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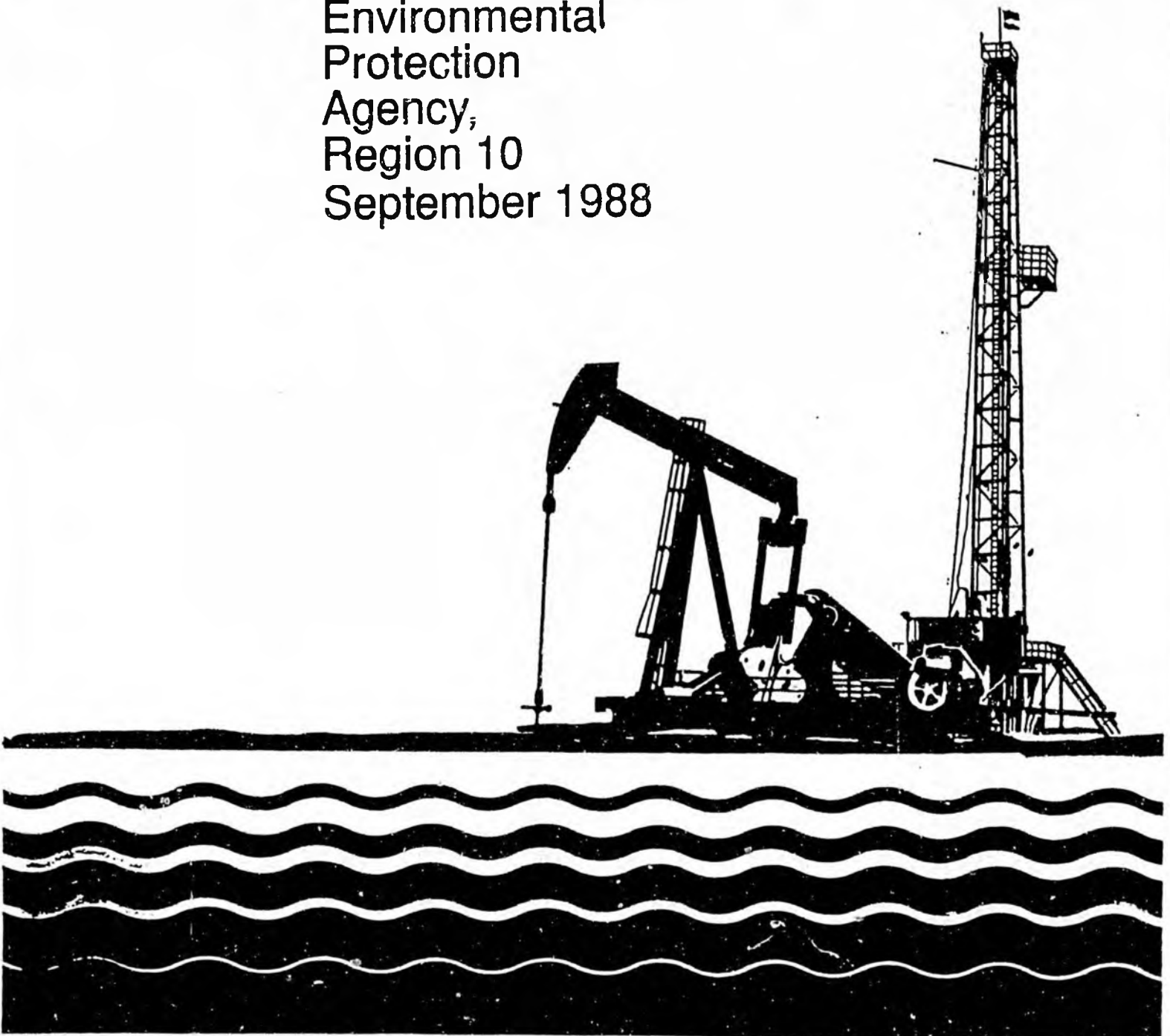
Water Division

Drinking Water



Evaluation of the Alaska Oil & Gas Conservation Commission Underground Injection Control Program

U.S.
Environmental
Protection
Agency,
Region 10
September 1988



Evaluation of the Alaska Oil and Gas Conservation Commission
Underground Injection Control Program

Executive Summary

On June 19, 1986, the Alaska Oil and Gas Conservation Commission (AOGCC) was delegated primacy for the Class II Underground Injection Control (UIC) Program as authorized under Section 1425 of the Safe Drinking Water Act. The remainder of the UIC Program for Class I, III, IV, and V injection wells continues to be administered by the U.S. Environmental Protection Agency (EPA) Region 10.

A representative of the EPA conducted an in-depth performance audit of the AOGCC Class II UIC Program on September 12-19, 1988. Three days were used for office review and four days for inspections and field review of Class II wells on the North Slope. This audit is an expanded version of the routine Region 10 Mid-Year review. The purpose was to evaluate the overall implementation of the AOGCC UIC primacy program since its approval in June of 1986.

The evaluation of the AOGCC UIC Program focused on the following major elements:

- I. Administration
- II. Public Outreach
- III. Inventory/Data Management
- IV. Permitting/File Reviews/Aquifer Exemptions
- V. Mechanical Integrity Testing
- VI. Financial Assurance
- VII. Plugging and Abandonment
- IX. Compliance/Enforcement

Discussions on each of these elements is contained in the body of this report. In general, the Alaska Section 1425 UIC Program is a well implemented and well staffed operation. The AOGCC staff is technically competent; environmentally sensitive; and responsive to the public, the regulated community, and EPA. However, there are some areas of concern where program changes are recommended. Discussed below is a brief summary of the audit team's findings.

Highlights

1. The AOGCC maintains a trained technical staff sufficient to manage the UIC Program.
2. AOGCC has completed and maintains an accurate inventory for all Class II wells.
3. All injection wells are regulated under AOGCC Area Injection Orders or Disposal Injection Orders.
4. The AOGCC continues to make environmentally sound permit determinations for Class II injection wells, which afford protection of underground sources of drinking water (USDWs).
5. The AOGCC maintains a close working relationship with EPA for processing aquifer exemptions.

6. The AOGCC has effectively utilized federal grant dollars to meet national and regional priorities as defined in the state specific guidance.
7. Widespread public involvement is obtained by publication of public notices in the states' largest newspaper; sending copies of notices to those people on the mailing list; and requiring applicants to provide a copy of their permit application to operators and surface owners within a 1/4 mile radius of the injection project.
8. The Mechanical Integrity Test (MIT) requirement of an initial baseline pressure test and a repeat of the pressure test at least every four years, coupled with annulus monitoring, provide good assurance that USDWs are being protected.
9. The quarterly and annual reports, program plans, grant applications, and Financial Status Reports have been submitted to EPA on schedule.
10. The commitment to an effective field inspection effort is a strong point.
11. The Commission's UIC Program Manager continues to maintain a strong commitment to meeting UIC program requirements and working with EPA.

Findings and Recommendations

1. EPA is concerned that the public notification effort does not include publication of notices in local newspapers and the holding of hearings in the local area where the injection operation is located. It is recommended that local newspapers be used and hearings be held closer to the injection well operation. In lieu of local hearings a television or telephone hookup could be used.
2. Financial assurance requirements may not be adequate to assure proper plugging and abandonment of wells if economic conditions worsen. Financial responsibility should be increased.
3. Using two inspectors on the North Slope during periods of increased MIT testing would preclude the current need to occasionally waive important inspections.
4. Permit applications do not consistently demonstrate or document the requirements of state regulations. A closer review of the permit applications and permits would ensure the state regulations are met.
5. Other recommendations are noted in the report.

EPA Review Team

Harold Scott, Alaska UIC Coordinator - Region 10

AOGCC Participants

C.V. Chatterton, Chairman
 Lonnie Smith, Commissioner
 Blair Wondzell, Senior Petroleum Engineer
 Mike Mender, Senior Petroleum Engineer
 Bob Crandall, Geologist
 Harold Hawkins, Petroleum Inspector

Bob Dissett

Environmentalists protest use of waste injections

By BOB ORTEGA
Times Writer

1/15/89 AT

The man running the public hearing leaned forward and smiled apologetically.

"I'm puzzled and at a loss as to how to proceed with this, to be honest," he said.

The confusion of Chat Chatterton, the amiable chairman of the Alaska Oil and Gas Conservation Commission, was understandable. For years, the commission has quietly approved industry requests to allow underground injection wells in oil

fields. Usually, when the commission prints a public notice in the newspaper, no one responds, so it issues an order without any hearing or debate.

Much the same was expected last month, when Unocal Corp. asked for the OK to inject wastes 2,300 feet underground into a well north of Beluga, across Cook Inlet from Anchorage.

So no one seemed to know exactly what to do when both Unocal and the commission received a sudden broadside from Trustees for Alaska and the

Alaska Center for the Environment, two Anchorage-based environmental groups.

In a detailed five-page letter, the groups questioned both the commission's procedures and legal authority, and charged that Unocal's Dec. 1 application was deficient in at least three dozen different ways.

Friday, in a public hearing held at the environmental groups' request, Trustees' executive director Randall Weiner and ACE director Sue Libenson reiterated their concerns.

Unocal, they said, had failed to show that it won't pollute an aquifer that may someday provide drinking water. Unocal environmental engineer Roy Roberts said he could address the points brought up by Weiner and Libenson — but would prefer to do so in writing.

So now what?

After a little headscratching and some off-the-record consultation with Unocal officials and Weiner, Chatterton and fellow commissioner Lonnie Smith decided, in effect, to leave matters

open for two more weeks so Unocal could respond to the questions raised at the hearing.

Commission staff members seemed both surprised and amused at the attention.

The commission was created by federal statute nearly a decade ago; and gained primary responsibility over injection wells three years ago from the Environmental Protection Agency.

Since then, the commission has issued 18 orders covering hundreds of wells, all on the See Waste, page B-4

Continued from page B-1

North Slope or in the Cook Inlet area. Only once before has it received any kind of protest, and never, according to commission records, has it received a substantive protest.

The lack of public interest may be understandable. While the public notices are always printed in one of the two Anchorage daily newspapers, most of the wells have not been anywhere near any communities except Sterling, Kenai, and, on the North Slope, Nuiqsut.

In addition, most of the injections have been into very deep aquifers already exempted by

the EPA for that kind of activity.

In this particular case, Unocal is seeking an aquifer exemption, and an order allowing it to inject wastes into a well next to the Lewis River Field. There is a freshwater aquifer more than 1,000 feet thick, immediately below the surface; but the company plans to inject its wastes into a deeper, salt-water aquifer.

The application concludes that a layer of siltstone and coal between the two aquifers will protect the upper one from contamination, and points out that there are no communities in the area anyway.

At the hearing, Libenson argued that 100 years ago, there were no communities using fresh

water in the Anchorage area.

"I think we need to consider public water sources even in areas not now heavily populated," she said.

"We only have to look over to oil and gas development on the Kenai, where daily we discover now problems with the drinking water," to see the importance of preventing potential pollution, she said.

Weiner, in oral and written testimony, said that Unocal apparently has failed to gain permits or proper certification from the Alaska Department of Environmental Conservation, the state Division of Governmental

Coordination, and the Matanuska-Susitna Borough.

He also charged that, in essence, Unocal's application failed to provide enough information to prove that wastes won't leak into the freshwater aquifer during the disposal process, and that the application failed to follow required procedures.

Finally, Weiner also said that the commission should provide greater public notice, issue a fact sheet to explain to the public in lay terms what actions are being contemplated, and double the response period to 30 days.

"It's doubtful that Tyonek and

Susitna flats residents were informed of this application," he said.

Unocal's Roberts said the company is working on the well to make sure the casing doesn't allow leakage; he said he's satisfied the upper aquifer will not be contaminated.

Steven Porter, an attorney for the commission, said he has not yet researched, but plans to look into questions raised about the commission in the testimony.

Weiner has promised that Trustees for Alaska will provide substantial input into any future oil industry requests for aquifer exemptions.

elements, as submitted to EPA in the State's program application:

(a) *Incorporation by reference.* The requirements set forth in the State statutes and regulations cited in this paragraph are hereby incorporated by reference and made a part of the applicable UIC program under the SDWA for the State of Alabama. This incorporation by reference was approved by the Director of the Federal Register on June 25, 1984.

(1) Alabama Water Pollution Control Act, Code of Alabama 1975, sections 22-22-1 through 22-22-14 (1980 and Supp. 1983);

(2) Regulations, Policies and Procedures of the Alabama Water Improvement Commission, Title I (Regulations) (Rev. December 1980), as amended May 17, 1982, to add Chapter 9, Underground Injection Control Regulations (effective June 10, 1982), as amended April 6, 1983 (effective May 11, 1983).

(b) The Memorandum of Agreement between EPA Region IV and the Alabama Department of Environment Management, signed by the EPA Regional Administrator on May 24, 1983.

(c) *Statement of legal authority.* (1) "Water Pollution—Public Health—State has Authority to Carry Out Underground Injection Control Program Described in Federal Safe Drinking Water Act—Opinion by Legal Counsel for the Water Improvement Commission," June 25, 1982;

(2) Letter from Attorney, Alabama Water Improvement Commission, to Regional Administrator, EPA Region IV, "Re: AWIC Response to Phillip Tate's (U.S. EPA, Washington) Comments on AWIC's Final Application for Class I, III, IV, and V UIC Program," September 21, 1982;

(3) Letter from Alabama Chief Assistant Attorney General to Regional Counsel, EPA Region IV, "Re: Status of Independent Legal Counsel in Alabama Water Improvement Commission's Underground Injection Control Program." September 14, 1982.

(d) The Program Description and any other materials submitted as part of the application or as supplements thereto.

Subpart C—Alaska

**§ 147.100 State-administered program—
Class II wells.**

The UIC program for Class II wells in the State of Alaska, other than those on Indian lands, is the program administered by the Alaska Oil and Gas Conservation Commission approved by EPA pursuant to Section 1425 of the SDWA. Notice of this approval was published in the FEDERAL REGISTER [May 6, 1986]; the effective date of this program is June 19, 1986. This program consists of the following elements, as submitted to EPA in the State's program application.

(a) *Incorporation by reference.* The requirements set forth in the State statutes and regulations cited in this paragraph are hereby incorporated by reference and made a part of the applicable UIC program under the SDWA for the State of Alaska. This incorporation by reference was approved by the Director of the FEDERAL REGISTER effective June 19, 1986.

(1) Alaska Statutes, Alaska Oil and Gas Conservation Act, Title 31, §§ 31.05.005 through 31.30.010 (1979 and Cum. Supp. 1984);

(2) Alaska Statutes, Administrative Procedures Act, Title 44, §§ 44.02.010 through 44.02.650 (1984);

(3) Alaska Administrative Code, Alaska Oil and Gas Conservation Commission, 20 AAC 25.005 through 20 AAC 25.570 (Supp. 1986).

(b) The Memorandum of Agreement between EPA Region 10, and the Alaska Oil and Gas Conservation Commission, signed by the EPA Regional Administrator on January 29, 1986.

(c) *Statement of Legal Authority.* Statement from the Attorney General of the State of Alaska, signed by the Assistant Attorney General on December 10, 1985.

(d) The Program Description and any other materials submitted as part of the original application or as supplements thereto.

[51 FR 16684, May 6, 1986]

§ 147.101 EPA-administered program.

(a) *Contents.* The UIC program in the State of Alaska for Classes I, III,

IV and V wells, wells on Indian lands, and wells on Indian lands administered by EPA. This program is the UIC program regulated by Parts 124, 144, and 145. The requirements set forth in this subpart apply to the owners and operators of these wells to comply with the requirements of this subpart.

(b) *Effective date.* The UIC program for Class II wells in the State of Alaska is effective June 19, 1986. [52 FR 17680, May 6, 1987]

§ 147.102 Aquifers

(a) This section applies to aquifers or their outcrops in accordance with the requirements of this chapter at the time of promulgation. EPA will not exempt other aquifers from this section without codifying such exemptions in this section. An update of this section will be maintained in the future office.

(b) The following areas are exempted in accordance with the provisions of §§ 144.701 through 144.704 of this chapter for Class I wells only:

(1) The portions of the Kenai Peninsula, Alaska, at the following depths below the ground surface, and described in the following table beyond and lying to the east of the following oil and gas fields:

- (i) Swanson River
- (ii) Beaver Creek
- (iii) Kenai Gas Field

(2) The portion of the Cook Inlet described in the following table beyond and lying to the east of the following oil and gas fields:

- (i) Granite Point.
- (ii) McArthur River
- (iii) Middle Ground
- (iv) Trading Bay I

(3) The portions of the North Slope described in the following table beyond and lying to the east of the Kuparuk River producing field.

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IV and V wells, and for all classes of wells on Indian lands, is administered by EPA. This program consists of the UIC program requirements of 40 CFR Parts 124, 144, and 146, and additional requirements set forth in the remainder of this subpart. Injection wells owners and operators and EPA shall comply with these requirements.

(b) *Effective dates.* The effective date of the UIC program for all non-Class II wells in Alaska and for all wells on Indian lands, is June 25, 1984.

[52 FR 17680, May 11, 1987]

§ 147.102 Aquifer exemptions.

(a) This section identifies any aquifers or their portions exempted in accordance with §§ 144.7(b) and 146.4 of this chapter at the time of program promulgation. EPA may in the future exempt other aquifers or portions, according to applicable procedures, without codifying such exemptions in this section. An updated list of exemptions will be maintained in the Regional office.

(b) The following aquifers are exempted in accordance with the provisions of §§ 144.7(b) and 146.4 of this chapter for Class II injection activities only:

(1) The portions of aquifers in the Kenai Peninsula, greater than the indicated depths below the ground surface, and described by a ¼ mile area beyond and lying directly below the following oil and gas producing fields:

- (i) Swanson River Field—1700 feet.
- (ii) Beaver Creek Field—1650 feet.
- (iii) Kenai Gas Field—1300 feet.

(2) The portion of aquifers beneath Cook Inlet described by a ¼ mile area beyond and lying directly below the following oil and gas producing fields:

- (i) Granite Point.
- (ii) McArthur River Field.
- (iii) Middle Ground Shoal Field.
- (iv) Trading Bay Field.

(3) The portions of aquifers on the North Slope described by a ¼ mile beyond and lying directly below the Kuparuk River Unit oil and gas producing field.

§ 147.103 Existing class I, II (except enhanced recovery and hydrocarbon storage) and III wells authorized by rule.

Maximum injection pressure. The owner or operator shall limit injection pressure to the lesser of:

(a) A value which will not exceed the operating requirements of § 144.28(f)(3)(i) or (ii) as applicable; or

(b) A value for well head pressure calculated by using the following formula:

$$P_m = (0.733 - 0.433 S_g) d$$

where

P_m = injection pressure at the well head in pounds per square inch

S_g = specific gravity of inject fluid (unitless)

d = injection depth in feet.

§ 147.104 Existing class II enhanced recovery and hydrocarbon storage wells authorized by rule.

(a) *Maximum injection pressure.* (1) To meet the operating requirements of § 144.28(f)(3)(ii) (A) and (B) of this chapter, the owner or operator:

(i) Shall use an injection pressure no greater than the pressure established by the Regional Administrator for the field or formation in which the well is located. The Regional Administrator shall establish maximum injection pressures after notice, opportunity for comment, and opportunity for a public hearing, according to the provisions of Part 124, Subpart A of this chapter, and will inform owners and operators in writing of the applicable maximum pressure; or

(ii) May inject at pressures greater than those specified in paragraph (a)(1)(i) of this section for the field or formation in which he is operating provided he submits a request in writing to the Regional Administrator, and demonstrates to the satisfaction of the Regional Administrator that such injection pressure will not violate the requirement of § 144.28(f)(3)(ii) (A) and (B). The Regional Administrator may grant such a request after notice, opportunity for comment, and opportunity for a public hearing, according to the provisions of Part 124, Subpart A of this chapter.

(2) Prior to such time as the Regional Administrator establishes rules for maximum injection pressure based on

§ 147.151

data provided pursuant to paragraph (a)(2)(II) of this section the owner or operator shall:

(I) Limit injection pressure to a value which will not exceed the operating requirements of § 144.28(f)(3)(II); and

(II) Submit data acceptable to the Regional Administrator which defines the fracture pressure of the formation in which injection is taking place. A single test may be submitted on behalf of two or more operators conducting operations in the same formation, if the Regional Administrator approves such submission. The data shall be submitted to the Regional Administrator within 1 year of the effective date of this program.

(b) *Casing and cementing.* Where the Regional Administrator determines that the owner or operator of an existing enhanced recovery or hydrocarbon storage well may not be in compliance with the requirements of §§ 144.28(e) and 146.22, the owner or operator shall comply with paragraphs (b) (1) through (4) of this section, when required by the Regional Administrator:

(1) Protect USDWs by:

(i) Cementing surface casing by recirculating the cement to the surface from a point 50 feet below the lowermost USDW; or

(ii) Isolating all USDWs by placing cement between the outermost casing and the well bore; and

(2) Isolate any injection zones by placing sufficient cement to fill the calculated space between the casing and the well bore to a point 250 feet above the injection zone; and

(3) Use cement:

(i) Of sufficient quantity and quality to withstand the maximum operating pressure;

(ii) Which is resistant to deterioration from formation and injection fluids; and

(iii) In a quantity no less than 120% of the calculated volume necessary to cement off a zone.

(4) The Regional Administrator may specify other requirements in addition to or in lieu of the requirements set forth in paragraphs (b) (1) through (3) as needed to protect USDWs.

Subpart D—Arizona

§ 147.150 State-administered program. [Reserved]

§ 147.151 EPA-administered program.

The UIC program for the State of Arizona is administered by EPA.

(a) *Contents.* The UIC program that applies to all injection activities in Arizona, including those on all Indian lands, is administered by EPA. The program for all injection activity, except that on Navajo Indian lands, consists of the UIC program requirements of 40 CFR Parts 124, 144 and 146, and any additional requirements set forth in the remainder of this subpart. Injection well owners and operators and EPA shall comply with these requirements.

(b) *Effective dates.* The effective date for the UIC program in Arizona, except for the lands of the Navajo Indians, is June 25, 1984.

[52 FR 17681, May 11, 1987]

§ 147.152 Aquifer exemptions. [Reserved]

Subpart E—Arkansas

§ 147.200 State-administered program—Class I, III, IV and V wells.

The UIC program for Class I, III, IV and V wells in the State of Arkansas is the program administered by the Arkansas Department of Pollution Control and Ecology, approved by EPA pursuant to section 1422 of the SDWA. Notice of this approval was published in the FEDERAL REGISTER on July 6, 1982 (47 FR 29236); the effective date of this program is July 6, 1982. This program consists of the following elements, as submitted to EPA in the State's program application.

(a) *Incorporation by reference.* The requirements set forth in the State statutes and regulations cited in this paragraph are hereby incorporated by reference and made a part of the applicable UIC program under the SDWA for the State of Arkansas. This incorporation by reference was approved by the Director of the Federal Register on June 25, 1984.

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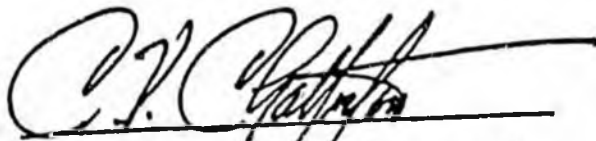
State of Alaska - EPA Region X

16. The AOGCC agrees that when seeking injunctive relief for UIC violations, it shall request the court, when appropriate, to order the violator to cease or curtail its oil or gas production operations.

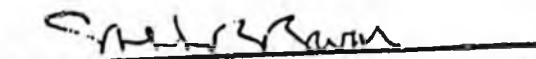
17. The AOGCC agrees to seek the following statutory amendments in the 1986 Legislative session:

- a. AS 31.05.027 to be amended to eliminate any limitation of AOGCC jurisdiction on land of the United States.
- b. AS 31.05.070(a) to be amended to eliminate the transactional immunity provided as a result of a person being compelled to testify or produce documents before the Commission or a court.
- c. AS 31.05.150(a) to be amended to eliminate "wilfully" from consideration in the imposition and recovery of civil penalties.
- d. AS 31.05.150(b) to be amended to include wilful violations of a rule, regulation or order of the Commission as cause for imposition and recovery of criminal fines.

If the 1986 Legislature fails to enact these amendments,
the AOGCC will submit the amendments in subsequent
Legislative sessions.



C. V. Chatterton, Chairman
Alaska Oil and Gas
Conservation Commission



Ernesta B. Barnes
Regional Administrator
U.S. Environmental Protection
Agency, Region 10

JAN 29 1986

- (1) the drilling, producing and plugging of wells;
- (2) the shooting and chemical treatment of wells;
- (3) the spacing of wells;
- (4) the disposal of salt water, nonpotable water and oil field wastes;
- (5) the contamination or waste of underground water;
- (6) the quantity and rate of the production of oil and gas from a well or property; this authority shall also apply to a well or property in a voluntary cooperative or unit plan of development or operation entered into in accordance with AS 38.05.180(p).

(f) The commission may classify wells as oil or gas wells for purposes material to the interpretation or enforcement of this chapter.

(g) When the commission finds sufficient likelihood of an unexpected encounter of oil, gas, or other hazardous substance as a result of well drilling in an area of the state, the commission may, by regulation, designate the area and specify a depth in the area as one in which wells or any boring into the soil in excess of the specified depth but not otherwise subject to this chapter are subject to the regulations and requirements adopted under this section. The designation of an area or specification of a depth under this subsection does not constitute a certification that no hazardous substance will be encountered in another area or at a lesser depth, and the state is not liable for any damages arising from such an unexpected encounter of a hazardous substance.

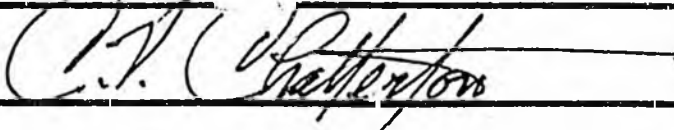
(h) The commission may take all actions necessary to allow the state to acquire primary enforcement responsibility under 42 U.S.C. 300h-4 (Safe Drinking Water Act of 1974, as amended, 42 U.S.C. 300f-300j), for the control of underground injection related to the recovery and production of oil and natural gas. (§ 4 ch 40 SLA 1955; am § 2 ch 75 SLA 1960; am § 1 ch 209 SLA 1970; am § 1 ch 87 SLA 1977; am §§ 1, 2 ch 160 SLA 1978; am § 1 ch 91 SLA 1984)

Effect of amendments. — The 1984 amendment added subsection (h).

Sec. 31.05.035. Confidential reports. (a) For all wells for which a permit to drill has been issued by the commission since January 3, 1959, the commission may require:

(1) the making and filing of reports, well logs, drilling logs, electric logs, lithologic logs, directional surveys, and all other subsurface information on a well drilled for oil or gas, or for the discovery of oil or gas, or for geologic information; and

(2) the filing of flow test information and all logs, except experimental logs and velocity surveys run on a well and not required by (1) of this subsection;

BUDGET REQUEST UNIT (BRU): Alaska Oil and Gas Conservation Commission																															
NAME/POSITION OF BRU MANAGER: C. V. Chatterton, Commissioner/Chairman	PHONE: (907) 279-1433																														
NAME/POSITION OF AGENCY CONTACT: Pat Oldenburg, Administrative Assistant	PHONE: (907) 279-1433																														
LIST STATUTORY/REGULATORY BASIS FOR SERVICES PROVIDED (I.E., ALASKA STATUTE, ALASKA ADMINISTRATIVE CODE, OR FEDERAL REGISTER):																															
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<p>DESCRIPTION OF THE BRU SERVICES AND RESPONSIBILITIES: The Alaska Oil and Gas Conservation Commission is an independent quasi-judicial agency established within the Executive Branch by the Legislature to ensure that oil and gas drilling, production, reservoir depletion and metering operations comply with the Alaska Oil and Gas Conservation Act (AS 31.05). The Act prohibits the physical waste of crude oil and natural gas, protects correlative rights, and provides for obtaining the maximum ultimate recovery of oil and gas that is prudently feasible. The Act empowers the Commission to cite and levy fines for violations of the Act, regulation or order of the Commission, and seek injunctive relief to prevent continuance of a violation. Severance and oil and gas conservation taxes are levied on all production. Revenue also accrues from royalty production on state leases. The prevention of waste enhances these income sources and serves the public good by providing increased funds to meet the public need.</p> <p>Further, the BRU provides funding for the following activities (1) acting as the Alaska jurisdictional agency to determine well categories for meeting the maximum lawful price for gas under the Natural Gas Policy Act of 1978, (2) discharging primary enforcement responsibilities for Class II injection wells under the Safe Drinking Water Act of 1974 as amended and (3) Acting as Alaska jurisdictional agency for the U.S. Dept. of Treasury in approving applications as meeting requirements for certification as a qualified tertiary recovery project.</p>																															
SIGNATURE OF BRU MANAGER: 	DATE: 9/20/88																														

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Revised Date: _____

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The priority issue for FY'90 is to maintain the funding necessary to provide for a degree of agency effectiveness in prohibiting waste of crude oil and natural gas, protecting correlative rights of hydrocarbon owners, and insuring that all hydrocarbon production is measured accurately.

The Oil & Gas Conservation Commission is an independent quasi-judicial agency, responsible for the administration of AS 31.05, The Alaska Oil & Gas Conservation Act. In this role, the Commission provides three distinct services. First, a service to the people by enforcing the act, thus ensuring that oil and gas accumulations beneath lands subject to the State's police powers are developed, produced and managed without waste in a manner that will achieve the maximum ultimate hydrocarbon recovery prudently possible.

Second, receives, maintains and acts as curator for all production and exploration data required by law. Provides information pertaining to these activities to the public and industry.

Third, a service to the oil and gas industry by providing an adjudicatory forum for the resolution by Commission order of intra-industry disputes.

Agency effectiveness is directly a function of the experience and expertise of its professional staff. Reduction in appropriations, from \$2,514.3 for FY'83 to \$1,536.2 for FY'89 and ensuing staff reduction from 27 FTE to the FY'89 authorized staff of 23 FTE has seriously impacted commission performance. Lacking the funding and staff, the agency is increasingly hard-pressed to effectively challenge industry reservoir management programs and ensure that waste is prohibited.

Proceeds from the Oil and Gas Conservation Tax (AS 43.57) for FY'90 will approximate \$3,000,000. Historically, the reason and intent of the conservation tax is to provide funding for maintaining a viable oil and gas conservation agency.

B2 BRU ISSUES

Department of Commerce
and Economic Development
AGENCY _____
Oil & Gas Conservation Commission
BRU _____

FY 90

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Revised Date: _____

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OBJECTIVES AND PERFORMANCE MEASURES	PRIOR YEAR FY 88		CURRENT YEAR PLAN FY 89	BUDGET YEAR FY 90		
	PLAN	ACTUAL		ADJUSTED BASE	INCREMENT/DECREMENT	REQUEST
1. To ensure that operations involving the drilling or re-entry and completion, recompletion, or abandonment of any oil or gas well within Alaska is conducted in a manner that prevents underground waste of the resource, protects correlative rights and does not endanger freshwater. The number of applications processed.	750	1294	500	500		500
2. To ensure that no uncontrolled flow of oil and gas occurs from any well within Alaska. The number of on-site inspections.	4000	5842	3500	3500		3500
3. To ensure that all oil and gas produced within Alaska is measured accurately for quality and quantity and appropriately allocated. The number of inspections performed.	160	87	160	100		100
4. a) Continue surveillance of all reservoir management operations to ensure that the maximum feasible resource recovery will be obtained. Number of pools reviewed.	0	0	0	0		0
b.) Number of new reservoir studies initiated.	1	0	1	0		0
5. To reduce the volume of gas lost from operational upsets. The percent reduction in amount of gas lost by operational upsets.	1%	1%	1%	1%		1%

B3/B4

**BRU STRATEGY/
PERFORMANCE
PLANS**

AGENCY _____

Department of Commerce
and Economic Development

BRU _____

Oil and Gas Conservation Commission

FY 90

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Revised Date: _____

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OBJECTIVES AND PERFORMANCE MEASURES	PRIOR YEAR FY 88		CURRENT YEAR PLAN FY 89	BUDGET YEAR FY 90		
	PLAN	ACTUAL		ADJUSTED BASE	INCREMENT/DECREMENT	REQUEST
6. To provide informational services to the public in an expeditious and accessible manner. The number of requests for information	200	147	100	125		125
7. To maintain a high level of administrative and support service efficiency in order to handle the increasing work load without a need for additional personnel.	10%	5%	10%	3%		3%
8. As primary enforcement agency within the State for the Safe Drinking Water Act of 1974 as amended, ensure that the underground injection of fluids related to the recovery and production of oil and gas does not occur unless permitted and the mechanical integrity of permitted injection wells is maintained in a manner to protect freshwater aquifers. The number of:						
a) Applications processed.	60	33	60	25		25
b) On-site inspections made.	100	178	100	100		100
c) Files reviewed.	24	210	74	75		75
d) Public hearings held.	1	1	1	1		1
e) Reports made to EPA.	10	35	10	15		15
						216.0

B3/B4 BRU STRATEGY/
PERFORMANCE
PLANS

AGENCY Department of Commerce
and Economic Development
BRU Oil and Gas Conservation Commission

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Revised Date:

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OBJECTIVES AND PERFORMANCE MEASURES	PRIOR YEAR FY 88		CURRENT YEAR PLAN FY 89	BUDGET YEAR FY 90		
	PLAN	ACTUAL		ADJUSTED BASE	INCREMENT/DECREMENT	REQUEST
9. Perform duties as the jurisdictional agency for Alaska by processing applications for establishment of the maximum lawful price for natural gas produced from a well. The number of dterminations submitted to FERC.	100	25	100	50		50
10. Perform duties of jurisdictional agency for the U S Treasury Department in processing applications for tertiary recovery. The number of applications processed.	1	2	1	1		1

B3/B4 BRU STRATEGY/
PERFORMANCE
PLANS

Department of Commerce
and Economic Development
AGENCY _____
BRU Oil and Gas Conservation Commission _____

FY 90

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Revised Date: _____

000340

STATE OF ALASKA
OFFICE OF MANAGEMENT & BUDGET
DIVISION OF BUDGET REVIEW

DATE: 12/19/88
TIME: 16:03:01
PROG: FORMC1D

FY '90 BUDGET CYCLE BENCHMARK LEVEL COMPARISONS

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT
BRU: OIL & GAS CONSERVATION
COMPONENT: OPERATIONS (SER #: 368)

ITEM	FY '88 AUTHORIZED	FY '88 FINAL AUTH	FY '88 ACTUAL	FY '89 AUTHORIZED	FY '90 ADJ BASE	FY '90 AGENCY	FY '90 GOVERNOR
*** COMPONENT TOTAL ***	1,424.4	1,410.1	1,400.0	1,536.2	1,572.2	1,592.2	1,592.2
EXPENDITURES							
Personal Services	1,202.6	1,188.3	1,182.2	1,307.7	1,343.7	1,343.7	1,343.7
Travel	98.0	49.8	49.0	88.0	88.0	88.0	88.0
Contractual Services	12.4	154.6	152.7	127.4	127.4	147.4	147.4
Commodities	11.4	17.4	16.1	13.1	13.1	13.1	13.1
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land/Buildings	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants/Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Misc.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FUNDING							
1002 Fed Rcpts	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1004 Gen Fund	1,324.4	1,310.1	1,300.0	1,436.2	1,472.2	1,492.2	1,492.2
STAFFING							
Full-time	22.0	22.0	22.0	23.0	23.0	23.0	22.0
Part-time	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Temporary	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Staff-months	264.0	264.0	264.0	276.0	276.0	276.0	264.0

1041

ALERTS #: 6-08-14-06-00
 COMP SER #: 368

STATE OF ALASKA
 OFFICE OF MANAGEMENT & BUDGET
 DIVISION OF BUDGET REVIEW

DATE: 12/19/88
 TIME: 14:58:46
 PROG: CDETAILS

FY '90 DRAFT OPERATING BUDGET (DEC. 15, 1988 RELEASE)

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT
 COMPONENT: OPERATIONS

BUDGET REQUEST UNIT: OIL & GAS CONSERVATION

***** COMPARISON OF AGENCY SUBMISSION TO GOVERNOR'S PROPOSAL *****

DESCRIPTION	REF NUM	TRANS TYPE	PROPOSED BY	AGENCY SUBMISSION			GOVERNOR'S PROPOSAL						
				PFT	PPT	TOTAL	GEN FUND	OTH FUNDS	PFT	PPT	TOTAL	GEN FUND	OTH FUNDS
FY '89 LEGISLATIVE CONFERENCE COMMITTEE				23.0	0.0	1,536.2	1,436.2	100.0	23.0	0.0	1,536.2	1,436.2	100.0
Projected FY '90 Health Benefit Adjustment (\$36.7)	2378	MISADJ	OMB	0.0	0.0	36.0	36.0	0.0	0.0	0.0	36.0	36.0	0.0
Increase in Annual Assessment Levied on Alaska by the Interstate Oil Compact Commission	4043	INC	AGENCY	0.0	0.0	20.0	20.0	0.0	0.0	0.0	20.0	20.0	0.0
Adjust Position Count to Match Available Funding	4070	DEC	OMB	0.0	0.0	0.0	0.0	0.0	-1.0	0.0	0.0	0.0	0.0
*** COMPONENT TOTALS ***				23.0	0.0	1,592.2	1,492.2	100.0	22.0	0.0	1,592.2	1,492.2	100.0

***** DERIVATION OF FY '90 PROPOSAL, BY IMPACT AND LINE ITEM *****

DESCRIPTION	REF NUM	PERSONAL SERVICES	TRAVEL	CONTRACTUAL SERVICES	COMMODITIES	EQUIPMENT	LAND/BUILDINGS	GRANTS/CLAIMS	MISC.	TOTALS
FY '88 ACTUAL EXPENDITURES (NON-ADD)		1,182.2	49.0	152.7	16.1	0.0	0.0	0.0	0.0	1,400.0
FY '89 LEGISLATIVE CONFERENCE COMMITTEE		1,307.7	88.0	127.4	13.1	0.0	0.0	0.0	0.0	1,536.2
Projected FY '90 Health Benefit Adjustment (\$36.7)	2378	36.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	36.0
Increase in Annual Assessment Levied on Alaska by the Interstate Oil Compact Commission	4043	0.0	0.0	20.0	0.0	0.0	0.0	0.0	0.0	20.0
Adjust Position Count to Match Available Funding	4070	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
*** COMPONENT TOTALS ***		1,343.7	88.0	147.4	13.1	0.0	0.0	0.0	0.0	1,592.2

11 1342

ITEM AND EXPLANATION	AMOUNT	FUNDING SOURCES	POSITIONS	100 PERSONAL SERVICES	200 TRAVEL	300 CONTRACTUAL SERVICES	400 SUPPLIES	500 EQUIPMENT	OTHER
1. FY 89 Conference Committee Report	1536.2	1002 100.0	PFT 23.0	1307.7	88.0	127.4	13.1		
		1004 1436.2	PPT						
2. Fiscal Notes/Other Appropriation Bills			PFT						
			PPT						
3. Vetoes	()	()	PFT	()	()	()	()	()	()
			PPT						
4. Position Adjustment			PFT						
			PPT						
5. FY 89 Authorized	1536.2	1002 100.0	PFT 23.0	1307.7	88.0	127.4	13.1		
		1004 1436.2	PPT						
6. Health Benefit Adjustment	36.0	1004 36.0	PFT	36.0					
			PPT						
7. One-Time Items	()	()	PFT	()	()	()	()	()	()
			PPT						
8. Other Adjustments			PFT						
			PPT						
9. FY 90 Base	1572.2	1002 100.0	PFT 23.0	1343.7	88.0	127.4	13.1		
		1004 1472.2	PPT						
10. Transfers			PFT						
			PPT						
11. FY 90 Adjusted Base	1572.2	1002 100.0	PFT 23.0	1343.7	88.0	127.4	13.1		
		1004 1472.2	PPT						

**C2 ADJUSTED BASE
CALCULATION**

AGENCY Commerce & Economic Development
 BRU Alaska Oil & Gas Conservation Commission
 COMPONENT Operations

FY 90

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Revised Date:

11 0343

INCREMENT/DECREMENT DESCRIPTION (Limit to 98 characters)
 Increase in annual assessment levied on Alaska by the Interstate Oil Compact Commission

AGENCY CONTACT/PHONE NUMBER:

Chat Chatterton 279-1433

DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:

At the July 2, 1986 Business Session in Anchorage, the Interstate Oil Compact Commission (IOCC) adopted a new allocation schedule for individual member state assessments for the Commission's General Fund. As a result of this action, the calendar year assessment for Alaska was revised upward from \$19,000 to \$39,000; a net increase of \$20,000. This increment is needed to maintain the State of Alaska's membership in the Compact in good standing. The Governor serves as Alaska's member, and is current chairman of the Interstate Oil Compact Commission.

The Commission was able to meet Alaska's obligation for the calendar years of 1986, 1987 and 1988 by implementing a 20 percent cut-back in the number and frequency of field inspections. With the increasing field inspection workload imposed by the Underground Injection Control Program, a continuation of the cut-back is no longer a viable option. Our problem is exacerbated by a cut in authorized FY'89 travel funds; a \$10,000 reduction of the funds requested for FY'89.

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services		
200	Travel		
300	Contractual Services	20.0	20.0
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Miscellaneous		
TOTAL		20.0	20.0
I-A Transfer (NON-ADD)			
1002	Federal Receipts		
1003	General Fund Match		
1004	General Fund	20.0	20.0
1005	GF/Program Receipts		
1007	I-A Receipts		

POSITION INFORMATION	PFT		
	PPT		
	Non Permanent		
	Staff Months		

<input type="checkbox"/> Enhance Existing Service	<input type="checkbox"/> Formula Program New Facility Oper.
<input type="checkbox"/> Compared to FY 89	
<input type="checkbox"/> New Service Compared to FY 89	
<input type="checkbox"/> Continuation of FY 89	<input type="checkbox"/> Facility Oper.
<input checked="" type="checkbox"/> Service Level	

IMPACT FROM CAPITAL PROJECT (NAME)
 N/A

Chapter _____ SLA _____ Page/Line _____

C5 INCREMENT/DECREMENT REQUEST
 Agency Priority 1 of 1

AGENCY Department of Commerce and Economic Development
 BRU Oil & Gas Conservation Commission
 COMPONENT Operations
 PROJECT _____

FY 90 4043
 Page 1 of 1
 Revised Date: _____

000344

10/06/88

PERSONAL SERVICES EXPENDITURES SUMMARY REPORT

PAGE:

1

DEPT. OF COMMERCE & ECONOMIC DEVELOPMENT SCENARIOS 30 AND 1

BRU: OIL & GAS CONSERVATION COMMISS COMP: AO&GCC ADMINISTRATION

	FY88 ACTUAL	FY89 AUTH	FY90 REQUEST
COSTS			
REG. DUTY COSTS	467331.91	1053636.00	1053636.00
PREMIUM PAY	0.00	0.00	0.00
BENEFITS	263166.22	308541.94	345785.86
LUMP SUM PREM PAY	0.00	0.00	0.00
TOTAL PERSONAL SVCS	1232478.73	1362177.94	1399421.86
FUNDING SOURCES			
GENERAL FUND	1232478.73	1362177.94	1399421.86
OTHER FUNDING	0.00	0.00	0.00
TOTAL FUNDING	1232478.73	1362177.94	1399421.86
PFT POSITIONS	23	23	23
PPT POSITIONS	0	0	0
TEMP POSITIONS	0	0	0
STAFF MONTHS	276.00	276.00	276.00
VACANCY FACTOR		54477.95 (3.99933%)	55721.02 (3.98172%)
LINE 100	1232478.73	1307699.99	1343700.84

0345

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PERSONAL

SERVICES EXPENDITURES DETAIL REPORT

PAGE:

DEPT. OF COMMERCE & ECONOMIC DEVELOPMENT SCENARIO: 1 (FY90 AGENCY SCENARIO 1)

BRU NAME: OIL & GAS CONSERVATION COMMISSION

COMPONENT #: 08 4602500100 NAME: AD&GCC ADMINISTRATION

PCN	JOB CLASS TITLE	T	LOCATION NAME	R	B	S	R&S	MOS	ANNUAL	PREMIUM	ANNUAL	TOTAL	GEN. FUND
		S		C	U			BUDG	SALARY	PAY	BENEFITS	PERS. SVCS	AMOUNT
0100	STATISTICAL TECHNICIAN I	F	ANCHORAGE	A	G	A	12L	12.00	32424	0	12553	44977.10	44977
0101	STATISTICAL TECHNICIAN I	F	ANCHORAGE	A	G	A	12F	12.00	29196	0	11838	41034.42	41034
0102	ADMINISTRATIVE ASST I	F	ANCHORAGE	A	G	A	12F	12.00	29196	0	11838	41034.42	41034
0103	CLERK TYPIST III	F	ANCHORAGE	A	G	A	08D	12.00	21420	0	10116	31536.82	31536
0104	MICROFILM EQUIP OP II	F	ANCHORAGE	A	G	A	12D	12.00	27288	0	11415	38703.99	38703
0105	CLERK TYPIST II	F	ANCHORAGE	A	G	A	07B	12.00	19032	0	9588	28620.11	28620
0106	MICROFILM EQUIP OP I	F	ANCHORAGE	A	G	A	10F	12.00	25620	0	11046	36666.70	36666
0150	COMMISSIONER O & GCC	F	ANCHORAGE	A	X	A	27E	12.00	74472	0	20154	94626.19	94626
0151	COMMISSIONER O & GCC	F	ANCHORAGE	A	X	A	27D	12.00	71880	0	19748	91628.03	91628
0152	COMMISSIONER O & GCC	F	ANCHORAGE	A	X	A	27D	12.00	71880	0	19748	91628.03	91628
0153	Petro Geol Assistant	F	ANCHORAGE	A	X	A	16B	12.00	33816	0	12801	46617.29	46617
0155	SR PETRO GEOLOGIST	F	ANCHORAGE	A	X	A	24F	12.00	66816	0	18954	85770.50	85770
0156	SR PETRO ENGINEER	F	ANCHORAGE	A	X	A	24F	12.00	66816	0	18954	85770.50	85770
0158	SR PETRO ENGINEER	F	ANCHORAGE	A	X	A	24F	12.00	66816	0	18954	85770.50	85770
0160	SR PETRO RES ENGINEER	F	ANCHORAGE	A	X	A	24F	12.00	66816	0	18954	85770.50	85770
0161	PETROLEUM INSPECTOR	F	ANCHORAGE	A	X	A	21E	12.00	52548	0	16718	69266.70	69266
0162	PETROLEUM ENGINEER ASST	F	ANCHORAGE	A	X	A	16B	12.00	33816	0	12801	46617.29	46617
0163	PETROLEUM INSPECTOR	F	ANCHORAGE	A	X	A	21E	12.00	52548	0	16718	69266.70	69266
0164	PETROLEUM INSPECTOR	F	ANCHORAGE	A	X	A	21E	12.00	52548	0	16718	69266.70	69266
0165	Petro Research Analyst Asst	F	ANCHORAGE	A	X	A	18E	12.00	42984	0	14831	57815.08	57815
0167	EXECUTIVE SECRETARY	F	ANCHORAGE	A	X	A	12F	12.00	29340	0	11810	41150.30	41150
0169	Petro Geol Assistant	F	ANCHORAGE	A	X	A	16B	12.00	33816	0	12801	46617.29	46617
0170	PETROLEUM INSPECTOR	F	ANCHORAGE	A	X	A	21E	12.00	52548	0	16718	69266.70	69266

COLUMN TOTALS: 1053636 0 345785 1399421.86

FULL TIME POSITIONS 23
 PART TIME/SEASONAL POSITIONS 0
 NON PERMANENT POSITIONS 0
 OTHER..... 0
 =====

TOTAL PERSONAL SERVICES 1399421.86
 PLUS LUMP SUM PREMIUM PAY 0.00
 SUB-TOTAL 1399421.86
 MINUS 3.98172 % VACANCY ADJUSTMENT 55721.06
 =====

NUMBER OF POSITIONS IN COMPONENT 4602500100 = 23 (INCLUDES 0 BUDGETED NEW POSITIONS)

PERSONAL SERVICES, LINE 100 1343700.80

STAFF MONTHS: 276.00

FUNDING DATA: 1004 (GENERAL FUND)

1399421.86

TOTAL FUNDING: 1399421.86

C-100

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0.0340

CODE	TRAVEL AND MOVING CLASSIFICATION	PRIOR YEAR FY 88 ACTUAL	CURRENT YEAR FY 89 AUTHORIZED	BUDGET YEAR - FY 90		
				ADJUSTED BASE	INCREMENT/ DECREMENT	AGENCY REQUEST
72240	Field Travel	23.8	40.0	40.0		40.0
72270	Administrative Travel		2.0	2.0		2.0
72300	Conventions and Meeting Travel		3.0	3.0		3.0
72330	Boards, Commissions and Legislators Travel					
72360	Moving or Relocation Expense					
72390	Non-Employee Travel					
72500	Per Diem	25.2	43.0	43.0		43.0
72800	Honorarium/Stipends					
72000	TOTAL TRAVEL AND MOVING	49.0	88.0	88.0		88.0
	INTER-AGENCY TRANSFERS (NON-ADD)					

CODE	EXPLANATION	ADJUSTED BASE	INCREMENT/ DECREMENT
72240	Provides funding for field inspections of drilling, production, injection and metering operations to ensure compliance with regulations.	40.0	
72270	Provides funding for travel to Juneau for Legislative hearings etc.	2.0	
72300	Provides funding for out-of-state travel to represent Alaska at Interstate Oil Compact Commission (IOCC) and Underground Injection Practices Council (UIPC) meetings	3.0	
72500	Provides per diem for field inspections, administrative and meeting travels.	43.0	
72000	TOTAL	88.0	

C200 TRAVEL AND
MOVING

Department of Commerce and
Economic Development
AGENCY _____
Oil and Gas Conservation Commission
BRU _____
Operations
COMPONENT _____

FY 90

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Revised Date: _____

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CODE	CONTRACTUAL SERVICES CLASSIFICATION	PRIOR YEAR FY 88 ACTUAL	CURRENT YEAR FY 89 AUTHORIZED	BUDGET YEAR - FY 90		
				ADJUSTED BASE	INCREMENT/ DECREMENT	AGENCY REQUEST
73100	Professional Services	1.1	5.0	5.0		5.0
73253	DP Chargeback (DOA)					
73300	Communication	18.1	13.0	13.0		13.0
73400	Transportation					
73420	Transportation - State Equipment Fleet Fees	26.3	26.0	26.0		26.0
73500	Advertising, Printing and Binding	10.7	5.0	5.0		5.0
73600	Public Utilities Services	15.9	18.0	18.0		18.0
73700	Minor Repair and Maintenance	29.7	24.3	24.3		24.3
73800	Rental for Land, Buildings and Space	1.8	5.0	5.0		5.0
73860	Rental for Machinery and Equipment	2.5	9.0	9.0		9.0
73900	Other Expenditures and Services	60.7	22.1	22.1	20.0	42.1
73000	TOTAL CONTRACTUAL	167.5	127.4	127.4	20.0	147.4
	INTER-AGENCY TRANSFERS (NON-ADD)	13.7	13.7	13.7		13.7

CODE	EXPLANATION	ADJUSTED BASE	INCREMENT/ DECREMENT
73100	<u>Professional Services</u> : Provide funding for Software analysis and improvement	5.0	
73300	<u>Communications</u> : Provides funding for telephone, telegraph, data communication, paging and answering services. Also includes funding for postage.	13.0	
73420	<u>State Equipment Fleet Fees</u> : Provides funding for one Class IIID stationwagon for Anchorage office support and one pick-up rental at Deadhorse for ground transportation inspection needs.	26.0	
73500	<u>Advertising, Printing and Binding</u> : Provides funding for legal notices, court reporting services for commission hearings, photo processing, subscriptions, and reproduction of forms, regulations, drawings and maps.	5.0	
73600	<u>Public Utilities Services</u> : Telephone, electricity, heat.	18.0	

C300 CONTRACTUAL
SERVICES

Department of Commerce and
Economic Development
AGENCY _____
Oil and Gas Conservation Commission
BRU _____
Operations
COMPONENT _____

FY 90

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Revised Date: _____

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CODE	EXPLANATION	ADJUSTED BASE	INCREMENT/ DECREMENT
73700	<u>Minor Repair and Maintenance:</u> Provides funding for maintenance contracts covering data and word processing equipment including modems and terminals as well as microfilm camera, copiers, and postage meter. Also provides funds for repair and maintenance of telephone system, furniture and office equipment.	24.3	
73800	<u>Rental for Land, Buildings and Space:</u> Provides funding for all utility services, repair and upkeep, janitorial and caretaker service, etc. for State Office Building #106654 including maintenance of the building's mechanical equipment and the grounds.	5.0	
73860	<u>Rental for Machinery and Equipment:</u> Provides funding for lease of Ricoh Copiers, postage meter, Display-writers and telecopier. Also funds occasional charters of fixed and rotor wing aircraft for required well inspections at remote locations.	9.0	
73900	<u>Other Expenditures and Services:</u> Provides funding for State's annual Interscate Oil Compact Commission (IOCC) and Underground Injection Practices Council (UIPC) assessments, risk management, training conference and registration fees.	22.1	20.0
73000	TOTAL Contractual	127.4	20.0

300	ADDITIONAL EXPLANATION FORM
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Department of Commerce and
Economic Development

AGENCY _____

BRU _____ Oil and Gas Conservation Commission

COMPONENT _____ Operations

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0 0349

CODE	SUPPLIES AND MATERIALS CLASSIFICATION	PRIOR YEAR FY 88 ACTUAL	CURRENT YEAR FY 89 AUTHORIZED	BUDGET YEAR - FY 90		
				ADJUSTED BASE	INCREMENT/ DECREMENT	AGENCY REQUEST
74220	Office and Library Supplies	10.6	10.7	10.7		10.7
74440	Agricultural Supplies	0.4				
74480	Household and Institutional Supplies	0.1				
74520	Professional and Scientific Supplies	0.3				
74560	Data Processing Supplies	0.3				
74600	Other Operating Supplies	3.6				
74650	Repair and Maintenance Suppl	0.8	2.4	2.4		2.4
74000	TOTAL SUPPLIES AND MATERIA	16.1	13.1	13.1		13.1
	INTER-AGENCY TRANSFERS (NON-ADL)					

CODE	EXPLANATION	ADJUSTED BASE	INCREMENT/ DECREMENT
74220	<u>Office and Library Supplies:</u> Provides funding for general office and library supplies, commodities, photographic, books, maps, and training material.	10.7	
74650	Provides funding for maintenance supplies and minor repairs to Building #106654.	2.4	
74000	TOTAL	13.1	

C400 SUPPLIES AND MATERIALS

AGENCY Department of Commerce and Economic Development
 BRU Oil and Gas Conservation Commission
 COMPONENT Operations

Page 1 of 1
 Revised Date:

FY 90

0850

TYPE OF REVENUE	PRIOR YEAR FY 88 ACTUAL	CURRENT YEAR FY 89 AUTHORIZED	CURRENT YEAR FY 89 CASH ESTIMATE	FY 90 BUDGET YEAR			FY 91 ESTIMATE
				ADJUSTED BASE	INCREMENT/ DECREMENT	AGENCY REQUEST	
RESTRICTED - FEDERAL RECEIPTS	100.0	100.0	100.0	100.0		100.0	100.0
RESTRICTED - INTER-AGENCY RECEIPTS							
RESTRICTED - CIP RECEIPTS							
RESTRICTED - OTHER							
RESTRICTED - OTHER							
RESTRICTED RECEIPTS TOTAL	100.0	100.0	100.0	100.0		100.0	100.0
UNRESTRICTED RECEIPTS	15.6	24.1	14.5	16.1		16.1	16.1
TOTAL RECEIPTS	115.6	124.1	114.5	116.1		116.1	116.1

C20

**REVENUE
SUMMARY**

Department of Commerce and
Economic Development

AGENCY _____

BRU Oil and Gas Conservation Commission

COMPONENT Operations

FY 90

Page 1 of 1

Revised Date: _____

00351

TYPE OF REVENUE:				NAME AND TELEPHONE NUMBER OF AGENCY CONTACT:						
Unrestricted				C. V. Chatterton, Commissioner/Chairman (907) 279-1433						
FUNDING SOURCE	FUND	REVENUE ACCOUNT	COLLOCATION CODE	PRIOR YEAR FY 88 ACTUAL	CURRENT YEAR FY 89 AUTHORIZED	CURRENT YEAR FY 89 CASH ESTIMATE	BUDGET YEAR FY 90			FY 91 ESTIMATE
							ADJUSTED BASE	INCREMENT/ DECREMENT	AGENCY REQUEST	
1004	11100	61500	08462001	14.5	22.5	14.5	14.5		14.5	14.5
1004	11100	64020	08462001	1.1	1.6	1.6	1.6		1.6	1.6
TOTAL				15.6	24.1	16.1	16.1		16.1	16.1

EXPLANATION (SEE INSTRUCTIONS):

(61500) AS 31.05.080 provides that any person desiring to drill a well in search of oil or gas shall pay a fee of \$100.00. We now estimate that 145 applications will be forthcoming in FY 89 and 145 applications in FY 90. Checks are made payable to the Department of Revenue by the applicant and are forwarded to the department for deposit to the General Fund. These receipts are unrestricted and not a funding source for the agency budget.

(64020) 6 AAC 95.130(a) requires members of the public to pay 25 cents per sheet for copies of public documents. Historically, revenue from this source approximates the above estimate. Funds collected are transferred to the Department of Revenue for deposit to the General Fund. These receipts are unrestricted and not a funding source for the agency budget.

6065M

C21a UNRESTRICTED
REVENUE
DETAIL

AGENCY Commerce and Economic Development
BRU Oil and Gas Conservation Commission
COMPONENT Operations

FY 90

1 of 1
Revised Date: _____

00852

TYPE OF REVENUE: Restricted				NAME AND TELEPHONE NUMBER OF AGENCY CONTACT: C. V. Chatterton, Commissioner/Chairman (907) 279-1433						
FUNDING SOURCE	FUND	REVENUE ACCOUNT	COLLOCATION CODE	PRIOR YEAR FY 88 ACTUAL	CURRENT YEAR FY 89 AUTHORIZED	CURRENT YEAR FY 89 CASH ESTIMATE	BUDGET YEAR FY 90			FY 91 ESTIMATE
							ADJUSTED BASE	INCREMENT/ DECREMENT	AGENCY REQUEST	
1002	11100	51010	08462003	100.0	100.0	100.0	100.0		100.0	80.0
TOTAL				100.0	100.0	100.0	100.0		100.0	80.0

EXPLANATION (SEE INSTRUCTIONS):

(51010) E.P.A. Federal Grant to administer Underground Injection Control Program.

6065M-2

C21b RESTRICTED
REVENUE
DETAIL

AGENCY Commerce and Economic Development
BRU Oil and Gas Conservation Commission
COMPONENT Operations

FY 90

Page 1 of 1
Revised Date: _____

000350

HPB

60

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 9, 1989

The Honorable Sam Cotten
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Cotten:

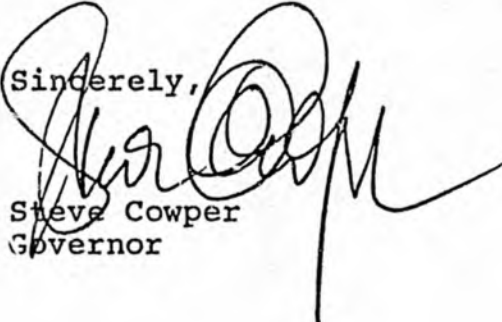
Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that would expand the existing marine park system by adding 12 marine park units to the already established 19 units in AS 41.21.304, and would exclude from the 31 designated units Native corporation land and adjacent tide or submerged land, as well as land within the Copper River Delta Critical Habitat Area.

As provided in AS 41.21.300, the marine park system was established to maintain natural, cultural, and scenic values as well as fish and wildlife resources and lawful existing uses of those resources, and to promote and support recreation and tourism in the state. Under existing AS 41.21.-302, the marine park units are managed by the Department of Natural Resources, except that the Department of Fish and Game is responsible for managing fish and game resources after consulting with the Department of Natural Resources. In developing its management plans for each marine park unit, the Department of Natural Resources is directed by AS 41.21.302 to consult with the Department of Fish and Game, nearby municipalities and land owners, the United States Forest Service, and other organizations. The statute specifies that fishing, hunting, or trapping authorized by the Board of Fisheries and the Board of Game may not be otherwise restricted by the Department of Natural Resources in the marine park units, and that aquaculture facilities are allowed within those units under terms ensuring compatibility with the purpose of the marine park system. Further, AS 41.21.302 provides for access through the marine park units to nearby land.

cc
HB60

This addition would provide the benefits of the marine park system to several more areas, in order to promote, among other things, tourism and recreation, as did the 1986 addition of seven new units to the 12 originally included by the legislature in 1983. I urge your prompt and favorable action on this measure.

Sincerely,



Steve Cowper
Governor

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: HB 60
 PUBLISH DATE: HOUSE 1/9/89

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: Marine Parks
 Sponsor: Rules Committee
 Requestor: Governor Cowper

Agency Affected: Natural Resources
 BRU: Park Management
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	-0-	12.0	12.0	12.0	12.0	12.0
TRAVEL	-0-					
CONTRACTUAL	-0-	2.0	2.0	2.0	2.0	2.0
SUPPLIES	-0-	3.0	3.0	3.0	3.0	3.0
EQUIPMENT	-0-	19.5	-0-	-0-		
LAND & STRUCTURES	-0-					
GRANTS, CLAIMS	-0-					
MISCELLANEOUS	-0-					
TOTAL OPERATING	-0-	36.5	17.0	17.0	17.0	17.0
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	36.5	17.0	17.0	17.0	17.0
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	36.5	17.0	17.0	17.0	17.0

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

- 100-- extend current ranger positions by a total of 4 months
- 300-- boat storage, boat and plane charters
- 400-- safety and camping equipment purchases
- 500-- purchase of two boats

Prepared by: Neil Johannsen Phone: 465-2400
 Division: Division of Parks and Outdoor Recreation Date: 11/22/88

Approved by Commissioner: Judith M. Brubaker Date: 11/22/88
 Agency: Department of Natural Resources

- Distribution (by preparer):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: HB 60
PUBLISH DATE: HOUSE 1/9/89

cl

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act Relating to Marine
Parks
Sponsor: Rules Committee
Requestor: Governor

Agency Affected: Fish and Game
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

for Richard D. Reed
Prepared by: Frank Rue, Director
Division: Habitat

Phone: 465-4105
Date: 11/29/88

Approved by Commissioner: *[Signature]*
Agency: Department of Fish and Game

Date: 11/30/88

- Distribution (by preparer):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)

NEWSLETTER



SUMMARY OF CHANGES TO PROPOSED STATE LAND SELECTIONS IN CHUGACH AND TONGASS NATIONAL FORESTS

This newsletter is a summary of changes made to the proposed state land selections from Tongass and Chugach National Forests as a result of public and agency review during 1988. Also, one new area in Chugach National Forest and six new areas in Tongass National Forest are evaluated that were proposed for selection during the public comment period. An additional public comment period is provided for these new areas. These new selections and changes to existing selections will be incorporated in the final report which will be distributed in April.

The state has until January 3, 1994 to select all of its statehood land entitlement. The Department of Natural Resources (DNR) has been working on selecting its remaining entitlement from the national forests for the past year. In the fall of 1987, DNR asked for nominations from communities, interest groups, agencies and the public on land to consider for selection. A team composed of representatives from state agencies and the US Forest Service reviewed all selection nominations and prepared a draft selection proposal that went out to the public for comments in June 1988.

The National Forest selection project team held meetings in communities throughout the national forests in June, July and August, 1988 to gather public comments on ap-

proximately 162,000 acres proposed for state selection from Tongass and Chugach National Forests. Written comments on the proposed selections were received until August 31, 1988. The team then met to decide on the selection package to submit to the Forest Service which is summarized in this newsletter. The state intends to file these land selections with the US Forest Service and the Bureau of Land Management this spring. After selections are filed, it can take many years to actually transfer the land to state ownership.

Priority A selections include land that the state or communities have an immediate planned use for, land for community expansion, or areas where the selection purpose could not be achieved under federal management. Priority B selections include areas that may be important for future land management needs. Priority C selections include land that would only provide moderate public benefits or to consolidate state land ownership.

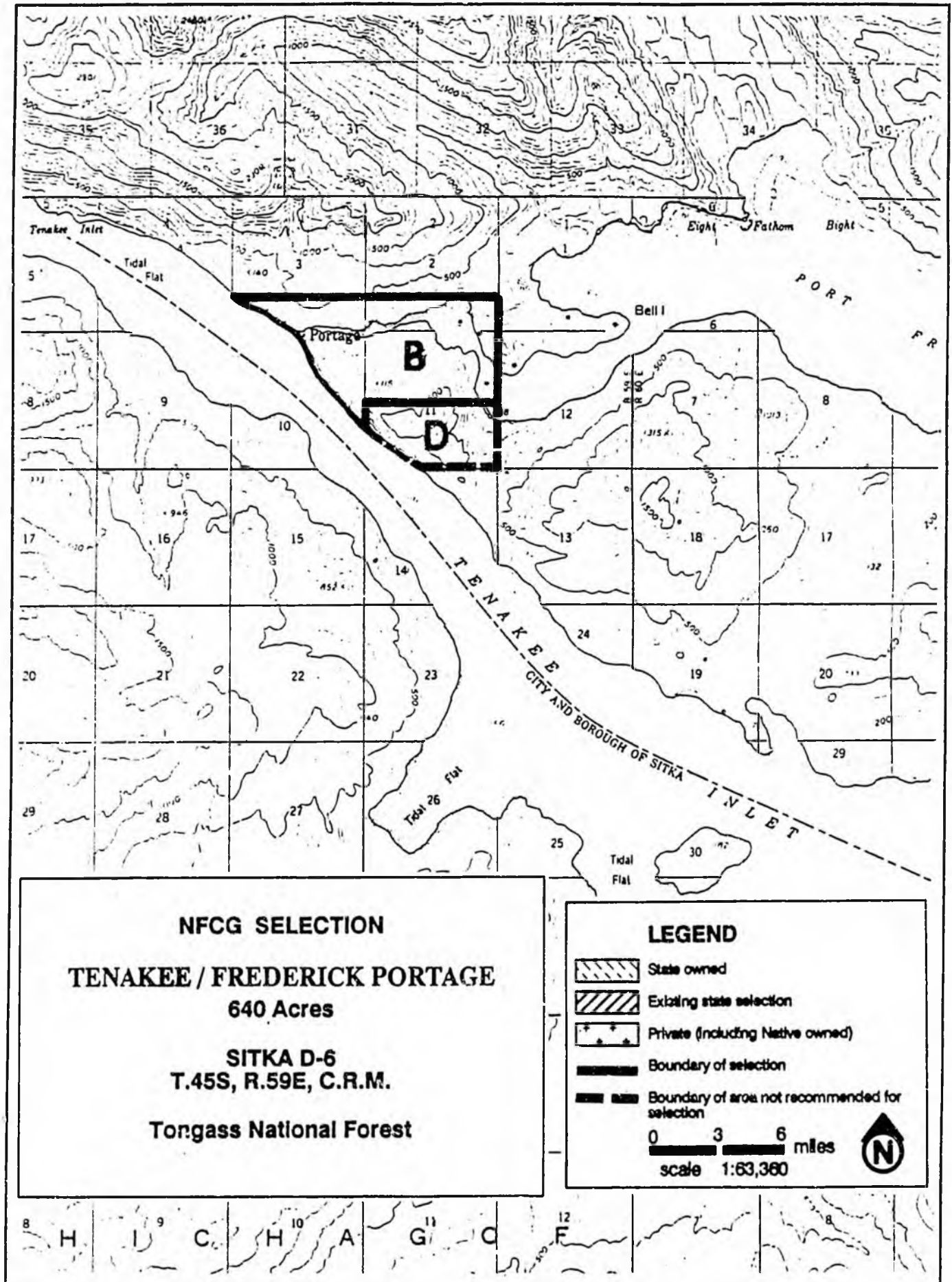
ADDITIONAL COMMENT PERIOD FOR NEW AREAS PROPOSED FOR SELECTION

The following areas were proposed for selection during the public review period. These have not yet received

public comment. If you wish to comment on these selections, send your comments to Kathy Means, Resource Allocation Section, Department of Natural Resources, P.O. Box 107005, Anchorage, AK 99510-7005 by March 3, 1989. If you have questions contact Nan Musslewhite in Juneau at 465-3400 or Kathy Means in Anchorage at 762-2666. See the accompanying maps.

New Area Proposed for Selection in Chugach National Forest

Bear Valley, 320 acres. This parcel was proposed by the Municipality of Anchorage for community expansion for development of transportation, tourism and recreation. Bear Valley is located on the north end of Portage Lake between Whittier and Portage. The selection area covers an area approximately 1/4 mile on either side of the Alaska Railroad tracks which traverse the southern portion of Bear Valley. Because of the limited amount of developable land in Whittier, this area may be appropriate for future development and to accommodate increasing recreational activity in the Prince William Sound area. The area is a priority C because of uncertain potential due to high winds. The boundary may be revised pending a field exam.



NFCG SELECTION
TENAKEE / FREDERICK PORTAGE
 640 Acres
SITKA D-6
 T.45S, R.59E, C.R.M.
Tongass National Forest

LEGEND

- State owned
- Existing state selection
- Private (including Native owned)
- Boundary of selection
- Boundary of area not recommended for selection

0 3 6 miles
 scale 1:63,360

8 H 9 C 10 H A 11 G C 12 F

CORRECTION

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

NEWSLETTER



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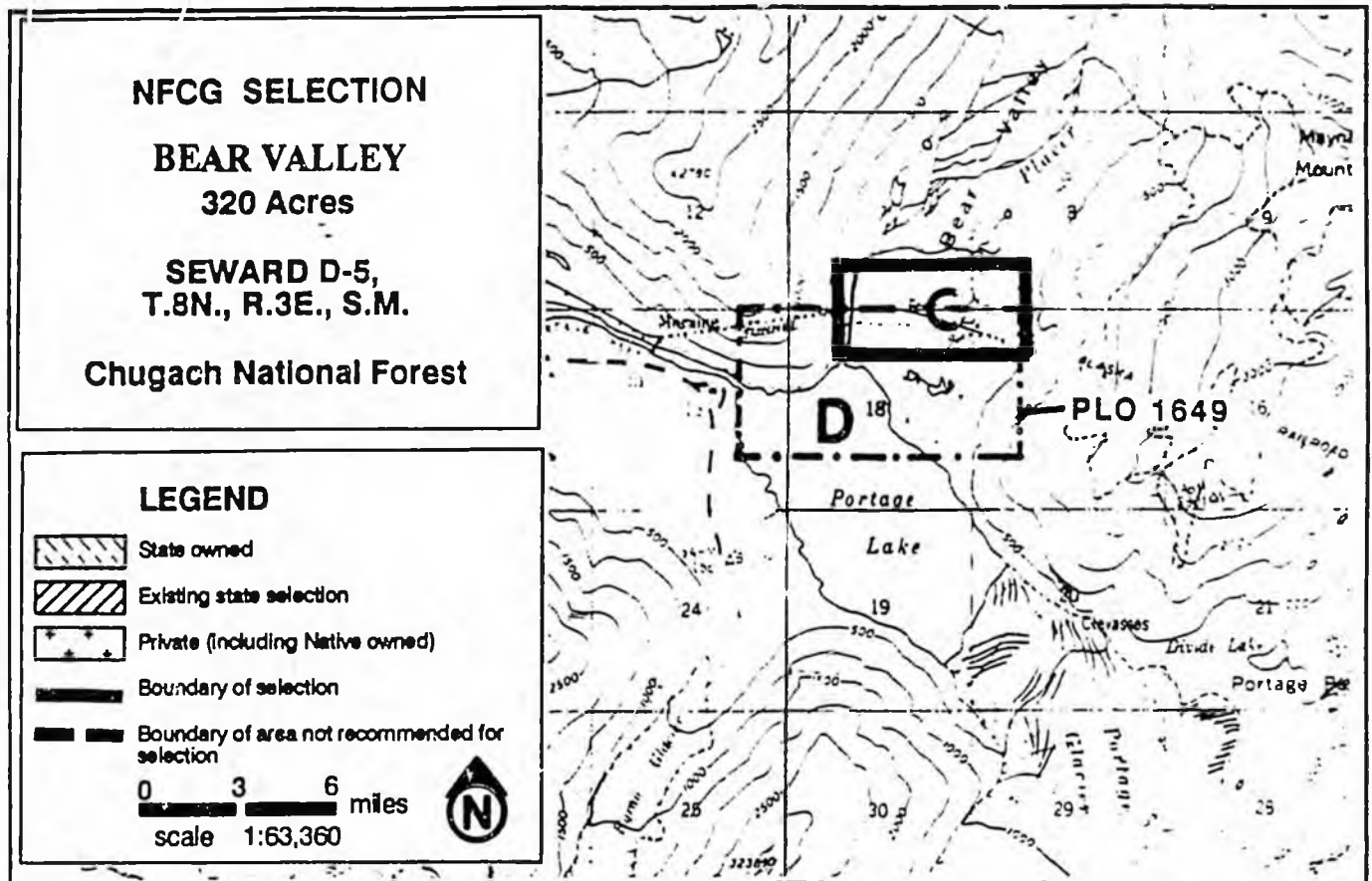
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New Areas Proposed For Selection in Tongass National Forest

✓ **Tenakee/Frederick Portage, 640 acres.** Selection for community recreation and marine park. Encompasses a popular site for portaging small boats between Tenakee Inlet and Frederick Sound. Priority B for existing recreation use and strategic location.

✓ **Tenakee Inlet-Goose Flats, 1192 acres.** Selection for public recreation and marine park. The area was reduced to avoid logging areas. Priority B for use by kayakers and other recreational use.

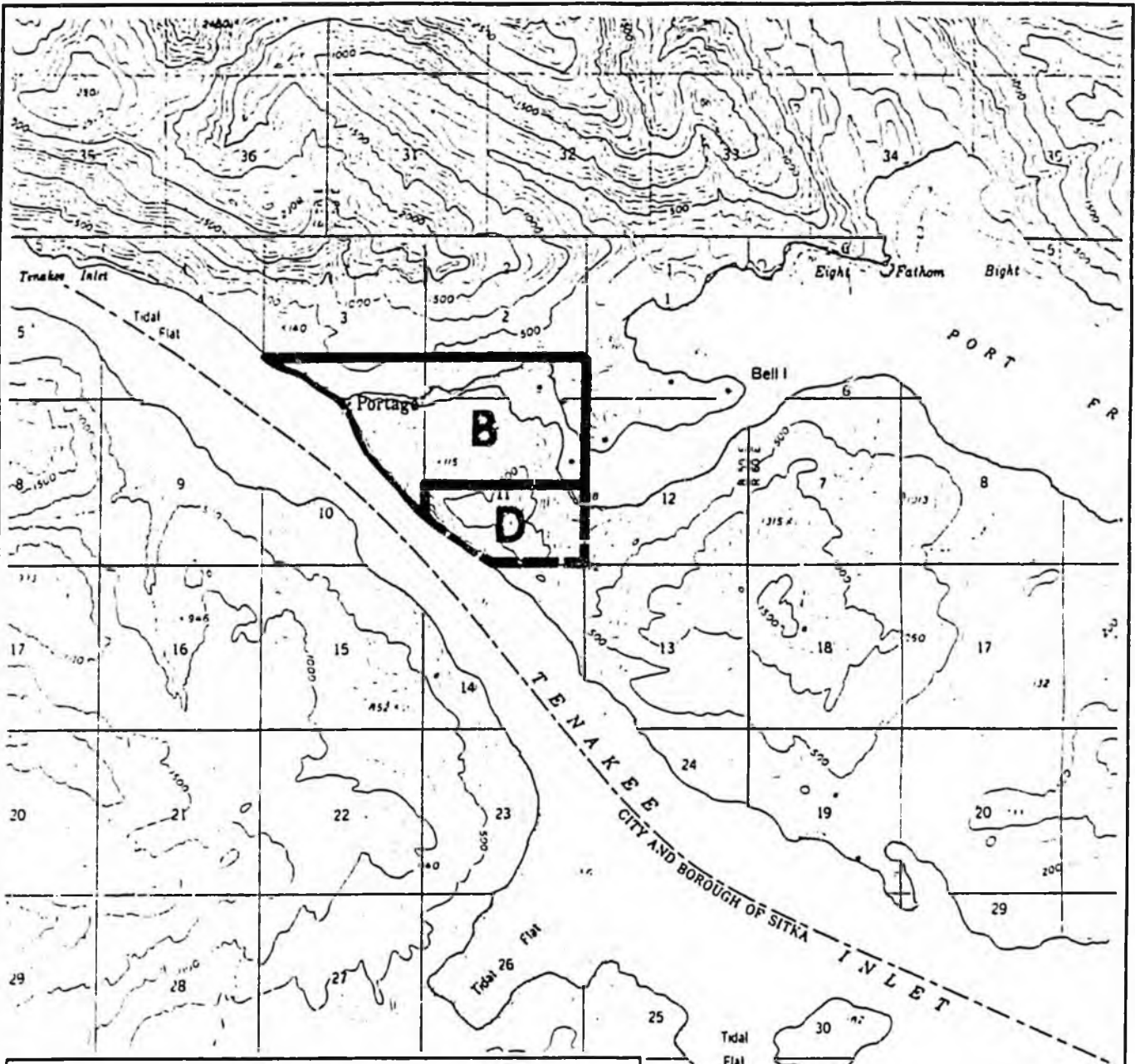
Crystal Lake, 610 acres. Located off the Mitkof Highway south of Petersburg. Selection for operation and possible expansion of the Crystal Lake hydroelectric project. Encompasses Crystal Lake and an aqueduct to the power house. Priority A for

state ownership and control of the hydroelectric project and to avoid significant federal land use fees in the future.

✓ **Lynn Sisters, 1330 acres.** Selection for a state marine park for use by persons travelling in small boats between St. James Bay and Swanson Harbor. Includes a wide, steep walled valley adjacent to two small islands (Lynn Sisters) on the west side of Lynn Canal. Priority B due to land quality, strategic location and recreation potential.

Lake Dorothy, 3200 acres. Located on the east side of Taku Inlet, this selection is for future hydroelectric purposes. With increased demand forecasted due mainly to mining activity, the Lake Dorothy project is Juneau's best option and most cost-effective for future hydroelectric needs. Priority B because of long term potential. The project would tie into the Snettisham transmission line in Taku Inlet.

New Petersburg Training Range, 1000 acres. This area is a new site for the Alaska National Guard training range since there was significant public opposition to the original site adjacent to the existing local rifle range at mile 12. The new site is located at about mile 21 of the Mitkof Highway, off of a Forest Service road along Blind Slough and away from residential development. A campground is located nearby but would not be open during the times the target range would be used. Because of the steep mountains around the site, noise and safety from the operation would not be a major problem. Priority A. See below for discussion of the existing rifle range.

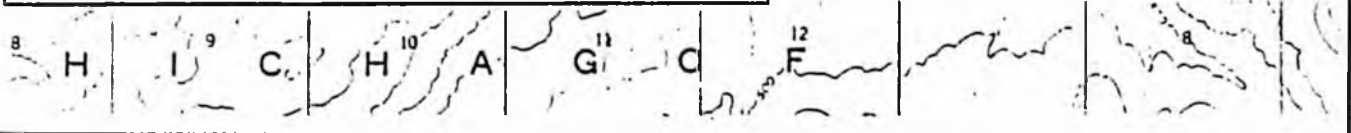


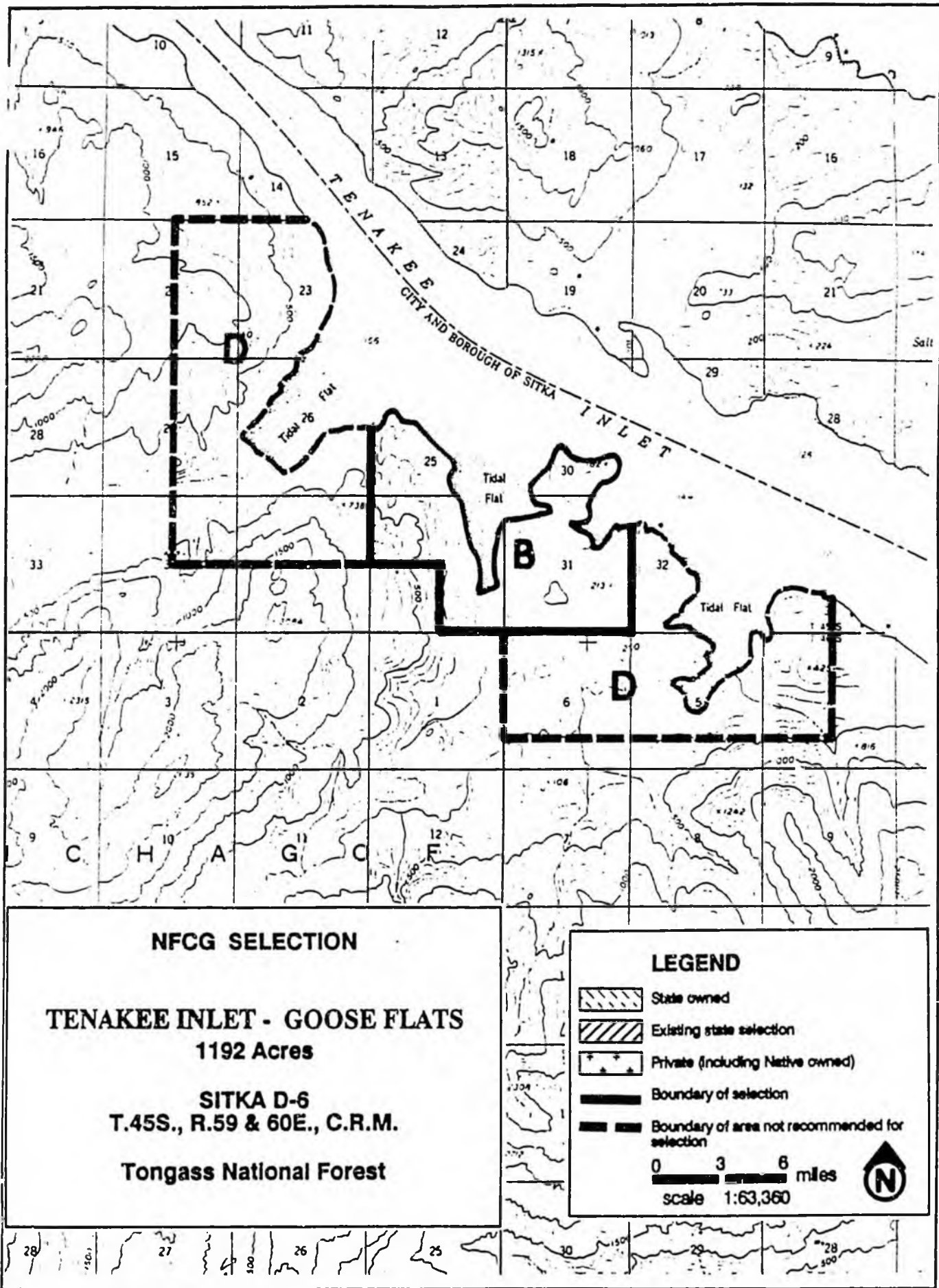
NFCG SELECTION
TENAKEE / FREDERICK PORTAGE
640 Acres
SITKA D-6
T.45S, R.59E, C.R.M.
Tongass National Forest

LEGEND

- State owned
- Existing state selection
- Private (including Native owned)
- Boundary of selection
- Boundary of area not recommended for selection

0 3 6 miles
 scale 1:63,360





NFCG SELECTION





TENAKEE INLET - GOOSE FLATS

1192 Acres

SITKA D-6
T.45S., R.59 & 60E., C.R.M.

Tongass National Forest

LEGEND

-  State owned
 -  Existing state selection
 -  Private (including Native owned)
 -  Boundary of selection
 -  Boundary of area not recommended for selection
- 0 3 6 miles
scale 1:63,360
- 

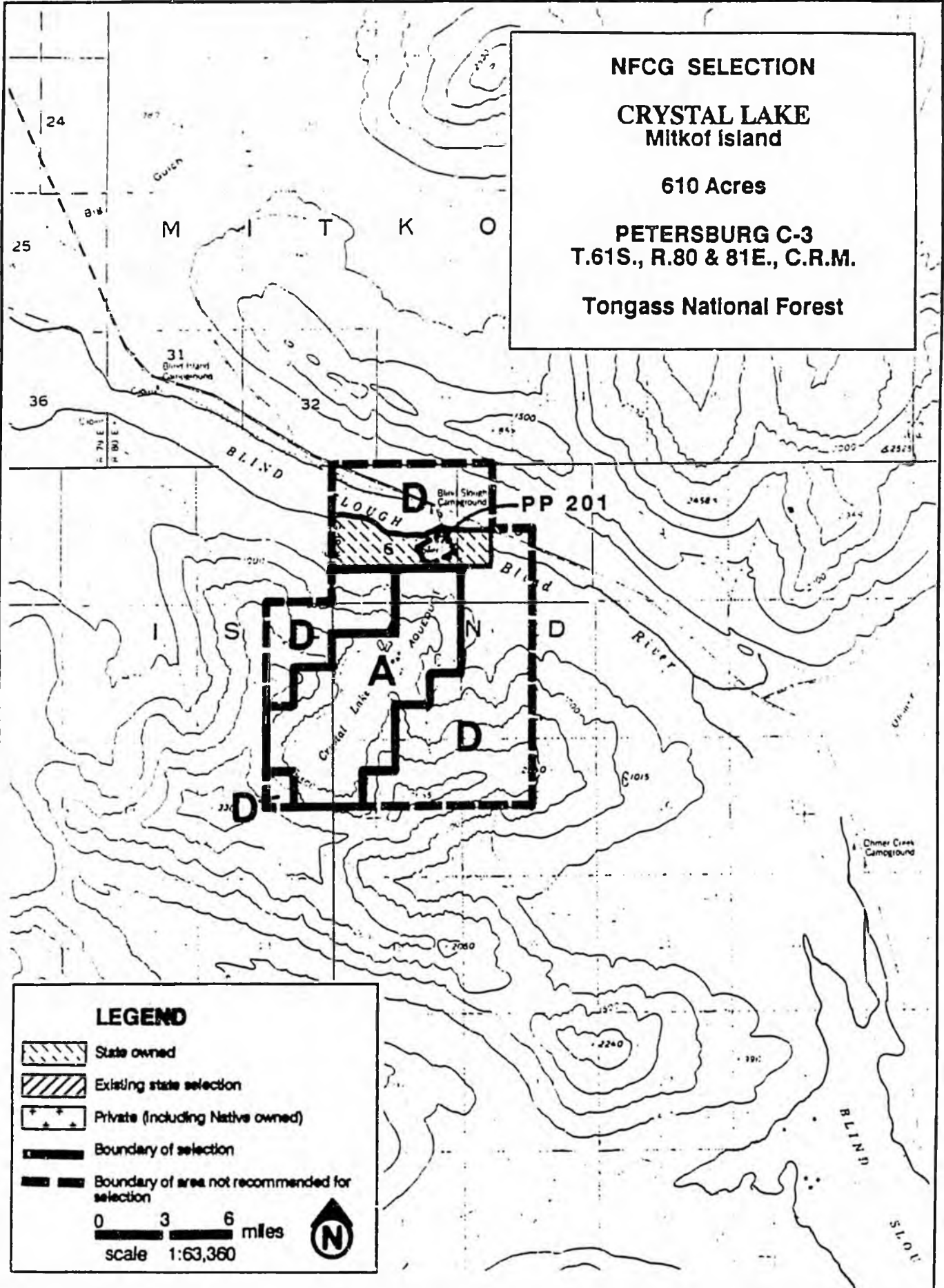
NFCG SELECTION

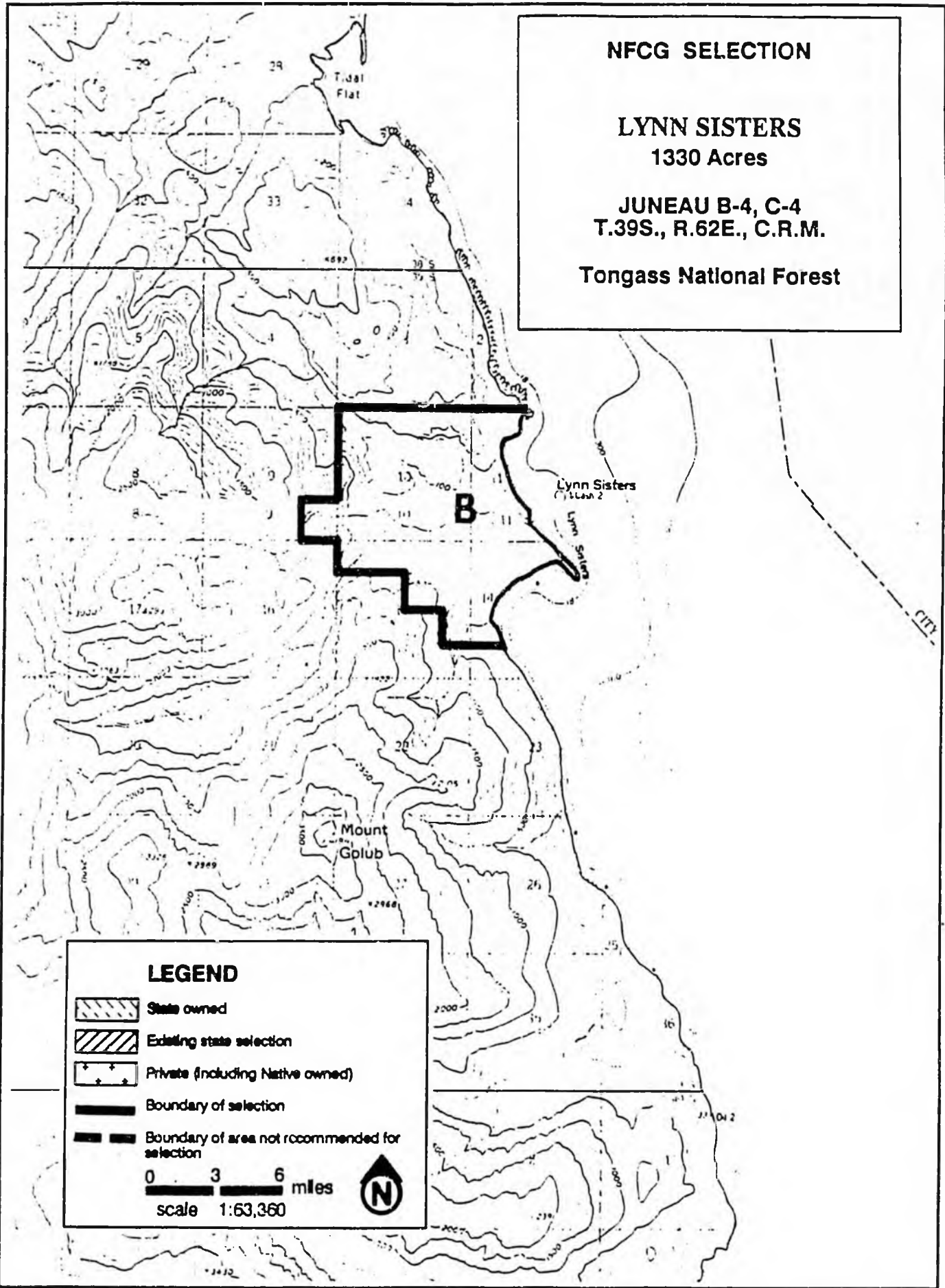
**CRYSTAL LAKE
Mitkof Island**

610 Acres

**PETERSBURG C-3
T.61S., R.80 & 81E., C.R.M.**

Tongass National Forest










NFCG SELECTION

LYNN SISTERS
1330 Acres


JUNEAU B-4, C-4
T.39S., R.62E., C.R.M.

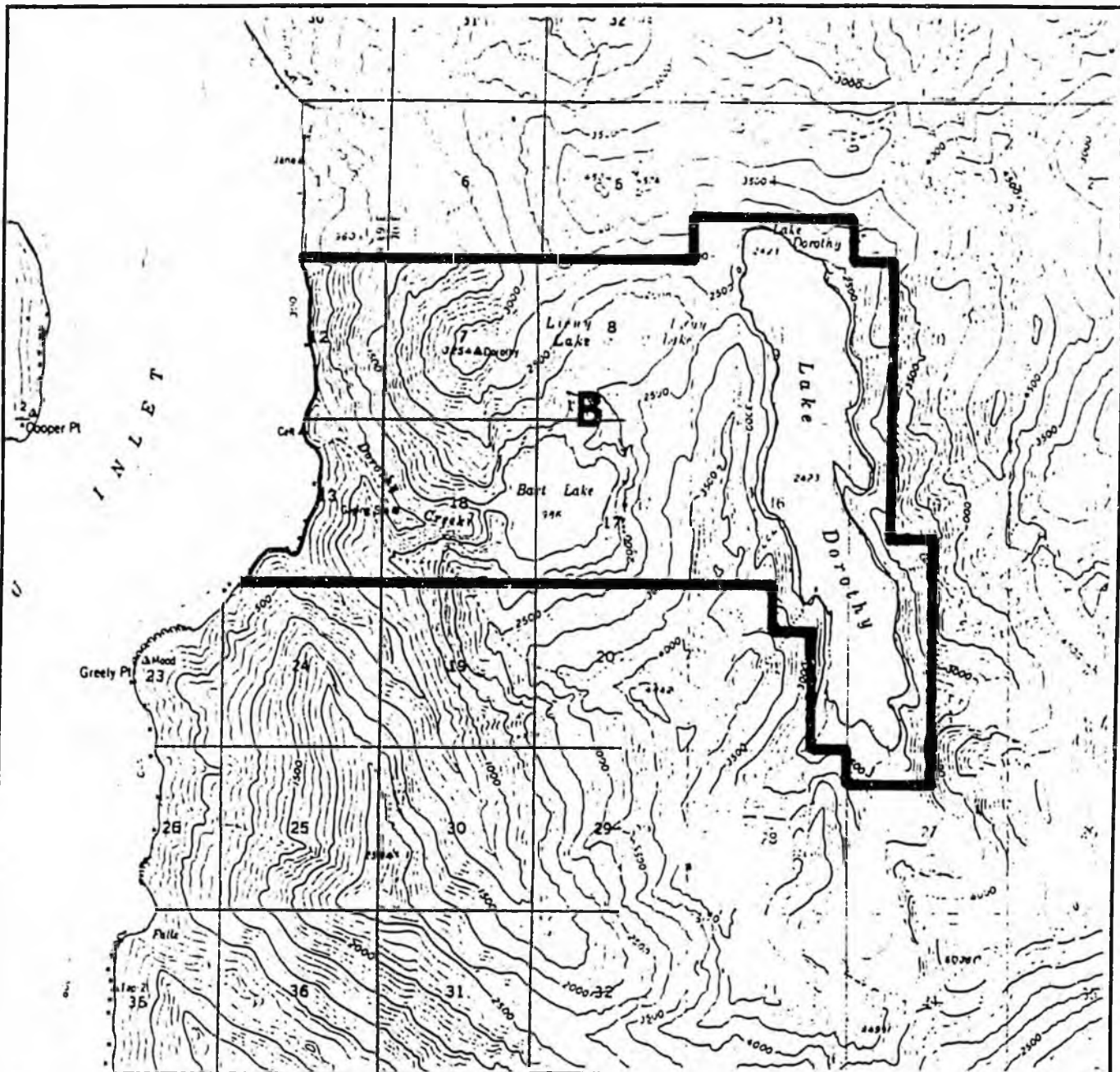
Tongass National Forest

LEGEND






-  State owned
-  Existing state selection
-  Private (including Native owned)
-  Boundary of selection
-  Boundary of area not recommended for selection


0 3 6 miles
scale 1:63,360





LEGEND

-  State owned
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-  Boundary of selection
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0 3 6 miles 

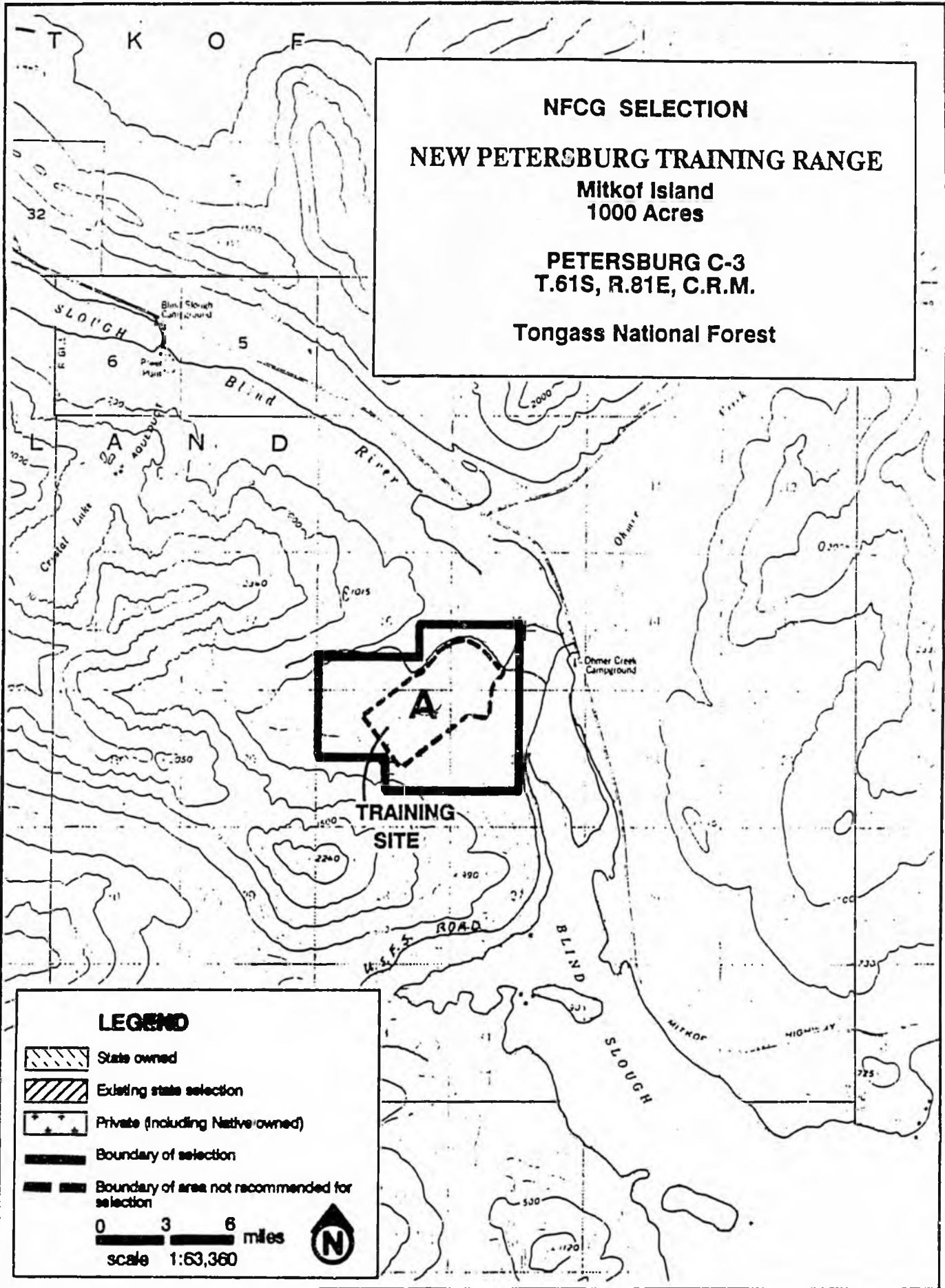
scale 1:63,360

NFCG SELECTION

LAKE DOROTHY
3200 Acres

JUNEAU A-1, TAKU RIVER A-6, B-6
T.42S., R.69 & 70E., C.R.M.

Tongass National Forest



NFCG SELECTION
NEW PETERSBURG TRAINING RANGE
 Mitkof Island
 1000 Acres

PETERSBURG C-3
T.61S, R.81E, C.R.M.

Tongass National Forest

LEGEND

- State owned
- Existing state selection
- Private (including Native owned)
- Boundary of selection
- Boundary of area not recommended for selection

0 3 6
 miles
 scale 1:63,360

SELECTIONS IN CHUGACH NATIONAL FOREST

Changes to Specific Selections

Crow Pass, 10,800 acres. The selection at Crow Pass remains basically the same with the change of 40 acres along Crow Creek Road to priority A (7600 acres) to maintain a consistent elevation break between the A and C priority areas.

Glacier Creek/Winner Creek, 4650 acres. The entire area proposed for selection is upgraded to A priority. Portions of the northern and western portion of the selection area were deleted due to critical goat habitat. Additions were made to the northeast and southeast side to include entire ski slopes for better management.

Mount Alyeska, 2700 acres. The entire selection area is upgraded to A priority. The state will not take title to the Seibu permit area until management concerns are worked out.

Ingram Creek, 1935 acres. The B priority area is expanded to the west to include more of the Seward Highway. The southern boundary of the addition stops at Ingram Creek.

Seattle Creek, 9535 acres. This selection is divided into two priorities. Priority B is the Seattle Creek valley, and the remaining steeper areas within the nomination are C priority. Seattle Creek would be a good base area for future recreation development in conjunction with development at Ingram Creek.

Grandview, 640 acres. This area was reduced to 640 acres immediately surrounding Grandview due to wildlife concerns. This reduced area is priority A for future development of recreational facilities. The selection will be further reduced to approximately 160 acres pending a field inspection.

Trail Lakes Addition, 1745 acres. This area is adjacent to state owned

land. This selection area is expanded to the west by 160 acres as an A priority to include some fairly gentle sloping land. In addition, the area to the north and west of the Johnson Pass Trail and the Alaska Railroad is upgraded to A priority. The remaining portion of the selection area is C priority.

Hope Highway Jct. Addition, 2320 acres. Most of the area to the east of Sixmile Creek and portions in the south and west of this selection were dropped due to habitat concerns, steep topography and mining claim conflicts. The area remaining is B priority.

Hope Additions - This selection area was reduced in size due to local opposition to state selection and mining claim conflicts. Three separate smaller areas remain which are adjacent to state owned land. The A priority area west of Resurrection Creek was dropped and the A priority area northeast of Hope along the Hope Highway was reduced by half. The area west of Palmer Creek Road was reduced and lowered to C priority. These areas were considered best for future community expansion.

Manitoba Mountain/Saxton, 3400 acres. The northwest portion of this selection is expanded as a B priority to include more of the Seward Highway corridor. Portions of the eastern side of the area are deleted to exclude steep topography. The entire remaining selection area is changed to B priority.

Summit Lake/Colorado Creek, 880 acres. The A priority area within this selection is enlarged by 20 acres to include all of the Seward Highway corridor. A USFS campground (Tenderfoot Campground) on Summit Lake will be excluded from the selection.

Juneau Creek/Bean Creek, 2140 acres. The northern portions of both parcels of this selection were deleted due to wildlife habitat and public recreation concerns. The remainder of the selection area is A priority.

Kenai River/Kenai River Special Management Area (KRSMA), 952 acres. The portion of this selection south of the Cooper Lake road was dropped because of steep topography, public recreation and wildlife habitat concerns. The priority for the remaining area was elevated to A.

Kenai Lake/KRSMA/Snug Harbor Road Addition/Cooper Lake, 3980 acres. The portion of this selection south of the Cooper Lake road was dropped due to wildlife habitat concerns and Cooper Lake trail management consistency. Porcupine Island was dropped because USFS management was considered adequate. The remaining area is A priority.

Rocky Creek (Boulder Creek)/KRSMA, 191 acres. A small parcel at the north end of Lakeview (northwest of the railroad tracks) was added to the selection as an A priority.

The following area will be selected without any change from the original proposal.

Quartz Creek Addition, 960 acres. Priority B.

The following two new selections were endorsed by the Moose Pass community during public review and supported by the Kenai Peninsula Borough.

Bishop's Ridge, 320 acres. This parcel was recommended by the Kenai Peninsula Borough for a proposed winter sports area. A portion of the area was in the Grant Lake nomination for selection. It is located north of Grant Lake and east of Moose Pass and is adjacent to state owned land. The elevation within the area ranges from 1000 to 2500 feet. It currently has recreational use and good snow conditions making it suitable for selection. This area is priority A for community recreation and possible borough selection.

Schlter Creek Addition, 1230 acres. This area was also recommended by the Kenai Peninsula Borough for community development. The parcel is located on the north shore of Kenai Lake and is accessed by a

USFS campground road off of the Seward Highway from Crown Point. Topography within the parcel is rolling with elevations ranging from 500 to 1500 feet. A portion of the area along Kenai Lake was originally nominated as part of the KRSMA. This area is priority A because of land quality, accessibility and suitability for community recreation and development.

New Areas Not Recommended For Selection

The following areas also proposed for selection during the public review process were reviewed but rejected as unsuitable for state ownership.

Crescent Lake/Carter Lake Trail Addition. On the south end of Carter Lake, for community recreation and public cabin site. USFS management can meet the same objectives.

Twentymile River. About 1 1/2 miles from the mouth at the south end of Turnagain Arm near Portage up to Twentymile Glacier. Not suitable for development.

Areas Not Selected Following Public Comment

The following areas will not be selected because of public opposition, wildlife habitat concerns or the land was not suitable for the selection purpose.

Tincan Mountain/Turnagain Pass. USFS management will meet the same objectives.

Bench Creek. This area is not suitable for community development and there are conflicts with wildlife habitat values.

Sunrise Addition. There was public opposition to linear development along the Hope Highway.

Grant Lake. This area is not suitable for hydroelectric development. Part of the selection on the north end of the lake was included in the new Bishop's Ridge selection.

Other Areas Not Selected

The remaining areas which were not initially recommended for selection did not receive any public comment to change the recommendations. These areas will not be selected.

Johnson Pass Trail Corridor
Alaska Railroad Corridor
Turnagain Arm Corridor
Resurrection Pass Trail Corridor
Resurrection River Corridor

SELECTIONS IN TONGASS NATIONAL FOREST

Changes to Specific Selections

The following selection boundaries have been modified or the priority changed in response to public and agency comments.

Judd Harbor/Kelp Island, 2000 acres. Land on the north end of the selection on Kelp Is. was added for better land management. Priority B.

Swan Lake Hydroelectric, 1150 acres. The selection will include only the land within the license for the power project. The priority was changed from B to A.

Spacious Bay, 2405 acres. The southern portion of the selection at Snail Point was dropped to exclude a timber transfer site and provide a buffer area for the logging operations. Priority A.

Thoms Place Addition, 1770 acres. The higher elevations inland were shifted to the adjacent Thoms Creek selection and a portion of the Thoms Creek selection on the south was added to this selection as a B priority to include a USFS road. The area along the shoreline also remains a B priority.

Thoms Creek-Wrangell, 2480 acres. A portion of the higher elevation land in the adjacent Thoms Place Addition selection was moved to this selection as priority C.

Tyee Lake Hydroelectric, 1645 acres. Priority changed from B to A.

Woodpecker Cove, 2165 acres. The western half of the selection was dropped to avoid a long linear selection. Priority A.

Ideal Cove, 950 acres. The trailhead at the northwest tip of the selection will be excluded so the entire trail will be under Forest Service management. Priority A.

Petersburg Target Range, 80 acres. The permit area for the existing local rifle range will be selected if the City of Petersburg agrees to take ownership of the range. The adjacent area originally proposed for the National Guard training area will not be selected.

Petersburg Reservoir, 400 acres. A parcel adjacent to the selection and to the East Ravens Roost selection was added for better land management. Priority A.

No Name Bay-Kuiu Island, 3300 acres. This area was chosen over the other two areas on eastern Kuiu Island for selection. The area was reduced on the eastern portion of the bay to avoid a timber transfer site and eliminate exposed areas. Priority A. Threemile Arm and Port Camden will not be selected.

Take-Hamilton Island, 470 acres. The priority for this selection was dropped from A to C to wait until the Native corporation selections are decided and because of habitat concerns about access to the area across the tidflats.

Lisianski Peninsula-Katlina, 2680 acres. The eastern portion of Lisianski Peninsula along Katlina Bay was added to Priority A in response to public support. The proposed road corridor along Katlina Bay was not included because state ownership would not expedite road construction.

Magoun Islands, 1250 acres. Additional land around Port Krestof was added to the selection as proposed at the Sitka public meeting. Priority A.

Big Bear/Baby Bear Bay, 1262 acres. The selection was expanded north along Peril Strait as proposed at the Sitka public meeting. Priority A.

Elfin Cove, 24.5 acres. The selection will include only the small parcels that were specifically recommended for selection by the community of Elfin Cove. Priority A.

Eaglecrest Addition, 400 acres, Priority A. The area along Fish Creek was dropped in response to public opposition to selection for community expansion or recreation and interest in maintaining Forest Service management. The area around Saddle Mountain will be expanded to include Table Mountain and upgraded to Priority A.

Remainder of Douglas Island (E 1/2 Section 20), 320 acres. The priority for this selection was upgraded to B because of support for the selection. The selection is to consolidate state ownership of developable land in the area.

Shelter Island Additions, 3518 acres. The priority was changed from B to C. The best land for recreation and development has already been selected on Shelter Island. The state will take the rest of the island for consolidation of state ownership if there are additional acres needed to meet the entitlement.

Swanson Harbor Addition, 3550 acres. Land to the north along the shoreline and the small islands were added to the selection the recommendation of the Juneau Area State Parks Advisory Board. Priority B.

The following areas will be selected without any changes from the original proposals.

Silvis Lakes, 635 acres, Priority C.
Virgin Bay, 440 acres, Priority B.
Hyder-Fish Creek, 160 acres, Priority B.

Wrangell-Eastern Passage, 3565 acres, Priority A.

Bradfield Canal, 4090 acres, Priority A. The boundary may be modified after port sites are determined.

West Wrangell Narrows, 660 acres, Priority A.

Falls Creek-Mitkof Island, 640 acres, Priority B.

East Ravens Roost, 1580 acres, Priority B.

Kupreanof-East Lindenberg, 600 acres, Priority A.

Sitkum Creek-Kake, 1400 acres, Priority A.

Indian River Addition-Sitka, 440 acres, Priority C.

Upper Starrigavan Valley, 465 acres, Priority C.

Hanus Bay, 1458 acres, Priority A. Since the state is selecting this area, the Lindenberg Harbor selection across Peril Strait will be dropped.

Snettisham Hydroelectric, 2666 acres, Priority A.

Funter Bay, 508 acres, Priority A.
Elevenmile Creek, 300 acres, Priority A.

Auke Cape-Lena Cove backland, 653 acres, Priority A.

Eagle River, 1111 acres, Priority A.
Coghlan and Portland Islands, 270 acres, Priority A.

Juneau Channel Islands, 3092 acres, Priority B.
Katzebin River, 515 acres, Priority B.

New Areas Not Recommended For Selection

The following areas also proposed for selection during the public review process were reviewed but rejected as unsuitable for state ownership.

Trap Bay. On the south shore of Tenakee Inlet near Chatham Strait, for recreation and marine park.

Port Beauclerc. On the southern end of Kuiu Island, for settlement.

Entrance Island. In Stephens Passage between Juneau and Petersburg at the entrance to Hobart Bay, for community expansion/recreation.

Rocky Pass. On Keku Strait between Kuiu and Kupreanof Islands, for recreation.

False Island. In Peril Strait just off Chichagof Island, across from Appleton Cove, as an alternative to other proposed selections in the area.

Sitkoh Bay/Chatham. Near the mouth of Peril Strait on Chatham

Strait, as an alternative to Hanus Bay or Lindenberg Harbor.
Shellkof Bay. On the west side of Kruzof Island north of Mt. Edgumbe.

Areas Not Selected Following Public Comment

The following areas will not be selected because there was significant public opposition, the land was not suitable, or another area was chosen in the general location instead.

Mosman Inlet/Cannery Point. This selection was dropped in its entirety after public review because of concerns about development in a remote area and mariculture/fishing conflicts.

Threemile Arm. This area on Kuiu Island was dropped after public comments in favor of selecting just one site, No Name Bay, on the southern end of Kuiu Island.

Port Camden. This area was also dropped by the planning team after it was decided to select No Name Bay on Kuiu Island.

Kake-Hamilton Creek. The National Guard is no longer interested in this site, rather they favor locating the National Guard training site near Petersburg.

Sukoi Inlet. This selection was dropped in its entirety in response to public opposition to settlement there.

Lindenberg Harbor. This area was dropped because Hanus Bay across Peril Strait was determined to be the better site for selection.

Whitestone Harbor. This selection was dropped in its entirety because of limited anchorage and potential management problems if developed for settlement or recreation.

East Mansfield Peninsula. This selection for future settlement was dropped because of public recreation interests.

Other Areas Not Selected

The remaining areas which were not initially recommended for selection did not receive public comment to change the recommendations. These areas will not be selected.

Whitman Lake.
Glacier Point/Soule River.
Hyder-West of Salmon River.
Woewodski Island.
Thomas Bay/Agassiz Peninsula.

Kell Bay.
Security Bay Addition.
Gunnuk Creek.
Robert Islands.
Pond Island-Kelp Bay.
Hidden Falls/Kasnyku Bay.
Mud Bay.
Appleton Cove.
Hawk Inlet.
Young Bay.
Cross Douglas Island Trail.
Berners Bay/Point St. Mary.

Alaska Department of Natural Resources
P.O. Box 107005
Anchorage, Ak 99510-7005

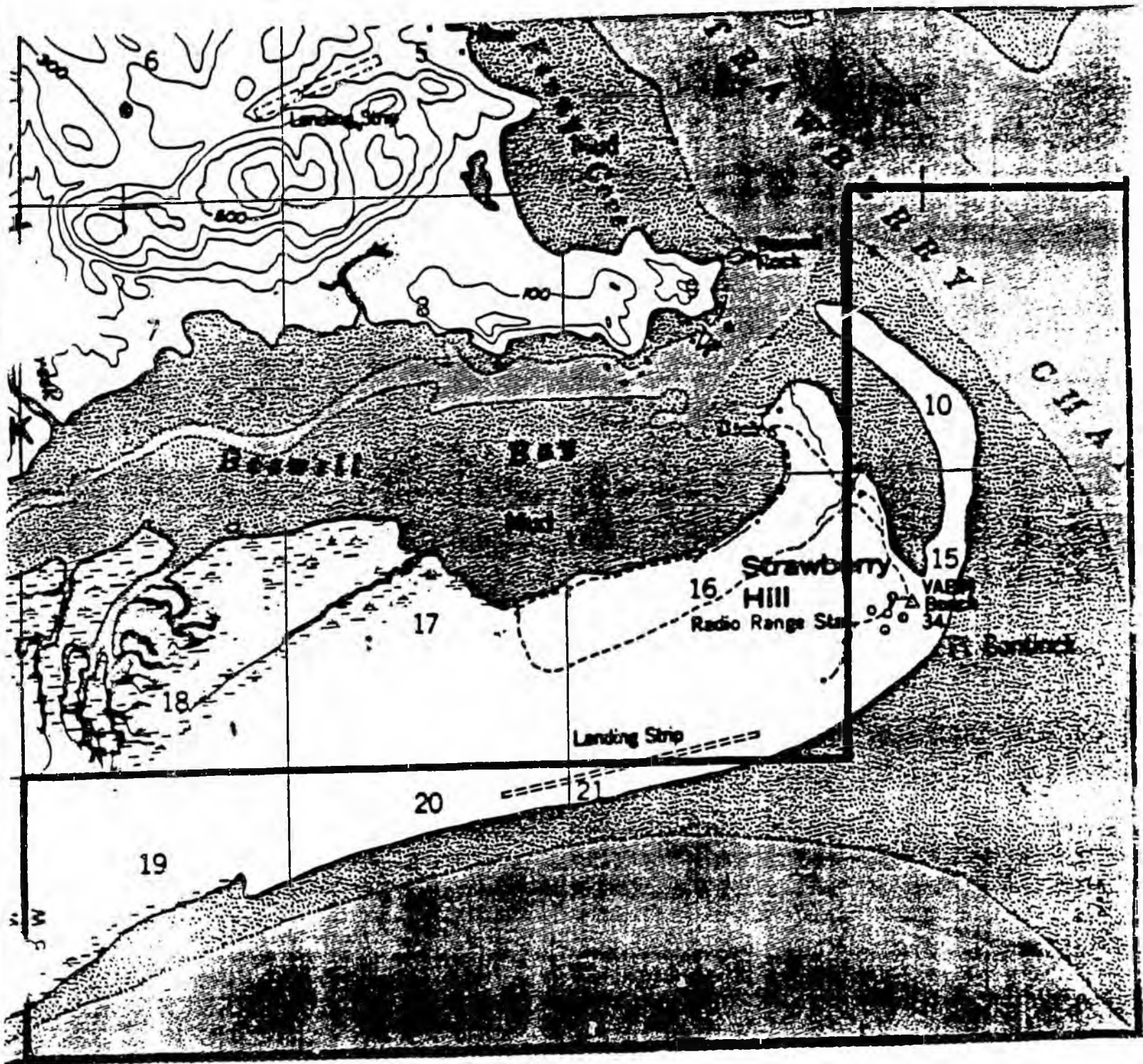
Bulk Rate
U.S. Postage Paid
Permit No. 9
Anchorage, Alaska



Alaska Department of
**NATURAL
RESOURCE**

LIST OF AREAS

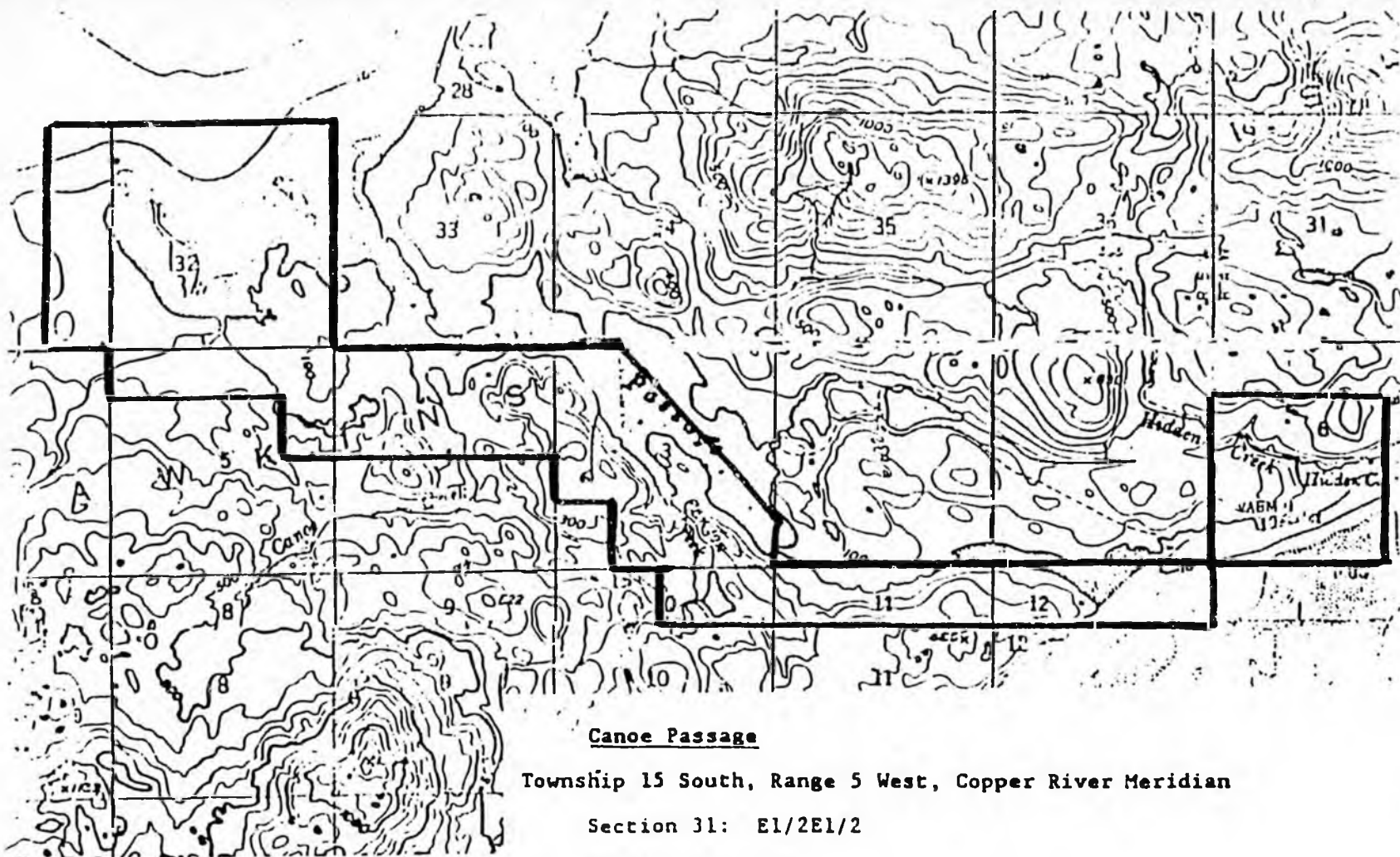
<u>Name</u>	<u>Acres</u>	<u>Map Page #</u>	<u>AS.41.21.304#</u>
Boswell Bay	799	6	20
Canoe Passage	2,735	7	21
Decision Point	460	8	22
Driftwood Bay	840	9	23
Entry Cove	370	10	24
Granite Bay	2,105	11	25
Kayak Island	1,437	12	26
Jack Bay	811	13	27
Safety Cove	660	14	28
Sandspit Point	600	15	29
Sunny Cove	300	16	30
Thumbs Cove	300	17	31



ROSWELL BAY BEACHES (Upland acreage = approximately 799 acres)

Township 17 South, Range 5 West, Copper River Meridian.

- Section 10: ALL excluding the Copper River Delta State Critical Habitat Area
- Section 15: ALL excluding the Copper River Delta State Critical Habitat Area
- Section 19: ALL
- Section 20: ALL
- Section 21: ALL
- Section 22: ALL



Canoe Passage

Township 15 South, Range 5 West, Copper River Meridian

Section 31: E1/2E1/2

Section 12: All

Township 16 South, Range 4 West, Copper River Meridian

Section 6: S1/2, S1/2N1/2

Township 16 South, Range 5 West, Copper River Meridian

Section 3: the land South and West of the mid-channel
of Canoe Passage

Section 4: N1/2

Section 5: N1/2N1/2, SE1/4NE1/4

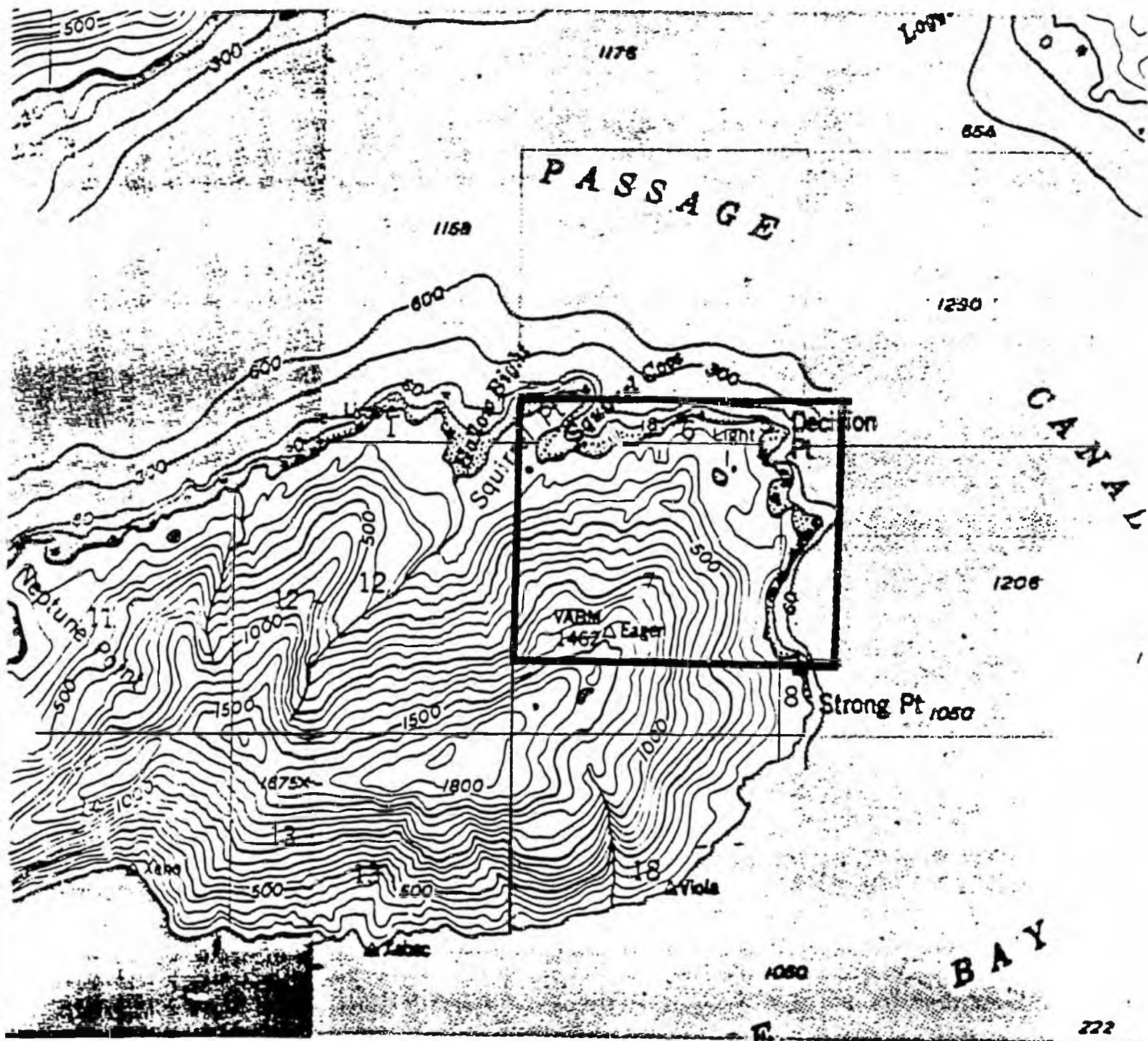
Section 10: N1/2NE1/4

Sections 11 -- 12: N1/2N1/2

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0 1 mile





DECISION POINT (Upland acreage = approximately 460 acres)

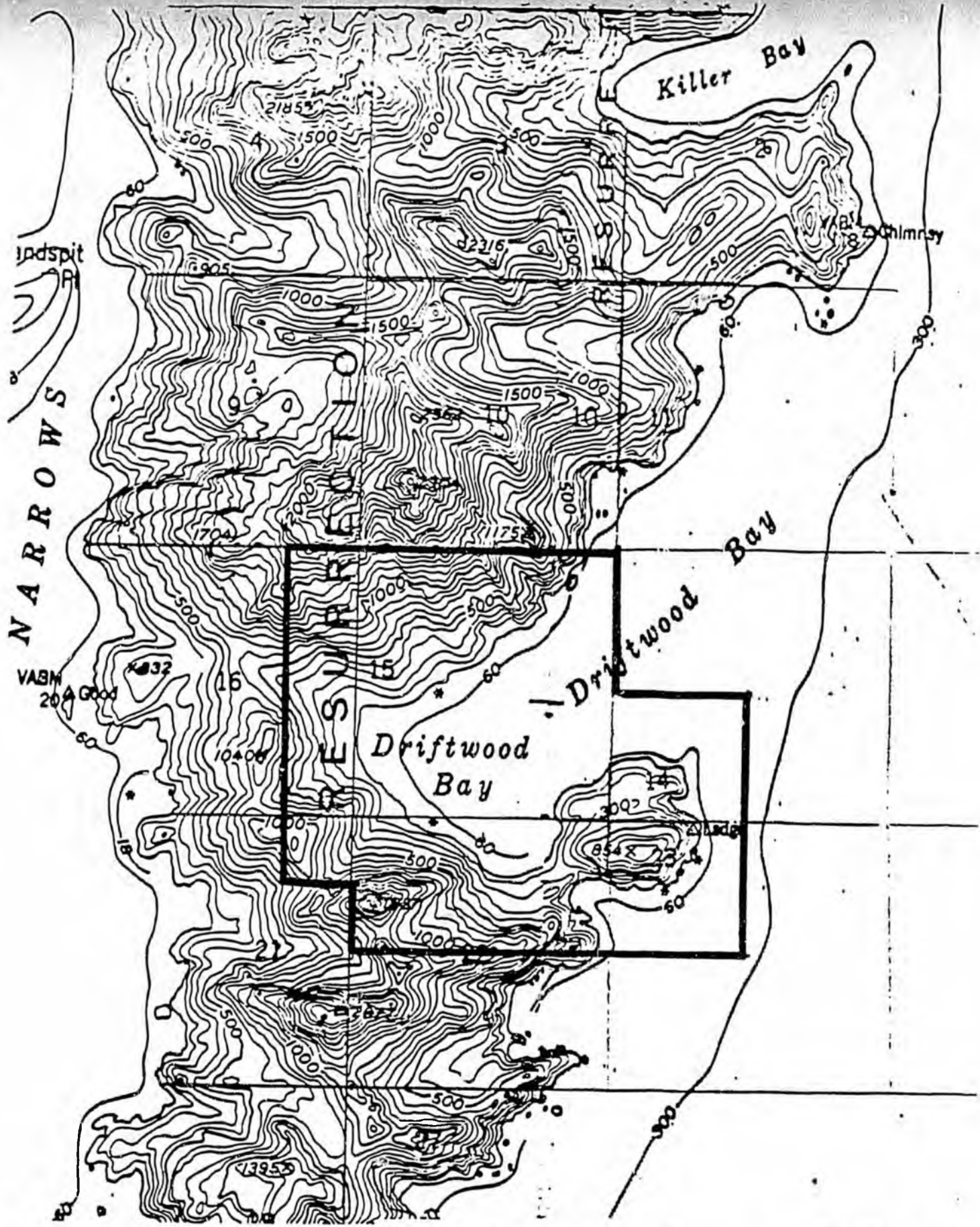
Township 8 North, Range 6 East, Seward Meridian

Section 5: SW1/4SW1/4

Section 6: S1/2S1/2

Section 7: N1/2, N1/2S1/2

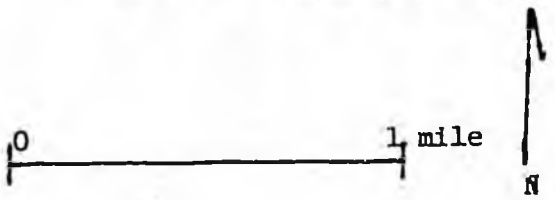
Section 8: W1/2NW1/4, NW1/4SW1/4



DRIFTWOOD BAY (Upland acreage = approximately 840 acres)

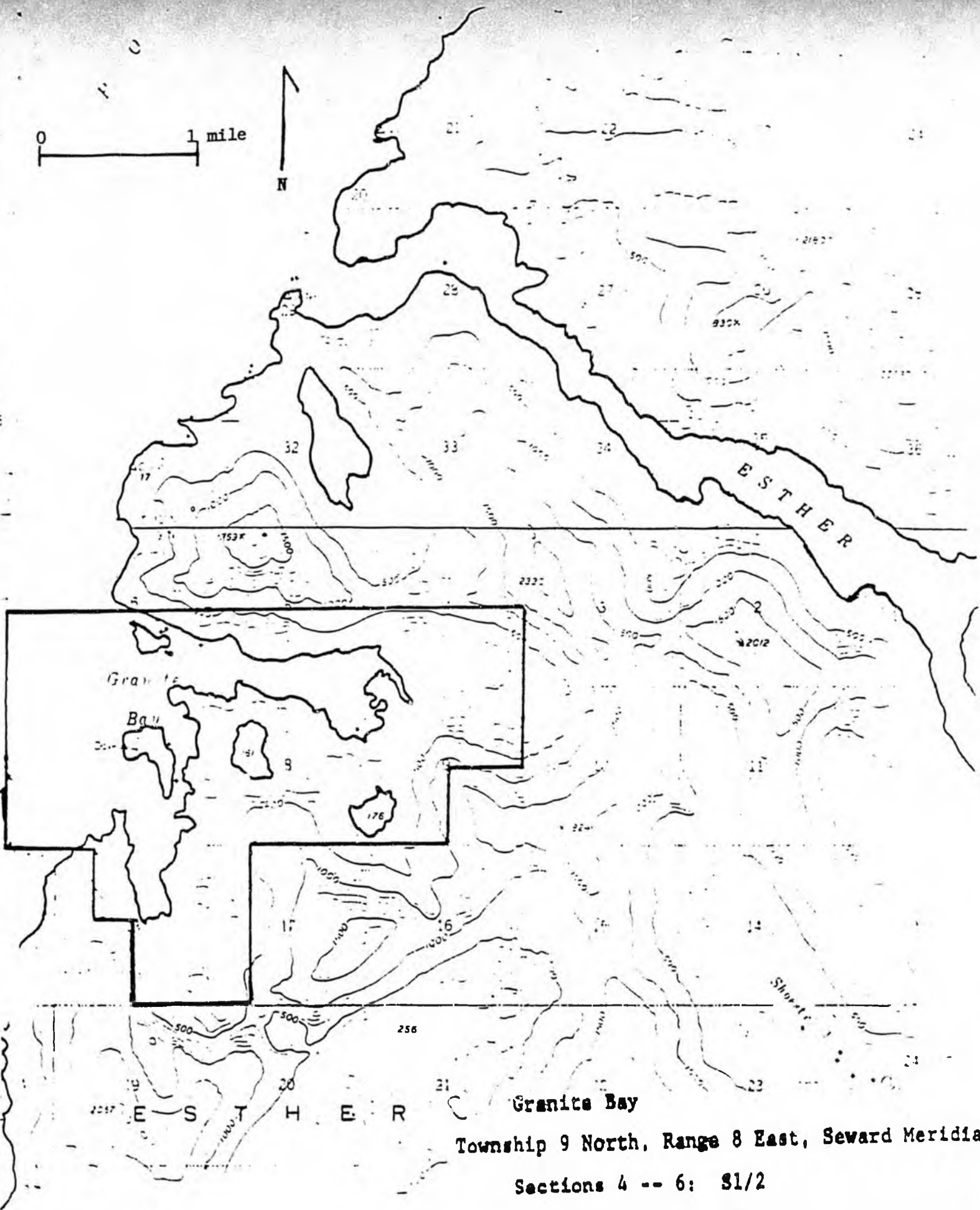
Township 3 South, Range 1 East, Seward Meridian

- Section 14: SW1/4
- Section 15: ALL
- Section 16: E1/2E1/2
- Section 21: NE1/4NE1/4
- Section 22: N1/2
- Section 23: NW1/4



0 1 mile

N



Granite Bay

ESTHER

ESTHER

Granite Bay

Township 9 North, Range 8 East, Seward Meridian

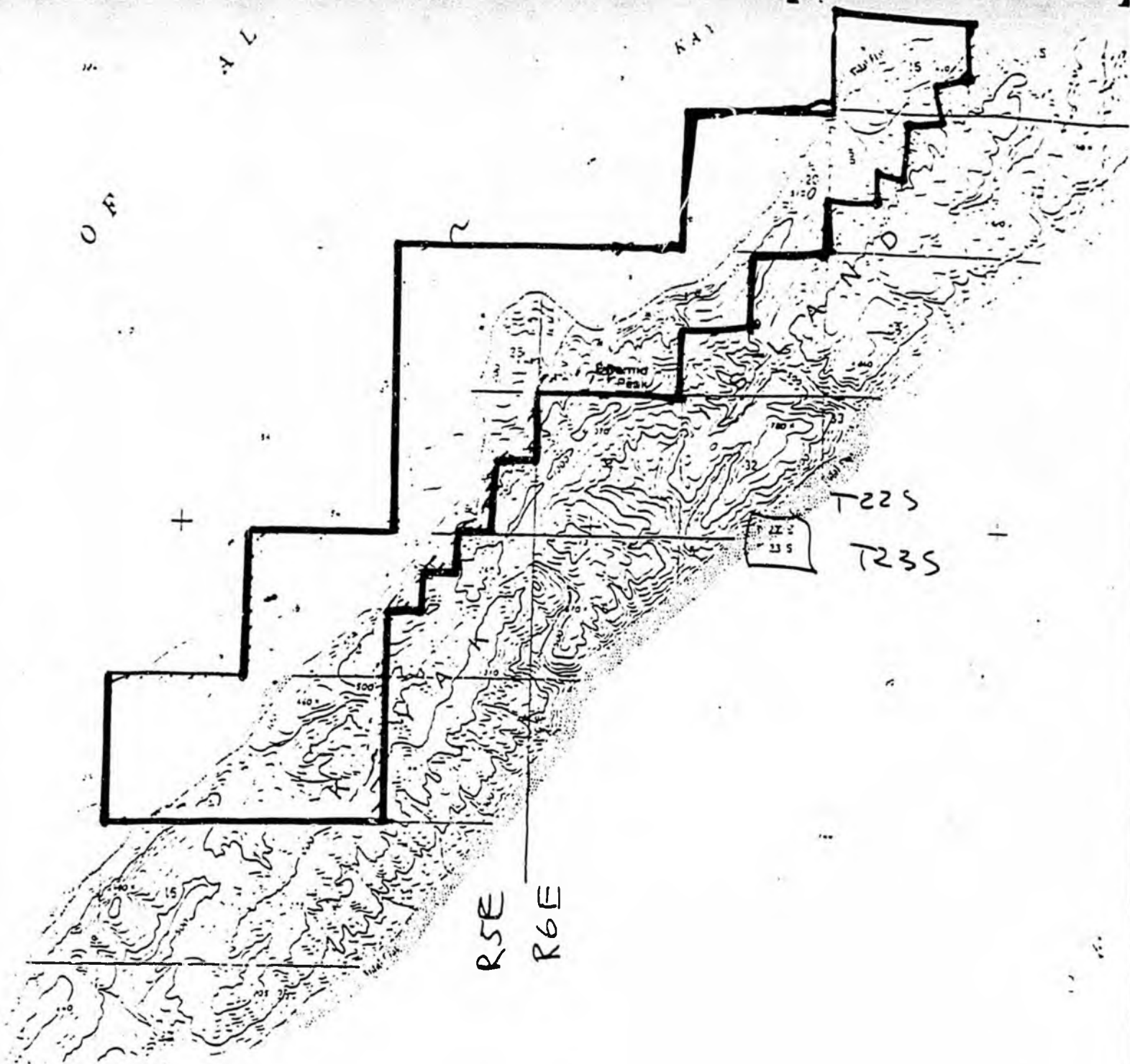
Sections 4 -- 6: S1/2

Sections 7 -- 8: All

Section 9: N1/2, SW1/4

Section 17: W1/2W1/2

Section 18: E1/2, E1/2NW1/4



Kayak Island

Township 22 South, Range 5 East, Copper River Meridian

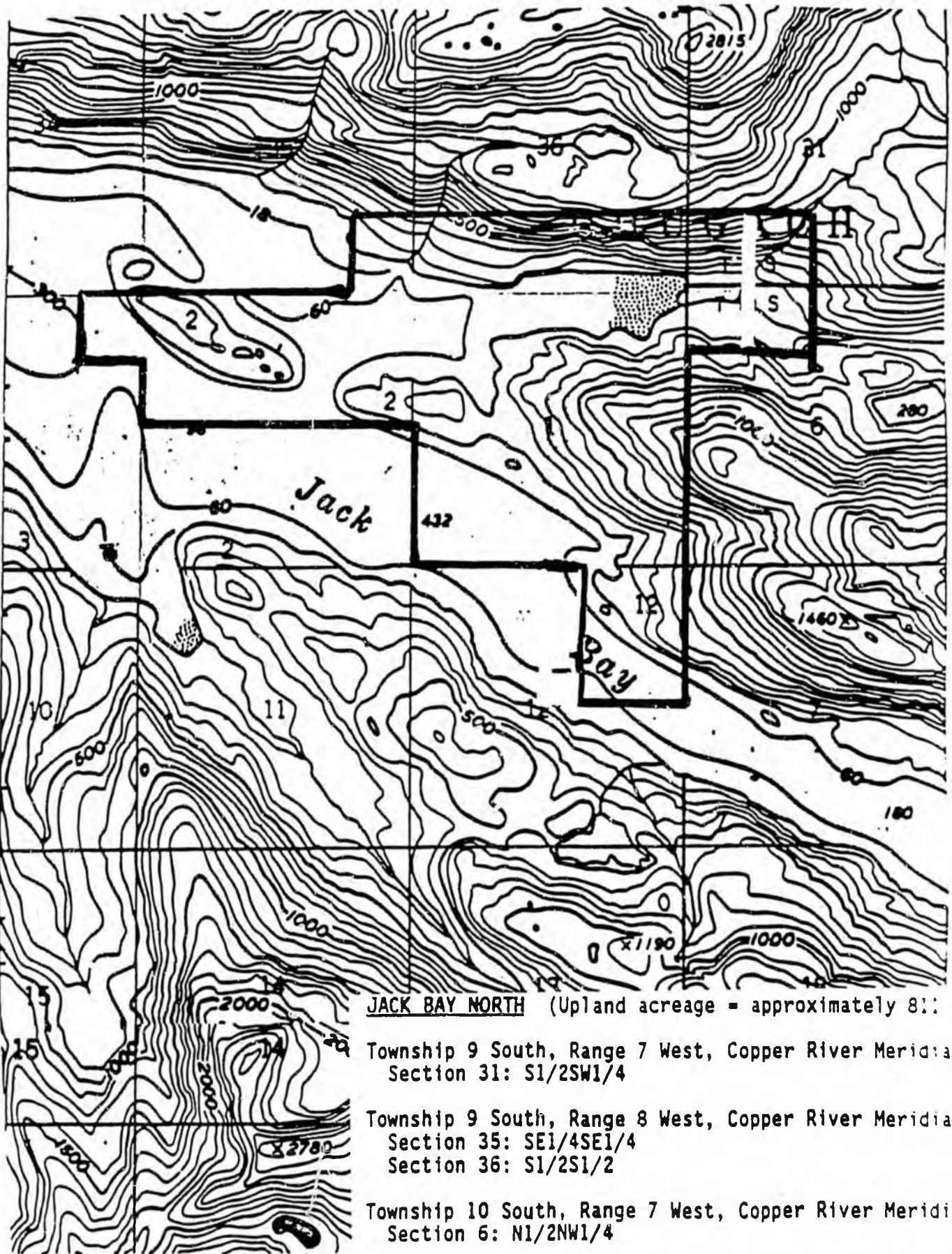
- Section 25: All
- Section 36: N1/2, SW1/4, W1/2SE1/4

Township 22 South, Range 6 East, Copper River Meridian

- Section 16: N1/2, SW1/4, N1/2SE1/4, SW1/4SE1/4
- Section 20: All
- Section 21: NW1/4, NW1/4SW1/4
- Section 29: NW1/4
- Section 30: All

Township 23 South, Range 5 East, Copper River Meridian

- Section 1: N1/2NW1/4, SW1/4NW1/4
- Section 2: All
- Sections 10 -- 11: All



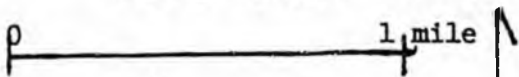
JACK BAY NORTH (Upland acreage = approximately 811 acres)

Township 9 South, Range 7 West, Copper River Meridian
Section 31: S1/2SW1/4

Township 9 South, Range 8 West, Copper River Meridian
Section 35: SE1/4SE1/4
Section 36: S1/2S1/2

Township 10 South, Range 7 West, Copper River Meridian
Section 6: N1/2NW1/4

Township 10 South, Range 8 West, Copper River Meridian
Section 1: ALL
Section 2: N1/2, N1/2N1/2S1/2
Section 3: NE1/4NE1/4
Section 12: E1/2NE1/4, E1/2W1/2NE1/4

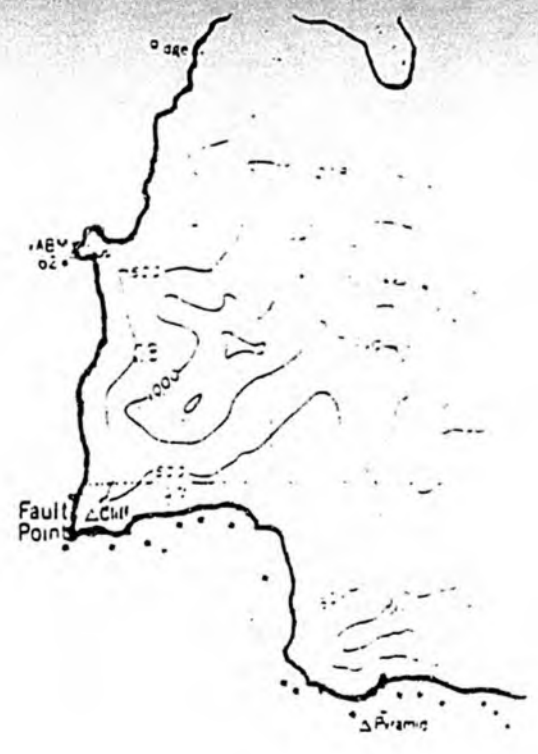




Bay

HARBOR

DAY

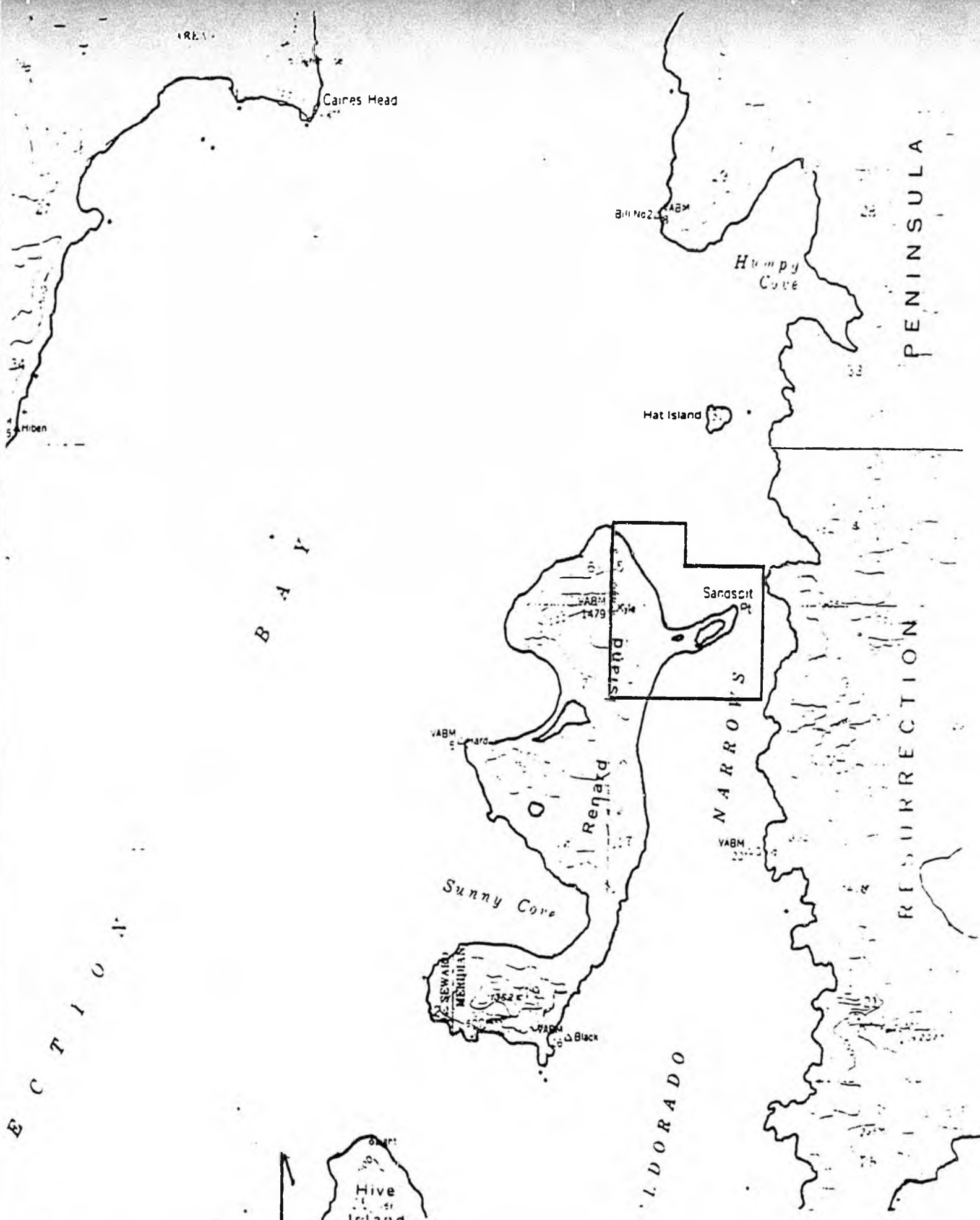


B L Y I N G

OUND D-71



SAFETY COVE (Upland acreage = approximately 660 acres)
 Township 2 South, Range 1 East, Seward Meridian
 Section 23: S1/2
 Section 24: SW1/4
 Section 25: NW1/4
 Section 26: N1/2

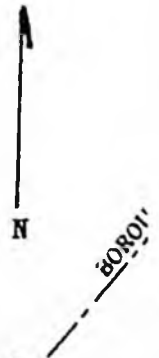
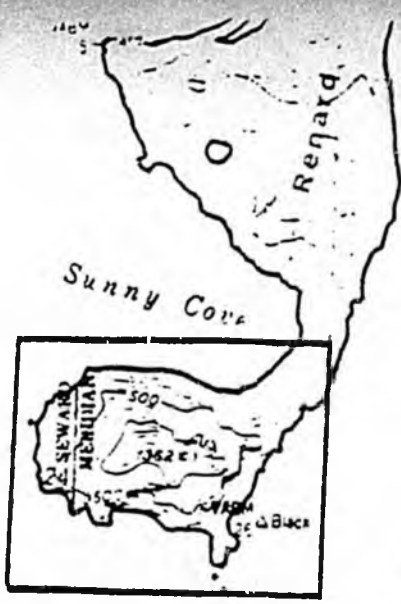


Sandspit Point

Township 3 South, Range 1 East, Seward Meridian

Section 5: SW1/4, Q1/2SW1/4
Section 8: N1/2

P 1 0 .1



Sunny Cove

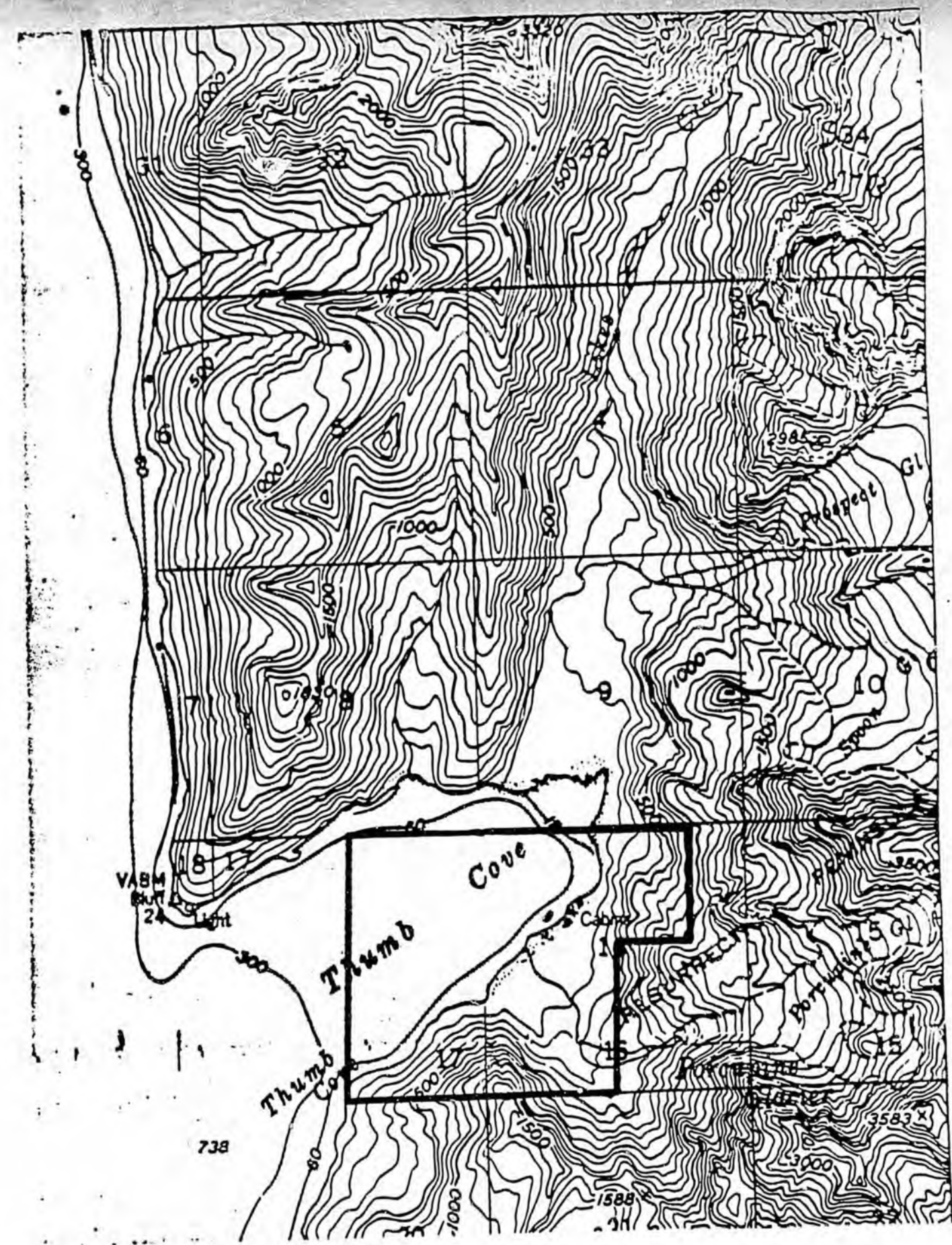
Township 3 South, Range 1 East, Seward Meridian

Section 19: All

Section 20: W1/2W1/2

Township 3 South, Range 1 West, Seward Meridian

Section 24: E1/2E1/2



Thumb Cove
 Township 2 South, Range 1 East, Seward Meridian
 Section 16: W1/2, W1/2NE1/4
 Section 17: E1/2

H B

G 2

HOUSE COMMITTEE REPORT

(9)

Date Referred: January 9, 1989

FURTHER REFERRALS:

Date of Committee Action: 1-24-89

The RESOURCES Committee recommends that:

HOUSE BILL NO. 62 [HUNTING BY DISABLED OR HANDICAPPED]

"An Act relating to means and methods of pursuit, capture, and transport of game by disabled or medically handicapped persons."

[] be replaced with _____ [] the same title
[] a new title

[] have attached amendment(s)

- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact
- zero fiscal note
- zero with analysis

APPROVES PREVIOUS:

- fiscal note(s) published: _____
- zero fiscal notes(s) published: _____

SIGNING DO PASS:

Mike Swanson
Richard Stoney
Bill Hunt

SIGNING OTHER THAN DO PASS:

(Do Not Pass, No Recommendation, Amend)

Walt Furnace No Rec.
Scott May - No. Rec.
Mike Swanson 1

Chairman's signature

SPECIAL HUNTING LICENSES FOR THE HANDICAPPED

Participation in recreational and subsistence hunting is important to many Alaskans, including those with various physical handicaps. The importance of wild game meat to blind persons was recognized by the Alaska Legislature in 1967 with passage of 16.05.405 which provides that any resident may take moose, caribou, deer or elk by proxy for a blind person. It appears that there is the opportunity now to develop a law which would benefit citizens with other physical handicaps (amputees, paraplegics, etc.) through providing them with enhanced opportunities to hunt.

In some parts of Alaska, like the Interior where it is legal to shoot from a boat, many handicapped person can participate in hunting with relative ease. Other circumstances, for example, hunting relatively inaccessible game such as sheep or goats, essentially preclude participation in hunting. Nonetheless, there are a number of circumstances or situations in which special opportunities could be provided for hunters with physical disabilities through the regulatory process. If done properly, provision for these opportunities could be accomplished without depriving other citizens of significant hunting opportunities. Examples might be allowing a handicapped person to utilize a vehicle in an area where vehicle use by hunters is otherwise restricted, or allowing hunting by the handicapped in areas where general hunting must be precluded for reason of crowding and safety.

This legislation provides the Board of Game the latitude to implement regulations benefitting disabled hunters and indicates to the Board of Game the Legislature's desire to have such regulations developed. Passage of this legislation into law and the subsequent passage of appropriate regulations by the Board of Game will essentially allow disabled citizens to compete equally for game with less disadvantaged citizens.



STATE OF ALASKA
OFFICE OF THE GOVERNOR

RECEIVED JAN 24 1988

BILL ANALYSIS

DEPARTMENT Fish and Game	DIVISION Wildlife Conservation	BILL NUMBER HB 62	SPONSOR House Rules
SHORT TITLE OF BILL An act relating to hunting by disabled or medically handicapped persons.			
DEPARTMENT POSITION Support			
PREPARED BY Donald E. McKnight	DATE 1/23/89	COMMISSIONER'S SIGNATURE <i>[Signature]</i>	DATE 1/24/89

SUMMARY

OTHER AGENCIES AFFECTED BY BILL Department of Public Safety	CONSTITUENT GROUPS AFFECTED BY BILL Handicapped citizens
ORGANIZATIONAL SUPPORT FOR BILL None known	ORGANIZATIONAL OPPOSITION TO BILL None known

FISCAL IMPACT: NONE FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT

Proportionately more Alaskans than residents of other states participate in hunting and trapping. These activities are an important aspect of "the Alaska lifestyle," providing much recreation while at the same time yielding products that are an important element in our diets. In addition to being important recreational and/or subsistence related activities, participation in hunting or trapping has important social ramifications. Regulatory constraints on allowable methods and means for hunting or trapping imposed upon the general public presently preclude effective hunting or trapping by our disabled or

ANALYSIS OF BILL/PROGRAM EFFECTS

The Alaska Legislature has granted the Board of Game the regulatory authority to manage Alaska's wildlife resources on the sustained yield principle for the maximum benefit of the people of this state. Currently, however, this authority does not permit the Game Board to establish regulations which would single out a particular group of citizens for special regulatory treatment. Passage of HB 62 specifically allows the Board of Game to adopt regulations governing methods and means of hunting and trapping which would allow disabled or medically handicapped persons to hunt or trap on virtually an equal footing with citizens without handicaps of this nature. Passage of HB 62 does not mandate passage of these regulations, but it certainly would indicate an intent by the Legislature that such regulations be adopted.

AMENDMENTS PROPOSED

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS.

BILL ANALYSIS

HB 62

Page 2 of 2

BACKGROUND/LEGISLATIVE INTENT

medically handicapped citizens. Passage of HB 62 would authorize the Board of Game to establish regulations on methods and means for the handicapped which would enable these citizens to participate in hunting and trapping to a greater extent than provided for by existing regulations.

FISCAL NOTE

REQUEST: _____

Revision Date: _____ Agency Affected: Fish and Game
 Title: Means and methods, capture and trans- BRU: Wildlife Conservation
port of game by disabled or medically handicapped persons
 Sponsor: House Rules Components: _____
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Don McKnight Phone: 465-4190
 Division: Wildlife Conservation Date: January 24, 1989

Approved by Commissioner: _____ Date: _____
 Agency: _____

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)



Alaska Environmental Lobby, Inc.

P.O. Box 22151 Juneau, Alaska 99802

907-586-2345

AEL TESTIMONY ON HB 62 HANDICAPPED HUNTERS

House Resources Committee
January 24, 1989
by Bill Glude

We have been in touch with the Department of Fish and Game on this bill, and it is our understanding that it is intended to encourage different, but reasonable and sportsmanlike, means and methods for handicapped hunters. We support the intent of encouraging a full range of activities for the handicapped, with the understanding that those means and methods be limited by the Board of Game to those which are appropriately sportsmanlike and not damaging to public resources. Specifically, we understand that the use of off-road vehicles will not be encouraged by this bill. With this understanding, the Alaska Environmental Lobby supports House Bill 62.

ALASKA CENTER FOR THE ENVIRONMENT • ALASKA CHAPTER, SIERRA CLUB • JUNEAU GROUP, SIERRA CLUB • SITKA GROUP, SIERRA CLUB
KNIK GROUP, SIERRA CLUB • DENALI GROUP, SIERRA CLUB • ANCHORAGE AUDUBON SOCIETY • ARCTIC AUDUBON SOCIETY
DENALI CITIZENS' COUNCIL • ALASKA FRIENDS OF THE EARTH • JUNEAU AUDUBON SOCIETY • KACHEMAK BAY CONSERVATION SOCIETY
KENAI PENINSULA AUDUBON SOCIETY • KODIAK AUDUBON SOCIETY • LYNN CANAL CONSERVATION • ALASKA WILDLIFE ALLIANCE
SITKA CONSERVATION SOCIETY • NORTHERN ALASKA ENVIRONMENTAL CENTER • SOUTHEAST ALASKA CONSERVATION COUNCIL
KNIK KANGERS AND KAYAKERS

HB

68



*Department of Transportation
and Public Facilities*

POSITION PAPER

BILL NO: HB 68

APPROVED: M. L. A. H. J.

TITLE: An Act relating to liability
for the release or threatened
release of a hazardous substance ...

DATE: February 28, 1989

The department supports this legislation for it clarifies that responsibility for the cost of cleanup and disposal of illegally released fuel and toxic substances should be borne by the party or parties responsible. To the extent that the party responsible for releases of toxic substances can be identified, this legislation is beneficial.

However, such legislation is likely to increase the unlawful practice of surreptitious dumping of toxic materials. In recent months, the department has experienced three incidents where unknown parties have illegally and intentionally deposited toxic materials on highway or airport properties. As such dumping is very difficult to trace, particularly if the substance in question is common, determination of responsibility is difficult. There is the prospect that we will experience an increase in the cost of disposal of illegally and intentionally deposited materials on state highway and airport properties. However, as these costs are speculative no fiscal impact is shown.

Internally, the department is faced with the need for additional training and employee awareness of the consequences of improper handling of what are fairly common materials at maintenance shops (e.g, fuel, solvents, waste oil, battery acid, anti-freeze, etc.). A specific budget request has already been made for this training effort and we therefore have not shown an additional fiscal impact relative to this legislation.

With regard to the application of liability on property acquired through eminent domain the department supports the provision for relief of strict liability subject to the requirement that the acquiring agency take special precautions to avoid buying properties with

For more information contact Catherine McHugh - 465-3900

obvious problems. The department has already implemented appropriate right-of-way acquisition procedures to address this issue. For example, we now require that staff examine the historic pattern of land use, observe for artifacts that may suggest past dumping, and if necessary conduct on-site testing for toxic substances prior to acquisition. If contaminated property cannot be avoided, the determination of fair market value is adjusted to take into account the associated clean-up costs.

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: HB 68
PUBLISH DATE:

REQUEST: FISCAL NOTE

Revision Date: Agency Affected: DOT&PF
Title: An Act relating to liability for the release or threatened release of a hazardous substance... BRU: Engineering & Operations Standards
Sponsor: Rules Committee by R. of Governor Components:
Requestor: House Resources

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTURAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (THOUSANDS OF DOLLARS)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: This legislation clarifies that the responsibility for the cost of cleanup and disposal of illegally released fuel and toxic substances is borne by the party or parties responsible, and under certain circumstances relieves third parties from liability when they have no knowledge and took appropriate steps to avoid such problems.

Prepared by: Jeffery C. Ottesen
Division: Engineering and Operations Standards
Approved by Commissioner: M-k A. Hg
Agency: Department of Transportation and Public Facilities

Phone: 465-2951
Date: Feb. 28, 1989

Date: 2/28/89

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)



Alaska Environmental Lobby, Inc.

P.O. Box 22151 Juneau, Alaska 99802

907-586-2345

HB 68 STRICT LIABILITY FOR HAZARDOUS SUBSTANCE RELEASE

Alaska's financial burden of cleaning up hazardous substances is just emerging. DEC will soon publish their inventory on 200 known and new sites documented on the Kenai Peninsula alone. There are an estimated 500 sites statewide awaiting solutions.

HB 68 would strengthen Alaska statutes that determine responsibility for hazardous substance release. Current statutes do not clearly attach liability to anyone except the person who owns or operates the facility at the time of release. This allows past operators, generators, and transporters of the waste to escape responsibility. The State and local communities can no longer be expected to shoulder the enormous costs resulting from another's neglect. For example, the Peters Creek clean up will cost the public 1.2 million dollars. This bill would directly connect the responsible parties to the cost of the cleanup of a release. This would be a powerful incentive to handle and dispose of hazardous substances properly.

The bill is modeled after the federal Comprehensive Environmental Response Compensation and Liability Act (CERCLA), which is the law that created the federal Superfund in 1980. This legislation will allow the same laws used in federal court to be applied to state courts.

The Alaska Environmental Lobby strongly supports the proposed legislation. This is an important step toward developing public health safeguards and laws necessary for active prevention and alleviating the State's monetary burden.

Issue paper prepared by Lenore Sappington 1/25/89

ALASKA CENTER FOR THE ENVIRONMENT • ALASKA CHAPTER, SIERRA CLUB • JUNEAU GROUP, SIERRA CLUB • SITKA GROUP, SIERRA CLUB
KNIK GROUP, SIERRA CLUB • DENALI GROUP, SIERRA CLUB • ANCHORAGE AUDUBON SOCIETY • ARCTIC AUDUBON SOCIETY
DENALI CITIZENS' COUNCIL • ALASKA FRIENDS OF THE EARTH • JUNEAU AUDUBON SOCIETY • KACHEMAK BAY CONSERVATION SOCIETY
KENAI PENINSULA AUDUBON SOCIETY • KODIAK AUDUBON SOCIETY • LIJUN CANAL CONSERVATION • ALASKA WILDLIFE ALLIANCE
SITKA CONSERVATION SOCIETY • NORTHERN ALASKA ENVIRONMENTAL CENTER • SOUTHEAST ALASKA CONSERVATION COUNCIL
KNIK KANOERS AND KAYAKERS

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

CC
HB68

January 9, 1989

The Honorable Sam Cotten
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Cotten:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to liability for the release or threatened release of a hazardous substance and to recovery of State costs incurred in containing or cleaning up of an oil or hazardous substance spill.

This bill is necessary to clarify who is potentially liable for the damages that might occur, and the expenses that might be incurred, because of the release or threatened release of a hazardous substance. The bill is also necessary to provide the State with an added opportunity to recover the costs associated with responding to the release of oil or a hazardous substance.

Section 1 of the bill repeals and reenacts existing AS 46.03.822, which, in its current form, does not provide the specificity necessary to identify all the potential responsible persons who are liable for the release or threatened release of a hazardous substance. Reenacted AS 46.03.822(a) would identify those persons as follows:

(1) the owner and person controlling the substance at the time of the release or threatened release;

(2) the owner and operator of a facility or vessel from which the release occurred or was threatened; if a facility or vessel is abandoned, the owner, operator and any other person controlling activities on the facility or vessel just before abandonment;

(3) the owner or operator of a facility or vessel from which the release occurred or was threatened, at the time the substance was received by the facility or vessel;

(4) the owner of the substance who arranges for disposal, treatment, or transport for disposal or treatment by a third party, if a release occurs or was threatened at a facility or incineration vessel that contained the substance and was owned or operated by that third party; and

(5) a person who transported or accepted the substance for transport to the place from which the release occurred or was threatened, if in fact the person chose that place.

Reenacted AS 46.03.822(b) would provide relief from strict liability for a person who proves by clear and convincing evidence that an incident was caused by an act of war, by an act of God, or intentional or negligent conduct by certain third parties. The relief from strict liability for an act of God or for the intentional or negligent conduct of certain third parties must be premised upon the fact that the person, within a reasonable time, discovers the release or the threatened release and begins to contain and clean it up.

Reenacted AS 46.03.822(c) would clarify that the relief from strict liability for the intentional or negligent conduct of a third party is also limited by factors relating to the way a facility is acquired, including (1) that the person did not know and had no reason to know that the facility had a hazardous substance disposed on, in, or at it; (2) that a government entity acquired the facility by escheat, eminent domain, or another involuntary type of transfer; or (3) that the facility was acquired by inheritance or bequest.

Reenacted AS 46.03.822(d) would establish the standards by which a person can, under subsec. (c), be considered to have had "no reason to know."

Reenacted AS 46.03.822(e) would provide that the liability of a previous owner or operator of a facility is not lessened if that owner or operator is otherwise liable and if that owner or operator transfers ownership without disclosing the fact of a release or threatened release. Such a person may not obtain relief from strict liability under this section.

Reenacted AS 46.03.822(f) would clarify that the liability of a person who causes or contributes to a release or a threatened release is not affected by AS 46.03.822. Such a person is liable in any event.

Reenacted AS 46.03.822(g) would provide that a person otherwise liable may not transfer liability by agreement. However, this subsection makes clear that persons who are liable under AS 46.03.822 may be insured or indemnified, and may enforce such agreements against other persons.

Section 2 of the bill amends AS 46.03.826 by broadly defining the term "facility," and defines the terms "natural resources" and "vessel."

Section 3 of the bill is needed because of cases in which parties responsible for oil or hazardous substance spills have declared bankruptcy or left the state. The State could be left to remove the hazard with little hope of recovering the costs. The cleanup of such discharges can be enormously expensive.

Section 3 adds a new section to AS 46.08, the chapter on oil and hazardous substance releases. New AS 46.08.075(a) creates a lien in favor of the State whenever money from the oil and hazardous substance release response fund or any other State fund is used to respond to, contain, clean up, or mitigate an oil or hazardous substance spill, or is used to respond to a substantial threat of such a spill. The lien would be effective against all property of the persons liable for the spill.

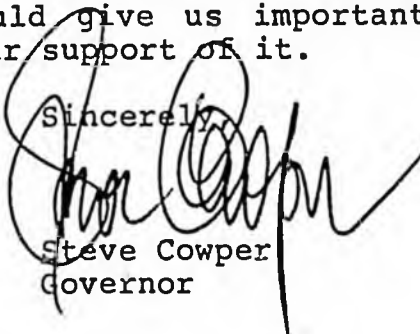
New AS 46.08.075(b) would identify the method for enforcing the lien against real property, including a requirement of recording the certificate of lien and giving notice to the liable party and to anyone else with an interest in the property.

New AS 46.08.075(c) would require the commissioner of the Department of Environmental Conservation to certify that a lien has been reduced or satisfied if payments are made on the liable party's obligation.

New AS 46.08.075(d) would permit the owner of property against which such a lien has been asserted, to seek a court order removing it. The lien may be released by the court, to the extent of the person's ownership interest in it, if that person can show that he or she is not liable for the State's costs in an oil or hazardous substance cleanup or in responding to a threat of such a spill.

In an era when hazardous substances are an increasing part of our environment, and when the State must safeguard the money available to it for protecting the public health, I believe that this bill would give us important tools to respond to both. I urge your support of it.

Sincerely,



Steve Cowper
Governor

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Natural Resources
 Title: Hazardous Substance Release BRU: Petroleum Management
 Sponsor: Rules Committee Components: _____
 Requestor: Governor Cowper

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE						
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

This bill does not affect the Department of Natural Resources.

Prepared by: Carol Wilson Phone: 465-2400
 Division: Commissioner's Office Date: 11/28/88

Approved by Commissioner: Lennis Gorseuch Date: 11-28-88
 Agency: Natural Resources

Distribution (by preparer):

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20 years of drilling

Prudhoe Bay — An environmental gem or lurking problem?

By PATTIEPLER

Daily News reporter

First of two parts

PRUDHOE BAY — The midnight sun is hazy 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?

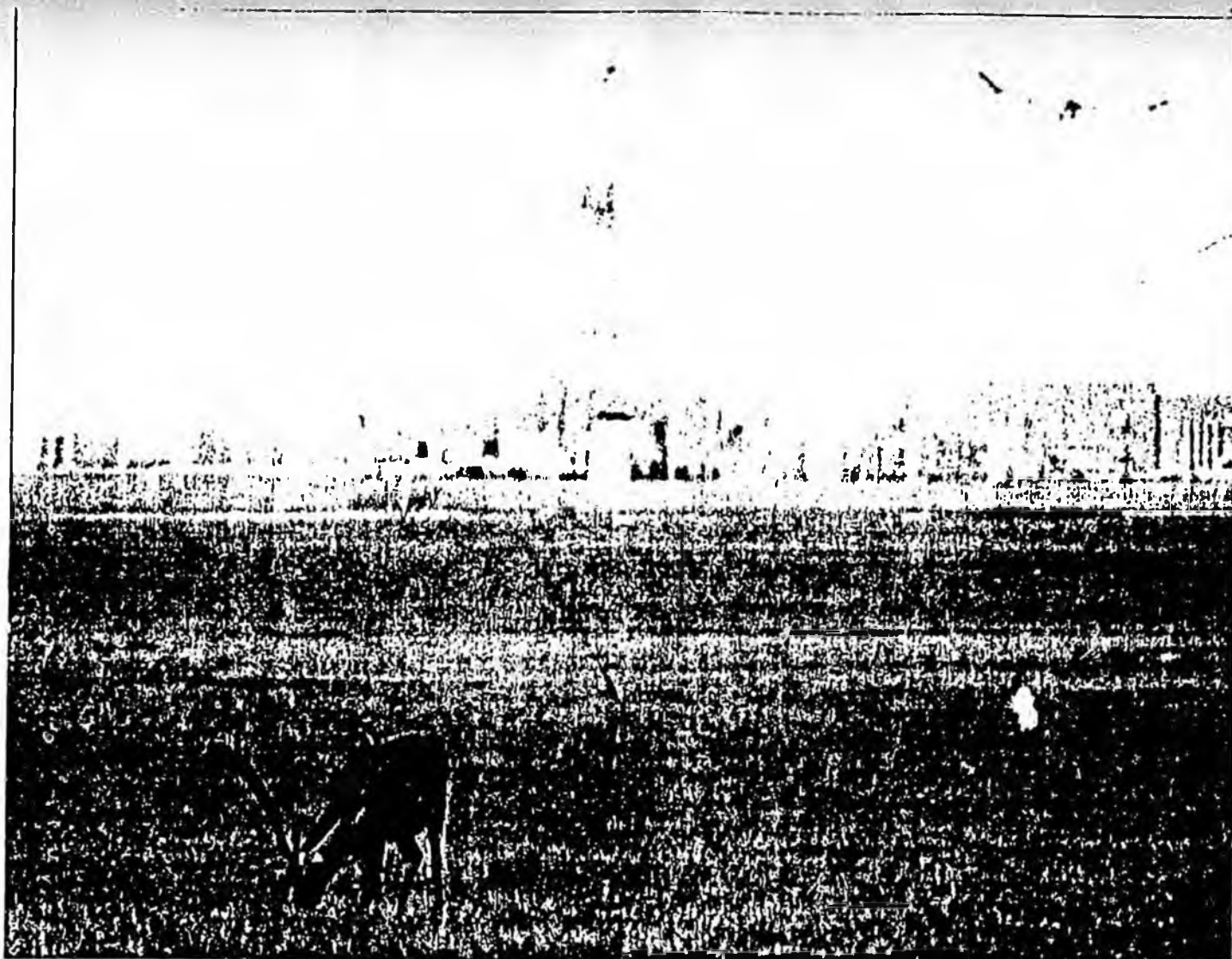
The question is being asked with more urgency these days, as congress wrestles with whether to allow oil development in a part of Alaska still relatively untouched — the coastal plain of the Arctic National Wildlife Refuge.

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/Eric Hill

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 PATTIEPLER

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