed that TAPS will probably be operating at its nominal maximum capacity of 2.1 million bpd. If that's right, then the effect will be close to a wash in terms of jobs, although my stated preference is for private-sector employment.

RECEIVED

FEB 03 1988
DIVISION OF OIL & GAS
ANCHORAGE, ALASKA

Mr. Leon Hess

-2-

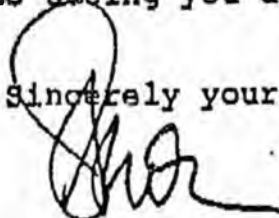
January 28, 1988

The political effects of this proposal must be assessed as well. While we are looking at the possibilities of incentives, given the current TAPS throughput the major producers are saying they don't want any of that kind of help. There is also the question of interference with the normal developmental order which is established mainly by relative cost. Thirdly, a lot of people don't want to establish any kind of incentive regime. They're already mad at the effect of the so-called "economic limit factor" legislation of 1981.

For the moment at least, my judgment is that when all the above factors are considered, a major departure from current policy isn't warranted. I know you and Ron disagree with this analysis but that's where I come down on it.

I hope things are otherwise well with you, the company, and the Jets, and I look forward to seeing you again in the near future.

Sincerely yours,



Steve Cowper
Governor

| | |
|--|-------------------------------------|
| DELIVER TO: <u>Michelle Watts</u> | LOCATION: <u>C.O.</u> |
| FROM: <u>Jim Mason</u> | LOCATION: <u>Oil & Gas</u> |
| TELEPHONE/TELECOPIER # <u>586-2779</u> | TOTAL NUMBER OF PAGES <u>2</u> |
| TRANSMITTING ON/SPEED _____ | DATE: <u>2/19</u> TIME <u>10:30</u> |
| PHONE FOR PROBLEMS-NAME/NUMBER _____ | |
| COMMENTS: <u>Please call Ted Farquhar. He will</u> | |

461-3711

John T. Hughes.

prob. of dev't of these prospects.

- public use estimate
- field size limit? - talked about the idea - A-H was int'd -
- need to exempt anything that's unratified
interest is not to cover West Sak.

Milne ft - has produced - not eligible -

Sen. Escs. is why on a bill - 1/1/78 - wd allow Milne -

Kay Brown -

- 1) end relief in '94 (provision in the bill) - K sugg's use it or lose it clause
- 2) ratchet back on tax + reg; vs 0 -
- 3) oil price cap? - when price exceeds a threshold relief wd end.
(AH sez \$34) -

dev't plan -

CO. has spent \$83 million ~~so~~ so far - the bill is intended to spur new dev't - NPS regs shd allow all drilling costs, not just the dev't costs -

detail - Parsons + Co. - Hess will bury - \$1.2 b. ^{field cost} + \$300m

- for pipeline will forgive 20% of the ^{cost} but not the pipeline - what is ELF for the field? being reviewed now - FERC will allow recovery of pipeline costs - so not a concern - state will need to run the dev't plan. will hv. authority to go along the dev't plan -

1990/1995 - ext'n of expl'y unit -

knowing the resv is not good news -

Reame - eventually releasing the act's -

DOR rev. program - 50% - only \$1/bbl incr. in price paid

the AH has essentially condemned the lease

state won't get 73% NPS

also won't get 20% royalty

so releasing will lose state money

price expectations in 1974 were so much diff't -

∴ less at royalty + serv. tax - state makes much more -

dev't phase - 1000 jobs direct - 3-6 yrs.?

prod'n phase - not known - > speculative -

* 1.2 b bps what? how many wells? how many bpd?

Hess will say all Ark. jobs - Bayonne ^{NJ} refinery -

labor is solid on this bill, vs. Conoco w/ bad record

aggressive training program in St. Croix.

local hire provision -

→ 2 > delineation wells are needed - \$40 m.

Hess has committed to labor to work in good faith to hire local

Mano - Lenny - say labor supports the bill

Precedent.

UK - soon gas field - wells N of gas field ^{that discover} are excused
 mining (12.5%) for life of the field - 1st 20 k ^{ppd} ~~up~~ up
 to 75 m. by by are exempt fr. serv for the life of field -
 Ca, Wyo., NM, Ks. - hv passed inciv legis'n - Ak is in
 "shrinking mining" of states that hvnt -
 a typical state inciv psy is on ~~serv~~ ^{serv} side - usu a wildcard
 w/ some deadline ~~the~~ problem is exempt fr. serv for a while -

→ [A-H annual reports] -

NPS lsg reg

dev't vs. explor'n inc'vs -

NS is unique bec. there are numerous fields known, delineated,
 warding. -

7 explor'n wells last yr. (AOGCE) -

many leases are going unexplored - owners know it's hopeless
 to drill into dev't infrastructure, inc'vs fr dev't of smaller
 fields.

→ need > information about the field

emp. benefit of dev't much hr than fr explor'n -

AK has bn investing in No. Sea recently - investment climates?

ENHANCING RESOURCE DEVELOPMENT

Alaska's strength is its abundance of natural resources, including substantial deposits of oil and gas throughout the state. Alaska faces a major problem in developing these resources, the high cost of development. This high cost is a result of the harsh environment, remoteness to markets, and a current "fixed cost factor" public policy. Future activity by the oil and gas industry will be controlled by three factors; oil prices, the ability of Alaska to preferentially attract limited corporate investment dollars, and the discovery and/or development of new petroleum reserves. The state can influence the investment climate, particularly for smaller resource development, by adopting policies that will attract investment and encourage development of these resources.

Not all fields are created equal. Alaska is blessed with the largest and fourth largest fields in the United States. Because the state receives more than two-thirds of its general fund revenues these two fields, they are a dominant factor in determining policy. Having these large fields, and using them as a benchmark for public policy, is a mixed blessing. Revenues for the state will be maximized for the short term during peak production, but the search for and development of additional reserves for the long term replacement of declining production from the major fields may be stifled by the short term objectives.

Statistically, the number of small accumulations will be much greater than the number of large accumulations. It must be recognized that most of the replacement production for the decline from Prudhoe Bay will come from smaller fields. Public policy which does not recognize the diseconomies of scale for smaller fields will result in these smaller fields remaining undeveloped. Small fields must be perceived as economic by companies making investment decisions. With limited investment capital, and with numerous opportunities both nationally and internationally compet-

ing for their dollars, the investment options that provide the best apparent profit potential will attract the investment capital.

In Alaska, smaller fields must provide the same services as larger fields. Because of the diseconomies of scale, smaller fields require both more capital investment per barrel of reserves to develop the field, and the operating cost, measured on a dollar per barrel basis, will also be greater. Thus, the smaller fields, on a per barrel basis, provide greater investment in Alaska, and provide more jobs for Alaskans, than large fields. Unfortunately, their tax structure and royalty structure has been established on a large field concept.

Alaska is at a crossroads concerning economic policy for the state. One branch leads towards increased taxation and increased state spending in an attempt to stimulate the state economy. The other option is to provide incentives to attract investment dollars by private industry, which in turn will create jobs in the private sector. The measurement of a healthy economy should be based on private sector investment and jobs, not on state spending. Economic health and longevity are best promoted by encouraging the search for and development of new fields, which maximizes utilization of Alaska's strengths.

The State of Alaska and the oil industry are a partnership in developing the state's resources. The partnership will prosper when both parties are gaining economic benefits. Encouraging the development of smaller resource accumulations will benefit the state by providing investment capital, jobs, and incremental royalty and taxes compared to the present status. The oil industry will benefit by being able to economically and profitably develop resources that are now perceived as uneconomic.

Oil price will always be the determining factor in investment decisions, but, with oil prices in the \$18-25/BBL range, incentives can stimulate investment in and development of smaller re-

source accumulations. For example, the threshold oil price for positive earnings at Milne Point can vary from \$18/BBL to \$25/BBL depending upon the royalty rate and tax structure. The potential impact of incentives on both the future development of Milne Point and the State's economy are shown in Attachment I. It must be understood that these values are estimates, and the perception of future oil prices will always play the most important role in investment decisions in Alaska because of its unique "Cost" position with respect to other parts of North America and the world.

The Milne Point case is just one example of the potential benefits of a public policy program that encourages the development of smaller resource development. Smaller resources must be perceived as economic before they will be explored and developed. The perception that other fields like Milne Point can be economic, and will be encouraged to be economic by appropriate public policy, is important. If twenty fields similar to Milne Point were developed in the next ten years, they would provide 4000-5000 direct jobs. If these jobs are multiplied by the trickle-down factor, a substantial number of private sector jobs would be added within the state.

Specific items that can be legislated to enhance the exploration for the development of smaller resources are:

- o Re-establish the discovery royalty. During the search for oil in Cook Inlet, 16 drilling rigs were racing against one another to get the discovery royalty. When was the last time the total state had 16 rigs working?
- o Encourage the use of Exploration Incentive Credits in future lease sales. In the recent State Sale 54, about 40% of the bids submitted involved companies not currently producing in Alaska. This was also the first State Sale in many years to offer a fixed royalty rate and EIC's.

- o Establish lead agency permitting. HB 212 and SB 280 introduced in 1987 would accomplish this goal.
- o Provide Royalty Incentives for low gravity crude. The West Sak sands on the North Slope contain an estimated 24-40 billion barrels of oil in place. At the present time this zone, which contains more oil in place than Prudhoe Bay, is not being produced or field tested.
- o Clarify the Commissioner of the Department of Natural Resources's authority to use royalty alterations to enhance productivity. The two year restriction in Title 38 was intended for use when royalty was a bid variable. Language should be added to clarify this intent.
- o Develop an Economic Limit Factor which is responsive to field size. The ELF is an excellent concept in recognizing that the tax burden should be reduced on lower productivity wells. This same logic can be extended to lower productivity fields.

Attachment II includes specific amendments to Title 38 and Title 43 which would accomplish these suggested incentives.

**MILNE POINT UNIT
IMPACT OF INCENTIVES**

ATTACHMENT I

Wash State Dept

**Current
Royalty, Taxes**

**12 1/2% Royalty
Current Taxes**

**5% Royalty
Modified Taxes**

For Next Five Years

| | <u>Current Royalty, Taxes</u> | <u>12 1/2% Royalty Current Taxes</u> | <u>5% Royalty Modified Taxes</u> |
|---------------------|--|---|---|
| Threshold Oil Price | \$22-25/BBL | \$20-22/BBL | \$18-20/BBL |
| Investment | \$35 MM | \$65 MM | \$300 MM |
| No. Wells Drilled | 10-15 | 20-30 | 130-150 <i>200</i> |
| New Employment | 25-30 | 50-60 | 200-250 |

For Life Of Field

| | <u>Current Royalty, Taxes</u> | <u>12 1/2% Royalty Current Taxes</u> | <u>5% Royalty Modified Taxes</u> |
|---------------|--|---|---|
| Field Life | 5-7 Yrs | 10-12 Yrs | 20-25 Yrs |
| State Royalty | \$40-45 MM | \$50-60 MM | \$60-70 MM |
| State Taxes | \$25-30 MM | \$40-50 MM | \$20-25 MM |

20-25 MM

AS 38.05.180 amended by adding a new subsection to read:

(aa) The lessee of a state oil and gas lease on which a discovery well has been drilled shall be entitled to withhold a discovery royalty award of 60% of the oil and gas royalty otherwise payable to the state for that lease for a period of ten years from date of discovery provided that all of the following criteria are met:

1) The well must be drilled at a surface location at least 20 miles from the surface location of any other well which has been tested in commercial quantities or is presently capable of producing in commercial quantities; 2) a discovery test in commercial quantities has been witnessed by an agent of the state; 3) the discovery test interval is located entirely under the lease for which the award is given; 4) the discovery test is completed within one year from the date of first penetration of the producing zone in that well, and 5) applications for the award is made within 180 days of the completion of the commercial test.

AS 38.05.180(i) amended as follows:

(i) The commissioner SHALL (may) provide for the establishment of an exploration incentive credit system under which a lessee of state land drilling an exploratory well on that land may earn credits based upon the footage drilled and the region in which the well is situated. The commissioner SHALL (may) also provide for credits to be earned by persons performing geophysical work on state land, if that work is performed during the two seasons immediately preceding an announced lease sale and on land included within the sale area and

the geophysical information is made public following the sale. Credits may not exceed 50 percent of the cost of the drilling or geophysical work. Credits may be used during a limited period established by the commissioner and may be assigned during that period. Credits may be applied against (1) oil and gas royalty and rental payments payable to the state or (2) taxes payable under AS 43.55. A credit may not exceed 50 percent of the payment toward which it is being applied. Amounts due the Alaska permanent fund (AS 37.13.010) shall be calculated before the application of credits under this subsection.

AS 38.05.180 amended by adding a new subsection to read:

(bb) To encourage the development of the state's heavy oil resources, the Commissioner may reduce the base royalty by 50% on any lease for production from a zone containing crude oil with an API gravity of 20° or less. This reduced royalty rate shall apply for a maximum of 5 years. The last year that this reduced rate shall apply is calendar year 1997.

AS 38.05.180(j) amended as follows:

(j) To prolong the economic life of an oil and gas field, the Commissioner shall adopt regulations for all bidding methods to allow reduction of royalty on leases within later stages of production decline. The Commissioner may not grant a reduction of royalty on leases where the royalty rate was used as a bidding variable until two years' initial production from the field has occurred and each lessee requesting the reduction has

made a clear showing that the revenue from all hydrocarbons produced from the field is insufficient to produce a reasonable rate of return with respect to that lessee's total investment in the field.

TITLE 43 AMENDMENT

AS 43.55.013 amended as follows:

(b)(1) The economic limit factor for oil production of a lease or property shall be the lesser value computed according to the following two formula(s):

$$(1-[PEL/TP]) \exp ([460 \times WD]/PEL);$$

or $(1-[PEL/TP]) \exp ([55,000,000 \times WD]/[PEL \times TP/Days])$

where: PEL = the monthly production rate at the economic limit;

TP = the total production during the month for which the tax is to be paid;

WD = the total number of well days in the month for which the tax is to be paid;
[and]

Days = the number of days in the month for which the tax is to be paid; and

where "exp" indicates that the expression following it is an exponent.

AS 43.55.103(d) is amended to read:

(d) The monthly production rate at the economic limit for a lease or property is [presumed to be] 300 barrels times the number of well days for the lease or property during the month for which the tax is to be paid. [The taxpayer may rebut this presumption at a formal hearing under AS 43.05.240 by providing clear and convincing

evidence of a different monthly production rate at the economic limit for the lease or property. The hearing shall be held before February 15 of the year or within six months after commencement of oil production for a lease or property. The monthly production rate at the economic limit for the lease or property based upon the clear and convincing evidence of the taxpayer shall be calculated by dividing the value determined under (f) of this section into the average monthly direct operating cost determined under (e) of this section and shall be used for purposes of this section for all oil production during that calendar year from the lease or property.]

AS 43.55.013(e) and (f) are repealed.



Official Business

Alaska State Legislature

House of Representatives

Committee on Resources

Chairman Alvin Osterback

Pouch V
State Capitol
Juneau, Alaska 99811

16 March 1978

MINUTES

The House Resources Committee was called to order at approximately 1:30 p.m. in Court Room A of the Court Building by Chairman Alvin Osterback.

Members Present

Osterback, Chairman
Snider, Vice-Chairman
Akers
Eliason
Malone
Miller
Smith
Bennett

Members Absent

Urion

HB 854 Leasing of State land for oil and gas development

Testimony: Bob LeResche, Commissioner of Department of Natural Resources, stated that this bill represents a rejuvenation of the lease program including; 1) long term lease schedule, 2) published regulations providing for pre-leasing procedures, 3) HB 854. This bill fulfills the State's need for stability and predictability of oil and gas leasing program. There were several assumptions agreed upon for HB 854:

1. State needed a new look at the lease law to be comprehensive for 10 to 30 years
2. broad base of options for leasing methods
3. would provide for steady sales
4. report to the legislature as provided for in the bill
5. flexibility to hold joint sales with the Federal government
6. want to understand better what resources are for sale
7. protect social and environmental values affected by leasing
8. what the state to get away from reliance on cash bonus

He stated the major points of the bill:

1. require that Department of Natural Resources have a 5 year lease program
2. provides the State with a variety of leasing methods
 - a. State can work closely and compete with the Federal government
 - b. allow the State to adapt to changing conditions
 - c. creates certain tools

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3. create strong incentives for timely exploration and development of State acreage
 - a. lease terms reduced from 10 to 5 years
 - b. escalated lease rentals
4. reduced maximum acreage one person can hold
5. encourage broad base in Alaska oil exploration
 - a. reduction of acreage limit
 - b. have authority to restrict joint bidding in certain circumstance
6. left the unitization statute alone
7. stronger protection to take State royalty oil in kind--previously 1/8, now 1/6, also 100% gas discoveries
8. State right to secure information regarding exploration of State land
9. changed treatment of non-competitive leasing; acreage will not be offered non-competitively until first offered competitively.

This bill is a product of a thorough analysis of all leasing system used today. The key to the health of oil and gas in the state is amount of acreage made available in a predictable fashion without continual public questioning--made especially possible by the establishment of the 5 year lease agreement.

Jack Roderick, Deputy Commissioner of Department of Natural Resources stated that the State presently has two methods of leasing; 1) competitive leases offered on a bonus bid, 2) non-competitive leases offered through a simultaneous filing period. HB 854 puts forth 5 methods in which lease:

1. bonus bid system
2. royalty bidding with sliding scale
3. net profits form
4. work commitment
5. withholding of acreage

A provision provides that if a Commissioner uses one system more than 50% of the time in a year, he must report to the legislature.

Roderick explained the various methods of bidding:

1. a fixed royalty not less than 12 1/2% and a cash bonus, a sliding scale royalty
2. the bonus is fixed, a sliding royalty is bid upon
3. net profit is fixed, is possible to also fix the royalty and bid on the cash bonus
4. State tells lessee the type/amount of work that needs doing--highest bidder for a 5 year period receives the lease. Bid dollars are spent in exploration--State receives only the rent
5. land withholding which is possible currently under Alaska statutes

Roderick basically went through the bill illustrating the high points. He reemphasized that HB 854 classifies everything as competitive.

Milton Lipton, consultant for W.J. Levy & Associates, stated that introducing other alternatives hypothecates a great deal of money and diminishes the amount of funds that could be used for exploration. He explained his views on bidding variables; --bonus bidding means substantial dollars to the lessing party and diminished dollars for exploration

--royalty variable inflexible to the cost of the operation--this is un-attractive except in highly proven areas where costs are known
--net profit is attractive to firms and the State. The system would be done by regulation and doesn't have to be complicated. Also, there is no Federal taxation on net profits that go to the State but there still is State tax liability. There might be more interest from broader base of firms because of deferrment of payments to the State.

--work commitment bidding means the company that spends the most amount of money obtains the lease. Lipton has reservations. Whatever type of bid (i.e. sliding scale royalty) the Commissioner decides upon, the company would get a minimum work commitment so that the company can hold the lease by working it. His contribution to the entire area should be counted toward his work commitment as the State has learned something about the area.

--page 6, line 4, (d), to abate royalty is to save field (oil). If royal is in a lease as incentive, by bringing high royalty down, there will be a possible premature abandonment.

--page 6, line 15, (f), industry may want to block this section but the idea to withhold acreage is sound.

--(t), non-competitive awarding of acreage previously up for bid but received no bids could be abused--not good, but appreciates the sentiment

--(v), 100% gas rights could be a bad proposition as the gas and oil firms wouldn't know what the State might do. The State may discourage Alaskan exploration by keeping this in.

--(w), access to data: 1) must insure confidentiality, 2) and there should be a time lapse of perhaps years before disclosure to prevent firms' loss of bid. The department should have maximum access to data.

--page 12, line 19, (c) --Lipton feels that a change in 500,000 acres to 200,000 acres may be too drastic a cut as implementing a five year lease, progressive dead rentals and minimum work commitment would minimize the ability to build up acreage by the oil companies.

Mark Singletary, ARCO attorney, finds (a) - (f), pages 1 and 2 as a monumental task and subject to litigation--recommends legal review. Page 6, (f), concerning the "checkerboard" concept--feels there to be no real advantage to this subsection. He prefers to retain up front bonus bidding as this offers simplicity and security to a company who has a "hard row to hoe" in terms of looking and not finding. He also objected to the State claiming up to 100% of natural gas that is found.

A general discussion ensued where Malone stated that this bill provides the State with the knowledge of known income over a long period of time. He feels item (f) to be too broad but in general, in sympathy with the objectives.

With no further testimony, Chairman Alvin Osterback adjourned the Committee at approximately 4:40 p.m..

By: Jackleen Allen, Staff

Verified by: Susan Hunter, AA

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HOUSE RESOURCES COMMITTEE

TAPE #71

3/16/78

TESTIMONY OF JACK RODERICK, DEPUTY COMMISSIONER

DEPARTMENT OF NATURAL RESOURCES

There is a provision allowing the reduction of royalty during the later stages of the field. As you know that becomes very important in your declining fields to have the ability to reduce royalties, but it can't be reduced until two years have passed from initial production. I know Mr. lipton will probably speak to that -- of the inherent danger there is that a person will come in and bid a high royalty immediately when he goes on production comes to the commissioner and says please reduce my royalty; I can't make any money.

And the fellow who bid second to him of course has an (legitimate) objection because he bid what it was worth and another man came and bid more and found it wasn't economical as the second man predicted and yet comes to the commissioner and requests a reduction of royalty. That's one of the dangers of royalty bidding. That (clears) can be changed but in any event the commissioner should have the right to reduce royalties in declining years but on the

other hand, the state doesn't want to be in the position where it's helping uneconomic operators.

No questions from the Committee.

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