

ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672
7634 SENATE RESOURCES

EXHIBIT F

ASRC AND STATE PERCENTAGE OWNERSHIP
(POINT LAY SUBSURFACE)

<u>Township/Section</u>	<u>ASRC Percentage</u>	<u>State Percentage</u>	<u>Acreage</u>
T1N, R.5W Umiat Meridian			
Section: 1	49.00%	51.00%	640
2	49.00%	51.00%	640
3	49.00%	51.00%	640
4	49.00%	51.00%	640
5	49.00%	51.00%	640
6	49.00%	51.00%	626
7	49.00%	51.00%	628
8	49.00%	51.00%	640
9	49.00%	51.00%	640
10	49.00%	51.00%	640
11	49.00%	51.00%	640
12	49.00%	51.00%	640
13	49.00%	51.00%	640
14	49.00%	51.00%	640
15	49.00%	51.00%	640
16	49.00%	51.00%	640
17	49.00%	51.00%	640
18	49.00%	51.00%	631
19	49.00%	51.00%	634
20	49.00%	51.00%	640
21	49.00%	51.00%	640
22	49.00%	51.00%	640
23	49.00%	51.00%	640
24	49.00%	51.00%	640
25	49.00%	51.00%	640
26	49.00%	51.00%	640
27	49.00%	51.00%	640
28	49.00%	51.00%	640
29	49.00%	51.00%	640
30	49.00%	51.00%	636
31	49.00%	51.00%	639
32	49.00%	51.00%	640
33	49.00%	51.00%	640
34	49.00%	51.00%	640
35	49.00%	51.00%	640
36	49.00%	51.00%	640
T1N, R46W Umiat Meridian			
Section: 1	22.20%	77.80%	640
2	3.06%	96.94%	640
3	6.51%	93.49%	640
10	3.45%	96.55%	640
11	2.37%	97.63%	640
12	16.46%	83.54%	640
13	27.95%	72.05%	640
14	11.48%	88.52%	640
15	7.27%	92.73%	640
22	4.21%	95.79%	640
23	15.47%	84.53%	640
24	32.16%	67.84%	640
25	42.88%	57.12%	640
26	9.95%	90.05%	640

<u>Township/Section</u>	<u>ASRC Percentage</u>	<u>State Percentage</u>	<u>Acreage</u>
27	10.03%	89.97%	640
34	7.27%	92.73%	640
35	1.68%	98.32%	640
36	47.85%	52.15%	640

T2N, R45W Umiat Meridian

<u>Section:</u>	<u>ASRC Percentage</u>	<u>State Percentage</u>	<u>Acreage</u>
1	49.00%	51.00%	640
2	49.00%	51.00%	640
3	49.00%	51.00%	640
4	49.00%	51.00%	640
5	49.00%	51.00%	640
6	13.66%	86.34%	610
7	1.20%	98.80%	613
8	48.23%	51.77%	640
9	49.00%	51.00%	640
10	49.00%	51.00%	640
11	49.00%	51.00%	640
12	49.00%	51.00%	640
13	49.00%	51.00%	640
14	49.00%	51.00%	640
15	49.00%	51.00%	640
16	49.00%	51.00%	640
17	49.00%	51.00%	640
18	22.67%	77.33%	616
19	7.14%	92.86%	618
20	49.00%	51.00%	640
21	49.00%	51.00%	640
22	49.00%	51.00%	640
23	49.00%	51.00%	640
24	49.00%	51.00%	640
25	49.00%	51.00%	640
26	49.00%	51.00%	640
27	49.00%	51.00%	640
28	49.00%	51.00%	640
29	49.00%	51.00%	640
30	16.57%	83.43%	621
31	32.25%	67.75%	623
32	49.00%	51.00%	640
33	49.00%	51.00%	640
34	49.00%	51.00%	640
35	49.00%	51.00%	640
36	49.00%	51.00%	640

T2N, R46W Umiat Meridian

<u>Section:</u>	<u>ASRC Percentage</u>	<u>State Percentage</u>	<u>Acreage</u>
2	1.99%	98.01%	640
3	3.06%	96.94%	640
10	3.06%	96.94%	640
11	3.06%	96.94%	640
14	5.90%	94.10%	640
15	2.30%	97.70%	640
22	3.45%	96.55%	640
23	3.60%	96.40%	640
24	0.38%	99.62%	640
26	5.74%	94.26%	640
27	5.36%	94.64%	640
34	7.27%	92.73%	640
35	1.30%	98.70%	640
36	13.40%	86.60%	640

EXHIBIT G

WARRANTY DEED

This warranty deed is made from Arctic Slope Regional Corporation, an Alaska corporation ("ASRC"), whose mailing address is P. O. Box 129, Barrow, Alaska 99723, to the State of Alaska ("State"), whose mailing address is Chief, Title Administration Section, Division of Land, State of Alaska, Department of Natural Resources, 3601 C Street, Suite 960, Anchorage, Alaska 99503.

W I T N E S S E T H :

This warranty deed is made pursuant to the "1991 Settlement Agreement Between Arctic Slope Regional Corporation and the State of Alaska" ("Settlement Agreement"), which was ratified and approved by the Alaska Legislature in chapter __ SLA 199__ and to which reference is here made for all purposes. The Settlement Agreement has been recorded in the recording office of the Barrow recording district and has been noted in the lands records system maintained by the State's Department of Natural Resources.

Now, therefore, in consideration of the premises, the mutual covenants and agreements contained herein and in the Settlement Agreement, and other good and valuable consideration (the receipt and sufficiency of which are all hereby acknowledged), ASRC and the State hereby agree as follows:

1. Definitions. In this warranty deed, the following definitions apply:

(a) "Subsurface" means all interests in oil, gas, or other minerals, now known or discovered in the future in, on, or under land (including all depths, formations, and horizons), together with all rights, privileges, benefits, and powers conferred upon the owner of that interest with respect to the use and occupation of the surface of, and the subsurface depths under, the lands that may be necessary, convenient, or incidental to the possession and enjoyment (and including, without

development, production, or other exploitation of, or lease, sale, exchange, or other disposition of any interest in the Nuiqsut subsurface, except as expressly otherwise provided in paragraph 7.3(b) of the Settlement Agreement. "Subsurface revenues" includes all rents, profits and royalties, the proceeds of sales or exchanges, benefits, or any other thing of value that is received and is attributable to or generated from the oil and gas leases described in section 9 of the Settlement Agreement attributable to any part of the Nuiqsut subsurface. When "subsurface revenues" are received in a form other than cash or cash equivalents, the cash fair market value at the time of the receipt will be included in and considered as "subsurface revenues."

"Subsurface revenues" does not include taxes of any kind owed to the State by any person, including ASRC.

"Subsurface revenues" also does not include the customary fees charged by the State in connection with the filing of an application for a permit, lease, license, or mining claim, mining lease, or mining leasehold location that are generally applicable to all such applications and are not limited to or different in amount with respect to applications pertaining to Nuiqsut subsurface as compared to other subsurface areas, or other like generally applicable fees customarily charged by the State for authorizations, publications or services.

(h) "Fair market value" means the amount of money that an informed purchaser, willing but not obligated to buy, would pay an informed seller, willing but not obligated to sell, for particular property, goods, or services.

2. Conveyance. Pursuant to the Settlement Agreement, ASRC hereby grants, assigns, and conveys to the State the applicable State percentage set out in Exhibit A hereto in and to the subsurface in all those portions of the Nuiqsut subsurface (without regard to whether that Nuiqsut subsurface is within uplands or submerged lands) in the respective parcels of Nuiqsut subsurface in the Barrow recording district in the State of

Alaska described in Exhibit A hereto to which ASRC has heretofore acquired title by virtue of an interim conveyance or patent from the United States, or may hereafter acquire title by virtue of any future change in the boundary, location, or extent of submerged lands or uplands within those respective parcels of Nuiqsut subsurface.

3. Reservation. Pursuant to the Settlement Agreement, in making this grant, assignment, and conveyance, ASRC reserves and excepts to itself and its successors and assigns, the applicable ASRC percentage set out in Exhibit A in and to the subsurface in the portions of the Nuiqsut subsurface now and hereafter existing in the respective parcels of Nuiqsut subsurface described in paragraph 2 above.

4. Future Changes. As provided for in the Settlement Agreement, the State has granted or will grant to ASRC one or more patents (collectively, the "State Patent") conveying to ASRC the applicable ASRC percentage set out in Exhibit A in and to the subsurface in all those portions of the Nuiqsut subsurface (without regard to whether that Nuiqsut subsurface is within uplands or submerged lands) in the respective parcels of Nuiqsut subsurface described in Exhibit A hereto to which the State has heretofore acquired title, or may hereafter acquire title by virtue of any future change in the boundary, location, or extent of submerged lands or uplands within those respective parcels of Nuiqsut subsurface, reserving to the State the applicable State percentage set out in Exhibit A in the subsurface in those portions of the Nuiqsut subsurface now and hereafter existing in those respective parcels of Nuiqsut subsurface. This warranty deed is not intended and shall not be construed to grant to the State any interest in the ASRC percentage in any Nuiqsut subsurface which has been or is conveyed from the State to ASRC pursuant to the State Patent, and it is intended by ASI and the State that, after giving effect to this warranty deed and the State Patent, the entirety of the Nuiqsut subsurface in each of the parcels described in this warranty deed and in the State

Patent shall be owned by ASRC and the State in undivided interests in proportion to the applicable ASRC percentage and the applicable State percentage, respectively, set out in Exhibit A. Further, pursuant to the Settlement Agreement, it is expressly stipulated and provided that the respective undivided ownership interests of the State (that is, the applicable State percentage set out in Exhibit A) and of ASRC (that is, the applicable ASRC percentage set out in Exhibit A) in the Nuiqsut subsurface in each respective parcel of Nuiqsut subsurface described in Exhibit A will not change by virtue of any future change in the boundary, location, or extent of uplands or submerged lands within that parcel.

5. Leases. To the extent that any oil and gas lease previously granted by the State to any person and described in paragraph 2.2(d) of the Settlement Agreement is presently valid and in force and effect as to the subsurface in any parcel of the Nuiqsut subsurface described in Exhibit A, this conveyance is made subject to that oil and gas lease, and subsurface revenues payable under and in connection with that oil and gas lease as to that parcel of the Nuiqsut subsurface after the effective date of this deed shall be owned by the State and ASRC in proportion to the applicable State percentage and applicable ASRC percentage set out in Exhibit A as more fully provided in the Settlement Agreement. Nothing herein is intended or shall be construed to validate or reinstate any oil or gas lease that is not otherwise valid and extant.

6. Habendum. To have and to hold the applicable undivided State percentage interest set out in Exhibit A in and to the portions of the Nuiqsut subsurface now and hereafter existing in the respective parcels of the Nuiqsut subsurface described in paragraph 2 of this deed, together with all and singular the tenements, hereditaments, and appurtenances thereto appertaining, unto the State and its successors and assigns, forever, subject to and in accordance with the terms and provisions of the Settlement Agreement. ASRC does hereby bind itself and its

successors and assigns, to warrant and forever defend all and singular the interests hereby conveyed unto the State (its successors and assigns) against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through, or under ASRC, but not otherwise, subject in all respects to the Settlement Agreement and to the other matters to which this warranty deed is made subject as set forth herein.

7. Further Assurances. The parties agree to take all further actions and execute, acknowledge, and deliver any further documents that are necessary or useful in carrying out the purposes of this warranty deed. Without limitation to the foregoing, ASRC agrees to execute, acknowledge and deliver to the State all additional instruments, notices, and other documents and to do all other and further acts and things as may be necessary to more fully and effectively grant, convey, and assign to the State the interests conveyed hereby and intended to be so conveyed.

8. Governing Law. The validity of this warranty deed shall be governed by and it shall be construed in accordance with the laws of the State of Alaska.

9. Counterparts. This warranty deed may be executed in any number of counterparts and each counterpart shall be deemed to be an original instrument, but all counterparts shall constitute but one conveyance.

10. Successors and Assigns. Subject to the provisions of the Settlement Agreement, this warranty deed shall bind and enure to the benefit of ASRC and the State and the respective successors and assigns of each of them. The covenants and provisions of this warranty deed and of the Settlement Agreement shall be covenants running with the land.

11. Prior Warranties. ASRC hereby assigns to the State with full right of subrogation, to the extent so transferable, the benefit of and the right to enforce the covenants and warranties, if any, which ASRC is entitled to enforce with respect to the interests in the Nuiqsut subsurface provided

herein to be conveyed to the State, including those against any assignors and other predecessors in title.

12. Deed Effective Date. This warranty deed is effective and takes effect as of *[Use, as applicable, in deeds executed pursuant to paragraph 3.1(a) of the Settlement Agreement, _____, 199__, the date SLA 199__ became effective, or in deeds executed pursuant to paragraph 3.1(b) of the Settlement Agreement, _____, 199__, the date the parcels (whether one or more) of Nuiqsut subsurface described in Exhibit A became "Fully Conveyed Sections" as defined in the Settlement Agreement]*.

ARCTIC SLOPE REGIONAL CORPORATION

By _____
Name: _____
Title: _____

THE STATE OF ALASKA

§

§

ss.

§

_____ JUDICIAL DISTRICT

This is to certify that on the _____ day of _____, 199__, before me appeared Jacob Adams, the person who has been lawfully authorized as the President of Arctic Slope Regional Corporation, a corporation organized and existing under the laws of the state of Alaska, to execute the foregoing document; that Jacob Adams executed that document under legal authority and with knowledge of its contents; and that this act was performed freely and voluntarily upon the premises and for the purposes stated in the document.

Witness my hand and official seal the day and year in this certificate first above written.

Notary Public in and for Alaska

My Commission Expires: _____

EXHIBIT A
TO WARRANTY DEED FROM
ARCTIC SLOPE REGIONAL CORPORATION
TO THE STATE OF ALASKA

1. All of section _____, T_____N, R_____E, Umiat Meridian ("UM"), as described in Interim Conveyance from the United States of America to Arctic Slope Regional Corporation ("ASRC") dated _____, 19_____, recorded in _____.

State percentage—_____%; ASRC percentage—_____%.

2. The following described portion of section _____, T_____N, R_____E, UM, described in _____ from _____ to ASRC dated _____, 19_____, recorded in _____:

INSERT DESCRIPTION

State percentage—_____%; ASRC percentage—_____.

General Format: Each section or portion of a section to be described separately with a reference to the Interim Conveyance, Patent, etc., granting subsurface in all or part of such section or portion of a section to ASRC. State percentage and ASRC percentage to be set out separately for each section or portion of a section.

All references in this Exhibit A and in the foregoing Warranty Deed to a "section" of land shall be construed to refer to the entirety of the area (including any area now or hereafter situated within the Beaufort Sea) encompassed within a full square or rectangular section (protracted or projected to the extent, if any, it is within the Beaufort Sea) containing approximately 640 acres.

SIGNED FOR IDENTIFICATION:

ARCTIC SLOPE REGIONAL CORPORATION

By _____

EXHIBIT H

STATE OF ALASKA

PATENT NO. _____

This patent is made from the State of Alaska, through its Department of Natural Resources ("State"), whose mailing address is Chief, Title Administration Section, Division of Land, State of Alaska, Department of Natural Resources, 3601 C Street, Suite 960, Anchorage, Alaska 99503, pursuant to chapter ___ SLA 199__, to Arctic Slope Regional Corporation, an Alaska corporation ("ASRC"), whose mailing address is P. O. Box 129, Barrow, Alaska 99723.

W I T N E S S E T H :

This patent is made pursuant to the "1991 Settlement Agreement Between Arctic Slope Regional Corporation and the State of Alaska" ("Settlement Agreement"), which was ratified and approved by the Alaska Legislature in chapter ___ SLA 199__ and to which reference is here made for all purposes. The Settlement Agreement has been recorded in the recording office of the Barrow recording district and has been noted in the land records system maintained by the State's Department of Natural Resources.

Now, therefore, in consideration of the premises, the mutual covenants and agreements contained herein and in the Settlement Agreement, and other good and valuable consideration (the receipt and sufficiency of which are all hereby acknowledged), ASRC and the State hereby agree as follows:

1. Definitions. In this patent, the following definitions apply:

(a) "Subsurface" means all interests in oil, gas, or other minerals, now known or discovered in the future in, on, or under land (including all depths, formations, and horizons), together with all rights, privileges, benefits, and powers conferred upon the owner of that interest with respect to the use and occupation of the surface of, and subsurface depths under,

the lands that may be necessary, convenient, or incidental to the possession and enjoyment (including, without limitation, exploring, drilling, developing, producing, mining, saving, handling, treating, transporting, marketing, and operating the oil, gas, or other minerals). However, "subsurface" does not include any "mineral" that on January 3, 1959, was subject to location under the mining laws of the United States, does not include sand and gravel (whether or not of an uncommon variety), and does not include water.

(b) "State percentage" means, as to each different section or portion of a section of Nuiqsut subsurface described in Exhibit A hereto, the undivided percentage interest described as the "State percentage" following the description of that particular section or portion of a section in Exhibit A. "State percentage" means, as to each different section of Point Lay subsurface described in Exhibit B hereto, the undivided percentage interest described as the "State percentage" following the description of that particular section in Exhibit B.

(c) "ASRC percentage" means, as to each different section or portion of a section of Nuiqsut subsurface described in Exhibit A hereto, the undivided percentage interest described as the "ASRC percentage" following the description of that particular section or portion of a section in Exhibit A. "ASRC percentage" means, as to each different section of Point Lay subsurface described in Exhibit B hereto, the undivided percentage interest described as the "ASRC percentage" following the description of that particular section in Exhibit B.

(d) "Parcel" means, as to each entire section of Nuiqsut subsurface or Point Lay subsurface described in Exhibit A or B, the entirety of that section; and as to less than all of a section of Nuiqsut subsurface described in Exhibit A, "parcel" means only that portion of the section so described.

(e) "Nuiqsut subsurface" means the subsurface in all the uplands and submerged lands now and hereafter existing in the lands described in subsection 11.16 of the Settlement Agreement

(subject, if applicable, to the provisions of paragraph 2.3(b) of the Settlement Agreement).

(f) "Point Lay subsurface" means the subsurface in all the uplands and submerged lands now and hereafter existing in the lands described in subsection 11.19 of the Settlement Agreement.

(g) "Subsurface revenues" means all bid deposits, bonuses, rents, net profits, royalties, the proceeds of sales or exchanges, benefits, or any other thing of value that is received and is attributable to or generated from the exploration, development, production, or other exploitation of, or lease, sale, exchange, or other disposition of any interest in the Nuiqsut subsurface or Point Lay subsurface, except as otherwise expressly provided in paragraph 7.3(b) of the Settlement Agreement. "Subsurface revenues" includes all rents, profits and royalties, the proceeds of sales or exchanges, benefits, or any other thing of value that is received and is attributable to or generated from the oil and gas leases described in section 9 of the Settlement Agreement attributable to any part of the Nuiqsut subsurface. When "subsurface revenues" are received in a form other than cash or cash equivalents, the cash fair market value at the time of the receipt will be included in and considered as "subsurface revenues."

"Subsurface revenues" does not include taxes of any kind owed to the State by any person, including ASRC.

"Subsurface revenues" also does not include the customary fees charged by the State in connection with the filing of any application for a permit, lease, license, or mining claim, mining lease, or mining leasehold application that are generally applicable to all such applications and are not limited to or different in amount with respect to applications pertaining to Nuiqsut subsurface or Point Lay subsurface as compared to other subsurface areas, or other like generally applicable fees customarily charged by the State for authorizations, publications, or services.

(h) "Person" means a natural person and all types of private or governmental entities, including but not limited to all such entities listed in AS 01.10.060(7), and any corporate subsidiary or joint venture.

(i) "Fair market value" means the amount of money that an informed purchaser, willing but not obligated to buy, would pay an informed seller, willing but not obligated to sell, for particular property, goods, or services.

2. Conveyance. Pursuant to the Settlement Agreement, the State hereby grants, assigns, and conveys to ASRC and its successors and assigns

(a) the applicable ASRC percentage set out in Exhibit A hereto in and to the subsurface in all those portions of the Nuiqsut subsurface (without regard to whether that Nuiqsut subsurface is within uplands or submerged lands) in the respective parcels of Nuiqsut subsurface in the Barrow recording district in the State of Alaska described in Exhibit A hereto to which the State has heretofore acquired title in any manner other than by virtue of the ASRC Deed described below, or may hereafter acquire title by virtue of any future change in the boundary, location, or extent of submerged lands or uplands within those respective parcels of Nuiqsut subsurface, and

(b) the applicable ASRC percentage set out in Exhibit B hereto in and to the subsurface in all those portions of the Point Lay subsurface (without regard to whether that Point Lay subsurface is within uplands or submerged lands) in the respective parcels of Point Lay subsurface in the Barrow recording district in the State of Alaska described in Exhibit B hereto to which the State has heretofore acquired title in any manner, or may hereafter acquire title by virtue of any future change in the boundary, location, or extent of submerged lands or uplands within those respective parcels of Point Lay subsurface.

3. Reservation. Pursuant to the Settlement Agreement, in making this grant, assignment, and conveyance, the State reserves and excepts to itself and its successors and assigns

(a) the applicable State percentage set out in Exhibit A in and to the subsurface in the portions of the Nuiqsut subsurface now and hereafter existing in the respective parcels of Nuiqsut subsurface described in subparagraph 2(a) above, and

(b) the applicable State percentage set out in Exhibit B in and to the subsurface in the portions of the Point Lay subsurface now and hereafter existing in the respective parcels of Point Lay subsurface described in subparagraph 2(b) above.

4. Future Changes. As provided for in the Settlement Agreement, ASRC has granted or will grant to the State one or more warranty deeds (collectively, the "ASRC Deed") conveying to the State the applicable ASRC percentage set out in Exhibit A in and to the subsurface in all those portions of the Nuiqsut subsurface (without regard to whether that Nuiqsut subsurface is within uplands or submerged lands) in the respective parcels of Nuiqsut subsurface described in Exhibit A hereto to which ASRC has heretofore acquired title, or may hereafter acquire title by virtue of any future change in the boundary, location, or extent of submerged lands or uplands within those respective parcels of Nuiqsut subsurface, reserving to ASRC the applicable ASRC percentage set out in Exhibit A in the subsurface in those portions of the Nuiqsut subsurface now and hereafter existing in those respective parcels of Nuiqsut subsurface. This patent is not intended and shall not be construed to grant to ASRC any interest in the State percentage in any Nuiqsut subsurface which has been or is conveyed from ASRC to the State pursuant to the ASRC Deed, and it is intended by the State and ASRC that, after giving effect to this patent and the ASRC Deed, the entirety of the Nuiqsut subsurface in each of the parcels described in this patent and in the ASRC Deed shall be owned by the State and ASRC in undivided interests in proportion to the applicable State percentage and the applicable ASRC percentage, respectively, set out in Exhibit A. Further, pursuant to the Settlement Agreement, and both with respect to the Point Lay subsurface and the Nuiqsut subsurface, it is expressly stipulated and provided that the

respective undivided ownership interests of ASRC (that is, the applicable ASRC percentage set out in Exhibit A as to Nuiqsut subsurface and the applicable ASRC percentage set out in Exhibit B as to Point Lay subsurface) and of the State (that is, the applicable State percentage set out in Exhibit A as to Nuiqsut subsurface and the applicable State percentage set out in Exhibit B as to Point Lay subsurface) in each respective parcel of Nuiqsut subsurface described in Exhibit A and in each respective parcel of Point Lay subsurface described in Exhibit B, respectively, will not change by virtue of any future change in the boundary, location, or extent of uplands or submerged lands within said parcel.

5. Leases. To the extent that any oil and gas lease previously granted by the State to any person and described in paragraph 2.2(d) of the Settlement Agreement is presently valid and in force and effect as to the subsurface in any parcel of the Nuiqsut subsurface described in Exhibit A, this conveyance is made subject to that oil and gas lease, and subsurface revenues payable under and in connection with that oil and gas lease as to that parcel of the Nuiqsut subsurface after the effective date of this patent shall be owned by the State and ASRC in proportion to the applicable State percentage and applicable ASRC percentage as more fully provided in the Settlement Agreement. Nothing herein is intended or shall be construed to validate or reinstate any oil or gas lease that is not otherwise valid and extant.

6. Habendum. To have and to hold the applicable undivided ASRC percentage interest set out in Exhibit A in and to the portions of the Nuiqsut subsurface now and hereafter existing in the respective parcels of the Nuiqsut subsurface described in subparagraph 2(a) of this patent and the applicable undivided ASRC percentage interest set out in Exhibit B in and to the portions of the Point Lay subsurface now and hereafter existing in the respective parcels of the Point Lay subsurface described in subparagraph 2(b) of this patent, together with all and singular the tenements, hereditaments, appurtenances, rights,

encumbrances, and actions thereto appertaining, unto ASRC and its successors and assigns, forever, subject to and in accordance with the terms and provisions of the Settlement Agreement. The State hereby binds itself and its successors and assigns, to warrant and forever defend all and singular the interests hereby conveyed unto ASRC (its successors and assigns) against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through, or under the State, but not otherwise, but subject in all respects to the Settlement Agreement and to the other matters to which this patent is made subject as set forth in it.

7. Further Assurances. The parties agree to take all further actions and execute, acknowledge, and deliver any further documents that are necessary or useful in carrying out the purposes of this patent. Without limitation to the foregoing, the State agrees to execute, acknowledge, and deliver to ASRC all additional instruments, notices, and other documents and to do all other and further acts and things as may be necessary to more fully and effectively grant, convey, and assign to ASRC the interests conveyed hereby and intended to be so conveyed.

8. Governing Law. The validity of this patent shall be governed by and it shall be construed in accordance with the laws of the State of Alaska.

9. Counterparts. This patent may be executed in any number of counterparts and each counterpart shall be deemed to be an original instrument, but all counterparts shall constitute but one conveyance.

10. Successors and Assigns. Subject to the provisions of the Settlement Agreement, this patent shall bind and enure to the benefit of the State and ASRC and the respective successors and assigns of each of them. The covenants and provisions of this patent and of the Settlement Agreement shall be covenants running with the land.

11. Prior Warranties. The State hereby assigns to ASRC with full right of subrogation, to the extent so transferable,

the benefit of and the right to enforce the covenants and warranties, if any, which the State is entitled to enforce with respect to the interests in the Nuiqsut subsurface and Point Lay subsurface provided herein to be conveyed to ASRC, including those against any assignors and other predecessors in title.

12. Patent Effective Date. Chapter ___ SLA 199__ became effective on _____, 199__, and this patent is effective and takes effect as of that date.

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES

By _____
Director, Division of Land

THE STATE OF ALASKA §
 § ss.
_____ JUDICIAL DISTRICT §

This is to certify that on the _____ day of _____, 199__, before me appeared _____, the person who has been lawfully delegated the authority of _____, the Director of the Division of Land, Department of Natural Resources, State of Alaska, to execute the foregoing document; that _____ executed that document under legal authority and with knowledge of its contents; and that this act was performed freely and voluntarily upon the premises and for the purposes stated in the document.

Witness my hand and official seal the day and year in this certificate first above written.

Notary Public in and for Alaska

My Commission Expires: _____

ACCEPTANCE

Arctic Slope Regional Corporation accepts title to the applicable ASRC percentage in the subsurface in the above-described property subject to the obligations set forth in this patent.

Dated this _____ day of _____,
199__.

ARCTIC SLOPE REGIONAL CORPORATION

By _____
Jacob Adams, President

THE STATE OF ALASKA §
 § ss.
_____ JUDICIAL DISTRICT §

This is to certify that on the _____ day of _____, 199__, before me appeared Jacob Adams, the person who has been lawfully authorized as the President of Arctic Slope Regional Corporation, a corporation organized and existing under the laws of the state of Alaska, to execute the foregoing document; that Jacob Adams executed that document under legal authority and with knowledge of its contents; and that this act was performed freely and voluntarily upon the premises and for the purposes stated in the document.

Witness my hand and official seal the day and year in this certificate first above written.

Notary Public in and for Alaska

My Commission Expires: _____

EXHIBIT A
TO PATENT NO. _____
FROM THE STATE OF ALASKA TO
ARCTIC SLOPE REGIONAL CORPORATION

1. All of section _____, T_____N, R_____E, Umiat Meridian ("UM"), in the Barrow recording district, state of Alaska.

State percentage—____%; ASRC percentage—____%.

2. The following described portion of section _____, T_____N, R_____E, UM, in the Barrow recording district, state of Alaska:

INSERT DESCRIPTION

State percentage—____%; ASRC percentage—____%.

General Format: Each section or portion of a section to be described separately with State percentage and ASRC percentage to be set out separately for each section or portion of a section.

All references in this Exhibit A and in the foregoing patent to a "section" of land containing Nuiqsut subsurface refer to the entirety of the area (including any area now or hereafter situated within the Beaufort Sea) encompassed within a full square or rectangular section (protracted or projected to the extent, if any, it is within the Beaufort Sea) containing approximately 640 acres.

SIGNED FOR IDENTIFICATION

By _____
Name: _____
Title: _____

EXHIBIT B
TO PATENT NO. _____
FROM THE STATE OF ALASKA TO
ARCTIC SLOPE REGIONAL CORPORATION

1. All of section _____, T_____N, R_____E, Umiat Meridian ("UM"), in the Barrow recording district, state of Alaska.

State percentage—____%; ASRC percentage—____%.

2. All of section _____, T_____N, R_____E, UM, in the Barrow recording district, state of Alaska.

State percentage—____%; ASRC percentage—____%.

General Format: Each section to be described separately with State percentage and ASRC percentage to be set out separately for each section.

All references in this Exhibit B and in the foregoing patent to a "section" of land containing Point Lay subsurface refer to the entirety of the area (including any area now or hereafter situated within the Chukchi Sea or the Kasegaluk Lagoon) encompassed within a full square or rectangular section (protracted or projected to the extent, if any, it is within the Chukchi Sea or the Kasegaluk Lagoon) containing approximately 640 acres.

SIGNED FOR IDENTIFICATION

By _____
Name: _____
Title: _____

EXHIBIT I

STATE OF ALASKA

PATENT NO. _____

This patent is made from the State of Alaska, through its Department of Natural Resources ("State"), whose mailing address is Chief, Title Administration Section, Division of Land, State of Alaska, Department of Natural Resources, 3601 C Street, Suite 960, Anchorage, Alaska 99503, pursuant to chapter ___ SLA 199___, to Arctic Slope Regional Corporation, an Alaska corporation ("ASRC"), whose mailing address is P. O. Box 129, Barrow, Alaska 99723.

W I T N E S S E T H :

This patent is made pursuant to the "1991 Settlement Agreement Between Arctic Slope Regional Corporation and the State of Alaska " ("Settlement Agreement"), which was ratified and approved by the Alaska Legislature in chapter ___ SLA 199___ and to which reference is here made for all purposes. The Settlement Agreement has been recorded in the recording office of the Barrow recording district and has been noted in the land records system maintained by the State's Department of Natural Resources.

Now, therefore, in consideration of the premises, the mutual covenants and agreements contained herein and in the Settlement Agreement, and other good and valuable consideration (the receipt and sufficiency of which are all hereby acknowledged), ASRC and the State hereby agree as follows:

1. Definitions. In this patent, the following definitions apply:

(a) "Subsurface" means all interests in oil, gas, or other minerals, now known or discovered in the future in, on, or under land (including all depths, formations and horizons), together with all rights, privileges, benefits and powers conferred upon the owner of that interest with respect to the use and occupation of the surface of, and subsurface depths under,

the lands that may be necessary, convenient, or incidental to the possession and enjoyment (including, without limitation, exploring, drilling, developing, producing, mining, saving, handling, treating, transporting, marketing and operating oil, gas, or other minerals). However, "subsurface" does not include any "mineral" that on January 3, 1959, was subject to location under the mining laws of the United States, does not include sand and gravel (whether or not of an uncommon variety), and does not include water.

(b) "State percentage" means, as to each different section or portion of a section of Nuiqsut subsurface described in Exhibit A hereto, the undivided percentage interest described as the "State percentage" following the description of such particular section or portion of a section in Exhibit A.

(c) "ASRC percentage" means, as to each different section or portion of a section of Nuiqsut subsurface described in Exhibit A hereto, the undivided percentage interest described as the "ASRC percentage" following the description of such particular section or portion of a section in Exhibit A.

(d) "Parcel" means, as to each entire section of Nuiqsut subsurface described in Exhibit A, the entirety of that section; and as to less than all of a section of Nuiqsut subsurface described in Exhibit A, "parcel" means only that portion of the section so described.

(e) "Nuiqsut subsurface" means the subsurface in all the uplands and submerged lands now and hereafter existing in the lands described in subsection 11.16 of the Settlement Agreement (subject, if applicable, to the provisions of paragraph 2.3(b) of the Settlement Agreement).

(f) "Subsurface revenues" means all bid deposits, bonuses, rents, net profits, royalties, the proceeds of sales or exchanges, benefits, or any other thing of value that is received and is attributable to or generated from the exploration, development, production, or other exploitation of, or lease, sale, exchange, or other disposition of any interest in the

Nuiqsut subsurface, except as otherwise expressly provided in paragraph 7.3(b) of the Settlement Agreement. "Subsurface revenues" includes all rents, profits, and royalties, the proceeds of sales or exchanges, benefits, or any other thing of value that is received and is attributable to or generated from the oil and gas leases described in section 9 of the Settlement Agreement attributable to any part of the Nuiqsut subsurface. When "subsurface revenues" are received in a form other than cash or cash equivalents, the cash fair market value at the time of the receipt will be included in and considered as "subsurface revenues."

"Subsurface revenues" does not include taxes of any kind owed to the State by any person, including ASRC.

"Subsurface revenues" also does not include the customary fees charged by the State in connection with the filing of any application for a permit, lease, license, or mining claim, mining lease, or mining leasehold application that are generally applicable to all such applications and are not limited to or different in amount with respect to applications pertaining to Nuiqsut subsurface as compared to other subsurface areas, or other like generally applicable fees customarily charged by the State for authorizations, publications, or services.

(g) "Person" means a natural person and all types of private or governmental entities, including but not limited to all entities listed in AS 01.10.060(7), and any corporate subsidiary or joint venture.

(h) "Fair market value" means the amount of money that an informed purchaser, willing but not obligated to buy, would pay an informed seller, willing but not obligated to sell, for particular property, goods, or services.

2. Conveyance. Pursuant to the Settlement Agreement, the State hereby grants, assigns, and conveys to ASRC and its successors and assigns the applicable ASRC percentage set out in Exhibit A hereto in and to the subsurface in all those portions of the Nuiqsut subsurface (without regard to whether that Nuiqsut

subsurface is within uplands or submerged lands) in the respective parcels of Nuiqsut subsurface in the Barrow recording district in the State of Alaska described in Exhibit A hereto to which the State has heretofore acquired title in any manner other than by virtue of the ASRC Deed described below, or may hereafter acquire title by virtue of any future change in the boundary, location, or extent of submerged lands or uplands within those respective parcels of Nuiqsut subsurface.

3. Reservation. Pursuant to the Settlement Agreement, in making this grant, assignment, and conveyance, the State reserves and excepts to itself and its successors and assigns, the applicable State percentage set out in Exhibit A in and to the subsurface in the portions of the Nuiqsut subsurface now and hereafter existing in the respective parcels of Nuiqsut subsurface described in paragraph 2 above.

4. Future Changes. As provided for in the Settlement Agreement, ASRC has granted or will grant to the State one or more warranty deeds (collectively, the "ASRC Deed") conveying to the State the applicable ASRC percentage set out in Exhibit A in and to the subsurface in all those portions of the Nuiqsut subsurface (without regard to whether that Nuiqsut subsurface is within uplands or submerged lands) in the respective parcels of Nuiqsut subsurface described in Exhibit A hereto to which ASRC has heretofore acquired title, or may hereafter acquire title by virtue of any future change in the boundary, location, or extent of submerged lands or uplands within those respective parcels of Nuiqsut subsurface, reserving to ASRC the applicable ASRC percentage set out in Exhibit A in the subsurface in those portions of the Nuiqsut subsurface now and hereafter existing in those respective parcels of Nuiqsut subsurface. This patent is not intended and shall not be construed to grant to ASRC any interest in the State percentage in any Nuiqsut subsurface which has been or is conveyed from ASRC to the State pursuant to the ASRC Deed, and it is intended by the State and ASRC that, after giving effect to this patent and the ASRC Deed, the entirety of

the Nuiqsut subsurface in each of the parcels described in this patent and in the ASRC Deed shall be owned by the State and ASRC in undivided interests in proportion to the applicable State percentage and the applicable ASRC percentage, respectively, set out in Exhibit A. Further, pursuant to the Settlement Agreement, it is expressly stipulated and provided that the respective undivided ownership interests of ASRC (that is, the applicable ASRC percentage set out in Exhibit A) and of the State (that is, the applicable State percentage set out in Exhibit A) in each respective parcel of Nuiqsut subsurface described in Exhibit A will not change by virtue of any future change in the boundary, location or extent of uplands or submerged lands within said parcel.

5. Leases. To the extent that any oil and gas lease previously granted by the State to any person and described in paragraph 2.2(d) of the Settlement Agreement is presently valid and in force and effect as to the subsurface in any parcel of the Nuiqsut subsurface described in Exhibit A, this conveyance is made subject to that oil and gas lease, and subsurface revenues payable under and in connection with that oil and gas lease as to that parcel of the Nuiqsut subsurface after the effective date of this patent shall be owned by the State and ASRC in proportion to the applicable State percentage and applicable ASRC percentage as more fully provided in the Settlement Agreement. Nothing herein is intended or shall be construed to validate or reinstate any oil or gas lease which is not otherwise valid and extant.

6. Habendum. To have and to hold the applicable undivided ASRC percentage interest set out in Exhibit A in and to the portions of the Nuiqsut subsurface now and hereafter existing in the respective parcels of the Nuiqsut subsurface described in paragraph 2 of this patent, together with all and singular the tenements, hereditaments, appurtenances, rights, encumbrances, and actions thereto appertaining, unto ASRC and its successors and assigns, forever, subject to and in accordance with the terms and provisions of the Settlement Agreement. The State does

hereby bind itself and its successors and assigns to warrant and forever defend all and singular the interests hereby conveyed unto ASRC (its successors and assigns) against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under the State, but not otherwise, but subject in all respects to the Settlement Agreement and to the other matters to which this patent is made subject as set forth in it.

7. Further Assurances. The parties agree to take all such further actions and execute, acknowledge and deliver such further documents that are necessary or useful in carrying out the purposes of this patent. Without limitation to the foregoing, the State agrees to execute, acknowledge and deliver to ASRC all such other additional instruments, notices and other documents and to do all such other and further acts and things as may be necessary to more fully and effectively grant, convey and assign to ASRC the interests conveyed hereby and intended to be so conveyed.

8. Governing Law. The validity of this patent shall be governed by and it shall be construed in accordance with the laws of the State of Alaska.

9. Counterparts. This patent may be executed in any number of counterparts and each counterpart shall be deemed to be an original instrument, but all such counterparts shall constitute but one conveyance.

10. Successors and Assigns. Subject to the provisions of the Settlement Agreement, this patent shall bind and enure to the benefit of the State and ASRC and the respective successors and assigns of each of them. The covenants and provisions of this patent and of the Settlement Agreement shall be covenants running with the land.

11. Prior Warranties. The State hereby assigns to ASRC with full right of subrogation, to the extent so transferable, the benefit of and the right to enforce the covenants and warranties, if any, which the State is entitled to enforce with

respect to the interests in the Nuiqsut subsurface provided herein to be conveyed to ASRC, including those against any assignors and other predecessors in title.

12. Patent Effective Date. This patent is effective and takes effect as of _____, 199__, the date the parcels (whether one or more) of Nuiqsut subsurface described in Exhibit A became "Fully Conveyed Sections" as defined in the Settlement Agreement.

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES

By _____
Director, Division of Land

THE STATE OF ALASKA §
 § ss.
_____ JUDICIAL DISTRICT §

'This is to certify that on the ____ day of _____, 199__, before me appeared _____, the person who has been lawfully delegated the authority of _____, the Director of the Division of Land, Department of Natural Resources, State of Alaska, to execute the foregoing document; that _____ executed that document under legal authority and with knowledge of its contents; and that this act was performed freely and voluntarily upon the premises and for the purposes stated in the document.

Witness my hand and official seal the day and year in this certificate first above written.

Notary Public in and for Alaska
My Commission Expires: _____

ACCEPTANCE

Arctic Slope Regional Corporation accepts title to the applicable ASRC percentage in the subsurface in the above-described property subject to the obligations set forth in this patent.

Dated this _____ day of _____, 199__.

ARCTIC SLOPE REGIONAL CORPORATION

By _____
Jacob Adams, President

THE STATE OF ALASKA §
 § ss.
_____ JUDICIAL DISTRICT §

This is to certify that on the _____ day of _____, 199__, before me appeared Jacob Adams, the person who has been lawfully authorized as the President of Arctic Slope Regional Corporation, a corporation organized and existing under the laws of the state of Alaska, to execute the foregoing document; that Jacob Adams executed that document under legal authority and with knowledge of its contents; and that this act was performed freely and voluntarily upon the premises and for the purposes stated in the document.

Witness my hand and official seal the day and year in this certificate first above written.

Notary Public in and for Alaska
My Commission Expires: _____

EXHIBIT A
TO PATENT NO. _____
FROM THE STATE OF ALASKA TO
ARCTIC SLOPE REGIONAL CORPORATION

1. All of section _____, T _____ N, R _____ E, Umiat Meridian ("UM"), in the Barrow recording district, state of Alaska.

State percentage—_____%; ASRC percentage—_____%.

2. The following described portion of section _____, T _____ N, R _____ E, UM, in the Barrow recording district, state of Alaska:

INSERT DESCRIPTION

State percentage—_____%; ASRC percentage—_____%.

General Format: Each section or portion of a section to be described separately with State percentage and ASRC percentage to be set out separately for each section or portion of a section.

All references in this Exhibit A and in the foregoing patent to a "section" of land containing Nuiqsut subsurface refer to the entirety of the area (including any area now or hereafter situated within the Beaufort Sea) encompassed within a full square or rectangular section (protracted or projected to the extent, if any, it is within the Beaufort Sea) containing approximately 640 acres.

SIGNED FOR IDENTIFICATION

TITLE: _____

EXHIBIT J

NOTICE OF ASSIGNMENTS
OF
SUBSURFACE INTERESTS AND RIGHTS
UNDER STATE OF ALASKA
OIL AND GAS LEASE

TO: [NAME AND ADDRESS OF LESSEE]

This notice pertains to the following oil and gas lease (the "Subject Lease") issued by the State of Alaska:

Oil and Gas Lease ADL _____ [If applicable, add: (originally number ADL _____)] describing the following lands in the Barrow recording district, State of Alaska:

Township _____ North, Range _____ East, Umiat Meridian:

section _____: all (640 acres)
section _____: all (640 acres)*

Containing _____ acres, more or less (the "Lease Premises").

[*If less than all, describe portion and acres.]

Notice is hereby given that:

1. The State of Alaska ("State") and Arctic Slope Regional Corporation ("ASRC") entered into the "1991 Settlement Agreement Between Arctic Slope Regional Corporation and The State of Alaska" ("Settlement Agreement") which was ratified and approved by the Alaska Legislature in chapter ___ SLA 199__. The Settlement Agreement has been recorded in the recording office of the Barrow recording district and has been noted in the lands records system maintained by the State's Department of Natural Resources.

2. Pursuant to the Settlement Agreement, by warranty deed made effective as of _____, 199__, ASRC conveyed to the State an undivided percentage interest (the "State Percentage") in and to all portions of the subsurface in the respective sections in the Lease Premises owned by ASRC, including both uplands and submerged lands now and hereafter existing, as follows:

Section No.

State Percentage

3. Pursuant to the Settlement Agreement, by patent no. _____ made effective as of _____, 199__, the State conveyed to ASRC an undivided percentage interest (the "ASRC Percentage") in and to all portions of the subsurface in the respective sections in the Lease Premises owned by the State, including both uplands and submerged lands now and hereafter existing, as follows:

Section No.

ASRC Percentage

4. As provided in the Settlement Agreement, no change in the boundary, location, or extent of submerged lands or uplands within any section of the Lease Premises will alter, increase, or diminish the State Percentage or the ASRC Percentage of the subsurface and rentals, royalties, and other subsurface revenues in and attributable to such section owned by the State and ASRC, respectively.

5. As provided in the Settlement Agreement and notwithstanding any provision of section 14(g) of the Alaska Native Claims Settlement Act of 1971 ("ANCSA"), all rentals, royalties, and other subsurface revenues with respect to and payable on account of production of oil or gas from each section of the Lease Premises shall be owned by and payable to the State and ASRC, respectively, in proportion to the State Percentage and ASRC Percentage in that particular section and shall not be pooled or communitized with or payable to the owners of the subsurface in any other section of the Lease Premises.

6. As provided for in the Settlement Agreement, the lessee under the Subject Lease is hereby directed to pay all rentals, royalties, and other subsurface revenues becoming payable by the lessee under the Subject Lease after the effective date of the warranty deed and patent described in paragraphs 2 and 3 above, as follows:

(a) To ASRC, to the extent of the applicable ASRC Percentage in the subsurface in the particular section of the Lease Premises with respect to which such rentals, royalties, or other subsurface revenues become payable, at the following address (or such other address of which notice is hereafter given by ASRC to such lessee):

(b) To the State, to the extent of the applicable State Percentage in the subsurface in the particular section of the Lease Premises with respect to which such rentals, royalties, or other subsurface revenues become payable, at the following address (or such other address of which notice is hereafter given by the State to such lessee):

7. Notices from the lessee under the Subject Lease to the "lessor" under the Subject Lease after the effective date of the warranty deed and patent described in paragraphs 3 and 4 above are to be given both to ASRC, at the address shown in paragraph 6(a) above (or such other address of which notice is hereafter given by ASRC to the lessee) and to the State at the address shown in paragraph 6(b) above (or to such other address of which notice is hereafter given by the State to the lessee).

8. As provided in the Settlement Agreement, from and after the effective date of the warranty deed and patent described in paragraphs 2 and 3 above, and notwithstanding any contrary provision of section 14(g) of ANCSA:

(a) As to the applicable State Percentage in each respective section of the Lease Premises, the State shall have the right and responsibility, with respect only to its State Percentage interest, in its own discretion to administer and enforce directly any termination provisions, duties, obligations, and covenants, express or implied, undertaken by or imposed by virtue of the Subject Lease; and

(b) As to the applicable ASRC Percentage in each respective section of the Lease Premises, ASRC shall have the right and responsibility, with respect only to its ASRC Percentage interest, in its own discretion to administer and enforce directly any termination provisions, duties, obligations, and covenants, express or implied, undertaken by or imposed by virtue of the Subject Lease.

9. Nothing in this notice is intended or shall be construed to ratify, validate, or reinstate the Subject Lease as to any land or interest therein as to which the Subject Lease is not otherwise presently valid and in force and effect.

10. The effective date of this notice is the same date as the effective date of the deed and patent described in paragraphs 2 and 3 above.

STATE OF ALASKA

By _____
Director, Division of Land,
Department of Natural Resources

ARCTIC SLOPE REGIONAL CORPORATION

By _____
(Name) _____
(Title) _____

A G R E E M E N T

THIS AGREEMENT entered into this 21 day of January, 1987, is by ARCTIC SLOPE REGIONAL CORPORATION ("ASRC"), a corporation authorized pursuant to Section 7 of the Alaska Native Claims Settlement Act, 85 Stat. 688, 691, 43 U.S.C. 1606 ("ANCSA"), and duly organized under the laws of the State of Alaska, and KUUKPIK CORPORATION ("Kuukpik"), a corporation authorized pursuant to Section 8 of ANCSA and duly organized under the laws of the State of Alaska. ASRC and Kuukpik are collectively referred to as "the parties".

W I T N E S S E T H:

WHEREAS, ASRC desires to exercise its option under § 1431(o) of the Alaska National Interest Lands Conservation Act, 94 Stat. 2371, 2542, Pub. L. 96-487 ("ANILCA"), to acquire the subsurface estate of lands, all or part of the surface estate of which has been selected by and has been or will be conveyed to Kuukpik within the National Petroleum Reserve in Alaska ("NPR-A") (referred to hereinafter as the "ASRC Subsurface"); and

WHEREAS, the option of ASRC to acquire the ASRC Subsurface will expire on January 26, 1987, unless extended; and

WHEREAS, it is in the best interests of ASRC and Kuukpik for ASRC to exercise its option under § 1431(o) of ANILCA; and

WHEREAS, the concurrence of Kuukpik is required under § 1431(o) of ANILCA prior to the exercise of ASRC's option to acquire the ASRC Subsurface; and

WHEREAS, the parties recognized that Kuukpik may condition its concurrence under § 1431(o) of ANILCA to require its further consent for ASRC, its successors and assigns, to conduct oil and gas exploration activities that may occur with respect to the ASRC Subsurface, and to conduct any future development activities, including but not limited to oil and gas development and production and sand and gravel extraction, that may occur with respect to the ASRC Subsurface (referred to hereinafter as "Exploration and Development Activities"); and

WHEREAS, Kuukpik is willing to give its conditional concurrence to ASRC for acquisition of the ASRC Subsurface under § 1431(o) of ANILCA.

NOW, THEREFORE, in consideration of their mutual promises and for other good and valuable consideration the receipt of which is hereby acknowledged, the parties hereto consent and agree as follows:

1. Kuukpik hereby gives its concurrence for ASRC to exercise its option under § 1431(o) of ANILCA to acquire the ASRC Subsurface, but Kuukpik expressly conditions its concurrence in such acquisition of the ASRC Subsurface by reserving the right to consent to any Exploration and Development Activities that ASRC, its successors and assigns, may engage in from time to time with respect to the ASRC Subsurface.

2. ASRC agrees that it will not engage in any Exploration and Development Activities with respect to the ASRC Subsurface without first obtaining the consent referred to in Paragraph 1 of this Agreement.

ARCTIC SLOPE REGIONAL CORPORATION

Date: 1/16/87

By Jaime Adams

KUUKPIK CORPORATION

Date: 1/21/87

By Joe Nuliyaghi

DEPT. OF NATURAL RESOURCES

PO BOX 107034
ANCHORAGE, ALASKA 99510-7034
PHONE: (907) 762-2553

DIVISION OF OIL AND GAS

SUMMARY OF THE 1991 SETTLEMENT AGREEMENT
between
ARCTIC SLOPE REGIONAL CORPORATION & STATE OF ALASKA
January 1992

INTRODUCTION

In December 1991, the State of Alaska and the Arctic Slope Regional Corporation (ASRC) settled a long-running legal dispute concerning north slope mineral ownership near Nuiqsut and Point Lay. The settlement resolves litigation resulting from a 1974 agreement in which ASRC and the state agreed to exchange lands near Nuiqsut and Point Lay. The settlement is not effective until approved by the legislature. The Governor will submit the settlement agreement to the legislature at the beginning of the legislative session in January. The area affected by the settlement is displayed in the maps on the next pages.

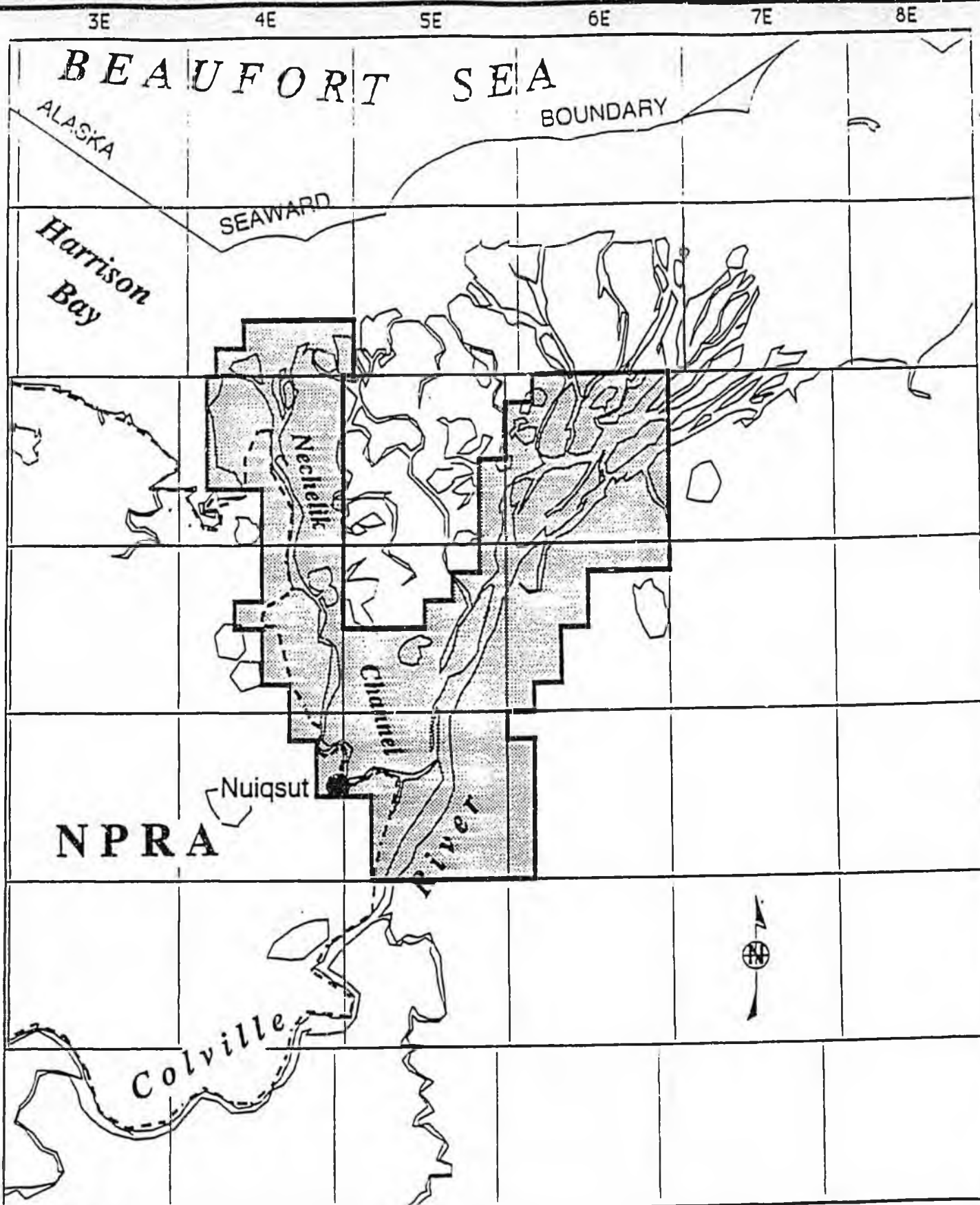
Under the settlement, the state and ASRC agree to jointly own undivided interest in the mineral estate of the disputed lands. The settlement also grants the state the right to hold oil and gas lease sales jointly for itself and for ASRC. Once a lease has been signed, the state and ASRC each separately administer its lease with respect to its own undivided interest in the subsurface.

Under the settlement agreement, the state does not give up any of its duties to the public imposed by law. The state would still have to determine whether a sale would be in the best interest of the state, and would follow relevant procedural requirements for leasing and for permitting the subsequent exploration for natural resources. The state retains all rights under state law to ensure that development of the subsurface complies with laws governing natural resource management and protection.

The agreement involves only mineral estate; it does not change the surface ownership. The surface estate of the Point Lay lands is state-owned; the Nuiqsut surface is owned by the village corporation for Nuiqsut, Kuukpik Corporation.

The land dispute began in 1973 when the federal government allowed the village corporations for Nuiqsut and Point Lay to select lands that had previously been transferred to the state. The state then protested the eligibility of those villages under the Alaska Native Claims Settlement Act. One year later, the state withdrew its protest and agreed to give up ownership of Point Lay mineral estate in return for ownership of the Nuiqsut mineral estate. For various reasons, the land exchanges expected by the 1974 agreement were never completed. This smoldering dispute erupted into lawsuits in 1985 after Texaco announced an oil discovery northeast of the Nuiqsut lands.

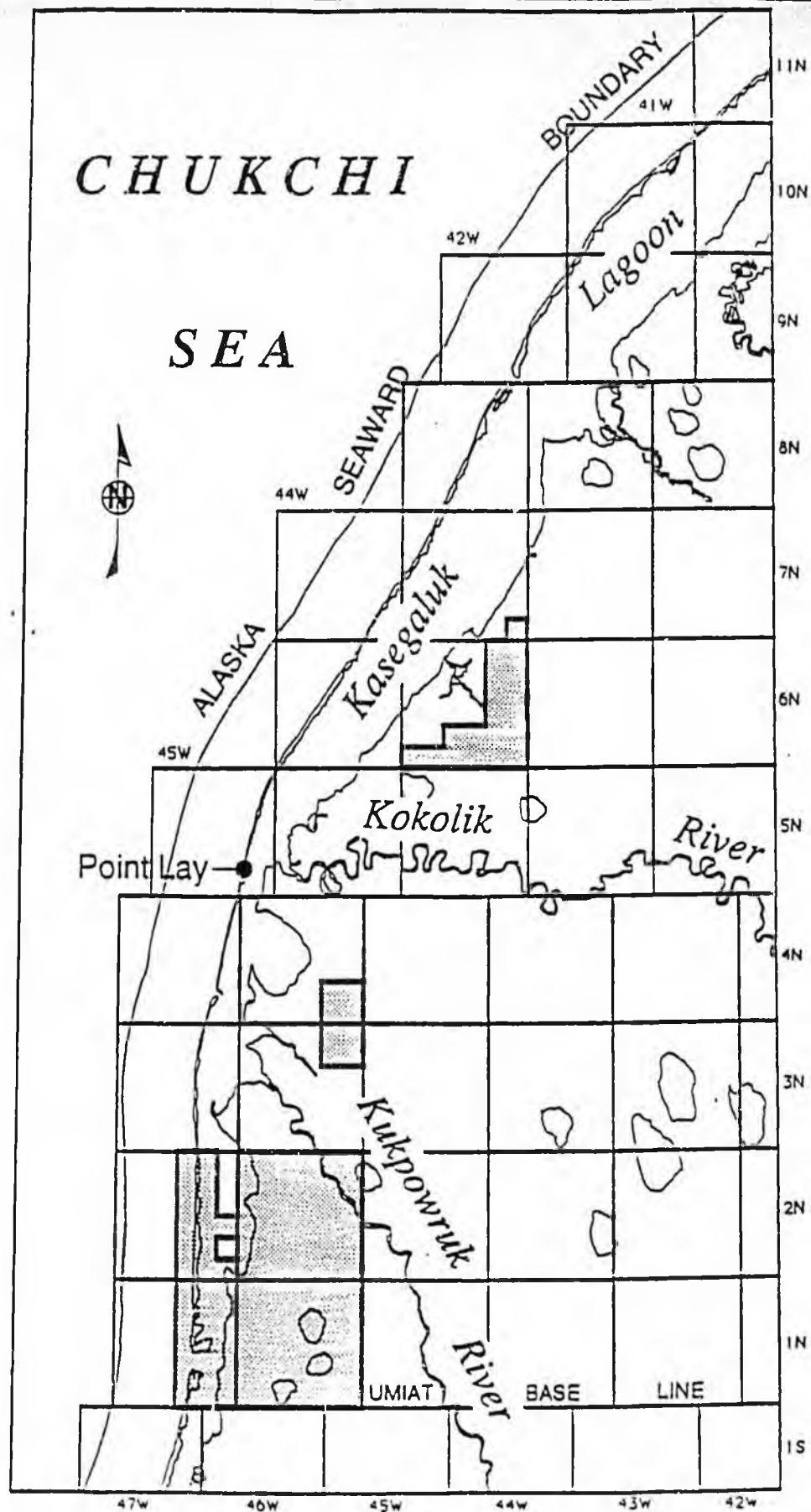
DNR Summary of Settlement
ASRC & State of Alaska



Nuiqsut Subsurface

SCALE 1:317,000 ONE INCH = FIVE MILES APPROX.

Alaska
 Department of
 Natural Resources
 Division of Oil and G
 12-4-91



CHUKCHI

SEA

Point Lay

UMIAT BASE LINE



Point Lay Subsurface

SCALE 1:500,000 ONE INCH = EIGHT MILES APPROX.

Alaska
Department of
Natural Resources
Division of Oil and Gas
12-4-91

The Point Lay area includes the mineral estate beneath approximately 84,000 acres (including all lands -- both the disputed uplands and the state-owned submerged lands). The Nuiqsut area includes the mineral estate beneath approximately 111,000 acres. However, the Nuiqsut-area acreage will eventually be reduced. The agreement concerns the subsurface estate conveyed to ASRC by the federal government. Conveyances in that area are not complete. The Nuiqsut area includes overselections, all of which will not be conveyed to ASRC. Sections not conveyed to ASRC will eventually be eliminated from the area affected by the agreement.

SUMMARY OF THE ISSUES

Land Ownership. The dispute concerns the ownership of the subsurface estate beneath the uplands in the Nuiqsut and Pt. Lay areas. The agreement resolves the location and amount of the subsurface estate attributable to upland ownership. In concept, the state and ASRC agreed that submerged lands and the subsurface below them were state-owned. However, the location and amount of submerged lands were hotly disputed and difficult to resolve.

The agreement fixes the amount of submerged lands -- for purposes of oil and gas leasing -- for all time. This will eliminate administrative complexity for the state and ASRC, and for lessees who might otherwise be unsure who owns their lease tracts. The agreement also provides that the amount of submerged lands is agreed to for purposes of resolving this litigation only and has no further implication for the many other submerged lands disputes in which the state is involved.

According to the agreement, the state and ASRC own undivided interests in the subsurface estate of each section of land in the Nuiqsut and Pt. Lay areas. The interest that each owns reflects a 50/50 split of the uplands plus a state credit for 100% of the agreed-to submerged land acreage. The agreement establishes percentages for all times; the percentages will not change with changes in the extent of submerged lands (i.e., due to accretion, reliction, or erosion). Boundaries are "squared off" along the coast and along the NPRA border (i.e., the boundary includes entire sections). The squaring off allows for more efficient leasing. It also has the effect of giving ASRC a small share of lands in Harrison Bay which are already leased, and the state a small share of NPRA lands.

$$\text{State \%} = \frac{(\text{upland acres} * 50\%) + (\text{submerged land acres} * 100\%)}{\text{number of acres in the section (usually 640)}}$$

Crucial to the agreement is an exhibit that lists for each disputed section the state and the ASRC percentage ownership in that section. Revenue is calculated by section; it accrues according to the percentage ownership listed by section.

Land Management. The state and ASRC agreed to a system where the state manages the land for both parties up to the point of leasing. In return for that management, the state owes ASRC a certain standard of performance. Once the lease has been signed, the state has for the most part

discharged its duty to ASRC. Thereafter, the state and ASRC each separately administers its lease with respect to its own undivided interest in the subsurface. The exception is that in some situations, the commissioner has the power to establish the royalty value of oil for the state. If that occurs the commissioner's decision will also establish the value for purposes of ASRC.

TERMS OF THE AGREEMENT

The State's Right to Lease on Behalf of ASRC: *The Grant of Executive Rights.* Under the agreement, ASRC grants the state "executive rights" to lease the jointly held land on behalf of itself and ASRC. Thus, the state holds the lease sale, accepts bids, and signs the lease agreement with the lessee. The lease binds both the state and ASRC. In return for these executive rights, the state agrees to comply with a standard of performance with respect to ASRC's interest in the land. By this standard, the state agrees to act with "the degree of diligence and discretion that would be exercised by an average landowner, acting as a reasonable and prudent person...in seeking to cause his subsurface to be explored and developed..." The state and ASRC also agree that this standard of performance does not apply "to the extent that the state is prevented from complying with such standard because of its duties and obligations as sovereign or because of applicable federal or state statutes, regulations and constitutional provisions including, but not limited to, those that govern protection of natural resources and procedural requirements for disposal of interests in state lands..."

In other words, the state agrees to a standard of care, but does not give up any of its duties to the public imposed by law (i.e., we still have to determine whether a sale would be in the best interests of the state, etc.). If, for example, it is not in the state's best interest to lease because of potential environmental harm or another reason, the state can decline to lease (can decline to exercise its executive rights). In that case, ASRC has the same rights as any member of the public to appeal the state's finding, but cannot compel the state to act by virtue of this agreement. If the state refuses to lease, ASRC has the right to lease its own interest under the laws of mineral cotenancy. Finally, the state agrees to "treat ASRC's interest in the same manner as it treats its own interest and shall not act in a manner intended to benefit itself at the expense of ASRC."

The state's liability under this standard could, in some circumstances, be quite significant. With knowledge gained by exploration, it is always possible to second-guess the terms of a past lease sale. To avoid claims made in hindsight that the state should have acted differently and did not live up to its promised standard, the parties agreed upon a dispute resolution process to resolve differences before the sale (and without going to court).

In this process, the state proposes "substantive terms and conditions" for a lease sale to ASRC. These terms include such variables as royalty rate and minimum bid, but they do not include sovereign powers of the state such as those that are exercised in best interest findings or in stipulations attached to land use permits. If they cannot agree on the "substantive terms and conditions" of the sale, the disagreement is referred to an expert (called a qualified independent

consultant). The expert determines whether the state's proposed "substantive terms and conditions" meet the standard of performance.

Three outcomes are possible: (1) the state and ASRC agree on terms and the lease sale goes forward; (2) they disagree, and the issue is referred to the expert who decides in favor of the state; or (3) they disagree, and the issue is referred to the expert who decides in favor of ASRC.

If either of the first two situations occurs (agreement or an expert decision favoring the state), ASRC forever waives the right to argue that the state violated its standard of performance. If the expert decides in favor of ASRC, the state can, of course, decide to adopt ASRC's recommendations. It can also go ahead under its own terms. If this occurs, however, ASRC may claim damages in court, arguing that the state violated the standard of performance that it promised in the agreement.

After the Joint Lease: Separate Administration. After the state signs the lease on behalf of itself and ASRC, the state and ASRC will each separately administer its own interest in the lease. The two parties have what is essentially identical but separate legal relationship with the lessee with respect to the same mineral estate. Although a new concept for Alaska, this is a frequent occurrence in other parts of the United States, like Texas, where landownership is more complicated.

Most state administration of oil and gas leases focuses on an operator's compliance with laws concerning natural resource management and protection (land use permits, etc.). This administration is based not upon the state's statutes for oil and gas leases, but on the state's sovereign powers. These regulatory decisions are made by the state alone. Decisions concerning whether the lessee has lived up to his lease obligation (e.g., paid rent, drilled for oil) are made under the requirements of the individual lease document. These decisions would be administered separately by the two parties with respect to their own interests.

There is an unlikely possibility that the state or ASRC will terminate its lease but that the other will not. In that case, the party with the unleased interest would be free to lease its interest on its own (though such a lease might be worth considerably less than a joint lease). In addition, the lessee may still explore and produce, but as long as part of the subsurface interest is unleased, production occurs under the laws of mineral cotenancy. These laws have not been tested in Alaska, but we expect that the lessee will owe the remaining lessor (the one with the lease) the royalty due under that lease, and will owe the other lessor (the one without a lease) the value of all oil after its share of production and development costs have been subtracted.

This system, while unusual for Alaska, is unlikely to create frequent conflict. The limited nature of decisions made under the lease and the self-interest of both the state and ASRC will likely result in consistent administration.

SUMMARY OF PROCESS BEFORE A JOINT LEASE SALE.

The previous section explained the concept of the settlement agreement. This section explains the steps that precede a joint lease sale.

The Grant of Executive Rights. Once State and ASRC both have title to a section and the section is unleased, State has Executive Rights to lease both State and ASRC acreage for oil and gas. With those executive rights, the State is held to a "Standard of Performance" but does not give up its "Sovereign Powers."

1. State proposes "substantive terms and conditions" of the lease sale. At least 6 months before sale, State gives ASRC notice of proposed "substantive terms and conditions" for the sale.
 - 2a. If State and ASRC reach "Approval Agreement" -- that is, if State and ASRC agree on those terms, State goes forward and holds the sale. Go to Step 3.
 - 2b. If State and ASRC disagree - the Qualified Independent Consultant (QIC). If State and ASRC disagree, the disagreement is referred to an expert, the Qualified Independent Consultant. State and ASRC show each other and the QIC their information; QIC decides whether State would breach its "Standard of Performance" in using those "substantive terms and conditions."
 - (i) If QIC decides for State. State holds lease sale. Go to Step 3.
 - (ii) If QIC decides against State. State has two choices:
 - (A) Change terms to those requested by ASRC and hold sale. Go to Step 3.
 - (B) Hold sale using State's proposed terms. Go to Step 4.
3. State holds Lease Sale -- Liability Ends. ASRC loses right to argue State breached Executive Rights "Standard of Performance" because ASRC agreed or lost in front of the QIC.
4. State holds Lease Sale -- Liability Continues. ASRC retains right to sue for damages that State breached "standard of performance." If they sue, court reviews decision of QIC based on the record before QIC. If, based on record before QIC, court decides that QIC's decision was "arbitrary and capricious" State is absolved of liability. If court upholds QIC, then court awards damages on State's failure to comply with "standard of performance."

Grant of Executive Rights Ends -- State and ASRC Administer Own Interest Separately. One partial exception to separate administration: ASRC agrees to use State's method for royalty evaluation.

STANDARD OF PERFORMANCE. The agreed standard of performance is reproduced from the agreement.

4.2 Standard of Performance.

(a) The State shall exercise the Executive Rights granted herein in compliance with the Limited Prudent Landowner Standard, as defined herein, as to the substantive terms and conditions of all Subsurface Agreements¹ and Subsurface Agreement Solicitations¹ to be executed or issued by the State as executive pursuant to this Settlement Agreement. In exercising such Executive Rights, the State shall treat ASRC's interest in the same manner as it treats its own interest and shall not act in a manner intended to benefit itself at the expense of ASRC.

(b) Neither the Limited Prudent Landowner Standard nor any other provision of this Settlement Agreement creates a fiduciary duty on the part of the State to ASRC.

IMPORTANT DEFINITIONS

"Executive Rights" means the exclusive right, power, and authority to formulate and issue Subsurface Agreement Solicitations¹ and to negotiate, formulate, agree upon, execute, and grant Subsurface Agreements¹ pursuant to the terms of this Settlement Agreement.

"Limited Prudent Landowner Standard" means the Prudent Landowner Standard except to the extent that the State is prevented from complying with such standard because of its duties and obligations as sovereign or because of applicable federal or state statutes, regulations, and constitutional provisions, including, but not limited to, those that govern protection of natural resources and procedural requirements for disposal of interests in state lands for leasing, exploration, and development of natural resources, subject, however, to the provisions of subsection 8.2.²

"Prudent Landowner Standard" means the degree of diligence and discretion that would be exercised by an average landowner, acting as a reasonable and prudent person who is familiar with prevailing practices and standards in the oil, gas, and mineral industry in the area at the time, in seeking to cause his subsurface to be explored and developed and to maximize subsurface revenues from such subsurface and protect such subsurface from drainage.

"Substantive terms and conditions" means, but is not limited to, timing of lease sales, lease tract identification and composition, bid terms, and lease terms but shall not include (i) the exercise by the State of its duties and obligations as sovereign, (ii) the State's compliance with applicable federal or state statutes, regulations, and constitutional provisions, including but not

¹ "Subsurface Agreements" are essentially oil and gas, or coal leases. "Subsurface Agreement Solicitations" is the lease sale.

² Section 8.2 ensures that ASRC has not waived "its right to challenge the constitutionality of any statute or the validity of any regulation...that singles out the Nuiqsut subsurface or the Point Lay subsurface for treatment different from that accorded to other lands with the State of Alaska, or that causes any injury-in-fact to any rights expressly granted to ASRC under this Settlement Agreement."

limited to, those that govern protection of natural resources and procedural requirements for disposal of interests in State lands for leasing, exploration, and development of natural resources, (iii) the granting of exploration incentive credits against tax obligations or the State's royalty interest (but not ASRC's royalty interest), or (iv) other exercise of the State's taxing power."

WALTER J. HICKEL
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

SB369

January 23, 1992

The Honorable Richard I. Eliason
President of the Senate
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear President Eliason:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that would ratify the "1991 Settlement Agreement Between the State of Alaska and the Arctic Slope Regional Corporation" (1991 Settlement Agreement). This bill would resolve longstanding litigation between the State of Alaska and the Arctic Slope Regional Corporation (ASRC) over ownership of potentially valuable mineral lands in the Point Lay and Nuiqsut areas of the North Slope. The litigation arose out of a 1974 land exchange agreement (1974 Agreement), discussed below, which followed passage of the Alaska Native Claims Settlement Act of 1971 (ANCSA). The bill also would remove impediments to title marketability to the disputed lands and to create a long-term partnership between the state and ASRC, aimed at maximizing revenue for both parties.

The 1991 Settlement Agreement - Background

The 1991 Settlement Agreement resolves a dispute over land entitlement stemming from a 1974 land exchange agreement. The 1974 Agreement was intended to resolve state challenges to the BIA-certified eligibility of two ANCSA village corporations by requiring the state and ASRC to exchange certain lands in the Nuiqsut and Point Lay areas, in exchange for which the state agreed to withdraw its challenges to the ANCSA eligibility of Point Lay (Cully Corporation) and Nuiqsut (Kuukpik Corporation).

Under the 1974 Agreement, ASRC agreed to quitclaim any interest it had in 69,120 acres of Nuiqsut area subsurface then tentatively approved to the state, the surface of which Kuukpik Corporation could select under ANCSA. The state agreed to convey to ASRC about 65,000 acres of lands owned by the state in the Point Lay area. Although the state did withdraw its challenges to the eligibility of Point Lay and Nuiqsut, the land exchange provisions of the 1974 Agreement were never completed, for reasons which ASRC and the Department of Natural Resources (DNR) dispute.

The Honorable Richard I. Eliason
January 23, 1992
Page 2

In 1985 Texaco made a promising oil strike northeast of the Nuiqsut area lands. At that point, DNR sought to implement the land exchange provisions of the 1974 Agreement. ASRC refused, asserting that the state had abandoned the 1974 Agreement by 11 years of inaction and that the 1974 Agreement was in violation of the Alaska Statehood Act, the Constitution of Alaska, and various state and federal laws. Negotiations between the parties failed, and litigation was filed in state and federal court.

After the initiation of litigation and extensive motion practice, DNR and ASRC, faced with the uncertainties of litigation and the speculative values of both the Nuiqsut and Point Lay parcels, reentered negotiations and in 1986 reached an agreement in principle that contemplated an even split of the contested uplands at both locations. This "50/50" split of the lands subject to the 1974 Agreement remains at the heart of the 1991 Settlement Agreement.

However, after the basic settlement concept was agreed to in 1986, DNR and ASRC engaged in extensive research and discussions concerning the boundaries, extent, and location of uplands and of the state's wholly-owned submerged lands (to which ASRC was not entitled), and regarding which party would manage the lands involved and under what conditions.

The most difficult issue during settlement negotiations concerned the boundaries, extent, and location of submerged lands. ASRC claimed that the extent of the state's wholly-owned submerged lands (including submerged lands underlying lakes, rivers, and tidelands) totalled substantially less in acreage than that claimed by DNR. The parties realized that the inability to agree on the submerged lands would inevitably result in further litigation and make it difficult if not impossible for either party to market its respective interests. Therefore, the parties tentatively agreed to merge title to the uplands and submerged lands and share the revenue from oil and gas development on a section-by-section basis, with the state to get more than 50 percent when, arguably at least, there were submerged lands in a section.

For three years the parties analyzed aerial photos, maps, United States Fish and Wildlife Service and Bureau of Land Management data, and other data in an effort to reach a common data base for determining what the state's wholly owned submerged lands were and what the uplands to be split between the parties were. It took a settlement conference before a United States District Court judge to force the parties to resolve this issue; in that 1989 settlement conference the parties compromised their respective positions. Since then, the parties have continued to negotiate the details of how the lands would be managed.

The resulting 1991 Settlement Agreement, as recommended to me by Attorney General Cole, has the following principal components:

1. The litigation is dismissed and the rights of the parties under the 1974 Agreement are superseded unless the 1991 Settlement Agreement is overturned by a court.

2. The state and ASRC acquire by exchange equal, undivided interests in the subsurface estate of all lands previously subject to the 1974 Agreement.

3. The state and ASRC merge their titles to uplands and submerged lands and establish a formula for percentages of undivided ownership, on a section-by-section basis. This merger would resolve all disputes regarding the existence, extent, and location of state-owned submerged lands and avoid, for all time, the ambiguities otherwise created by constantly shifting boundaries caused by accretion, reliction, and avulsion.

4. The state retains the "executive rights" (leasing authority) to lease all lands on behalf of ASRC and the state. ASRC has the opportunity to review and comment on proposed oil and gas lease terms, with a dispute-resolution mechanism in the event of disagreement. ASRC and the state each retain the right to separately enforce the lease with respect to their respective interests.

5. Revenue generated from the undivided interests is paid directly to the state and ASRC, respectively, in proportion to their percentage ownership interests in the subsurface estates.

6. The state did not give up any of its duties to the public imposed by law. The state will still have to determine whether a sale is in the best interest of the state, and must follow relevant procedural requirements for leasing or exploring for natural resources. The state retains all rights under state law to ensure that development of the subsurface complies with laws concerning natural resource management and protection.

The 1991 Settlement Agreement contains a number of complex, technical provisions dealing with existing oil and gas leases at Nuiqsut, status of state submerged lands, boundary problems, and land management rights and duties. The following describes in more detail the major provisions of the settlement agreement.

1991 Settlement Agreement - Substantive Provisions

Under the 1991 Settlement Agreement, the parties agreed to quantify the extent of state-owned submerged lands by splitting the difference between the state's calculations of submerged lands and those of ASRC. Title problems were resolved by combining the interests of the state and ASRC on a section-by-section basis, with each party receiving an undivided percentage ownership reflecting a 50/50 division of the agreed-to uplands within each section, and the state receiving full (i.e., 100 percent) credit for any agreed-to submerged lands within the section. The state retains full sovereign powers over submerged lands, notwithstanding ASRC's undivided ownership interest.

The Honorable Richard I. Eliason
January 23, 1992
Page 4

The net effect of the cross-conveyances called for in the 1991 Settlement Agreement is an exchange of undivided interests in the subsurface estate such that the titles to submerged lands and uplands are merged and the parties, for all time, will own their respective undivided percentage interests in each section according to the schedules set out in Exhibits E and F to the 1991 Settlement Agreement. This percentage is fixed and will not change regardless of the amount or location of submerged lands that may be contained in any section from time to time.

In order to eliminate any possible future disputes over the boundary of the settlement area along the coastline and along the National Petroleum Reserve-Alaska (NPRA) boundary, the parties agreed to extend section lines into the ocean and across the NPRA boundary so that the area subject to the 1991 Settlement Agreement will include only full sections whose location can be protracted at any time without reference to changes brought about by accretion, reliction, or avulsion. In this manner, approximately 4,000 acres of ocean submerged lands owned by the state outside the 1974 Agreement area, and approximately 9,000 acres of NPRA subsurface owned by ASRC also outside the 1974 Agreement area, were included in the 1991 Settlement Agreement. In each instance the parties' undivided percentage interest in any section so extended was adjusted to provide a 100 percent credit for lands contributed by the state or ASRC from outside the original 1974 Agreement boundaries.

Finally, the parties agreed that the state would hold the "executive rights" for both parties' interests. As defined in the 1991 Settlement Agreement, "executive rights" empower the state to enter into leases and other subsurface agreements on behalf of both ASRC and the state. The 1991 Settlement Agreement contemplates that the commissioner will exercise the executive rights consistent with statutory constraints; the agreement does not waive any sovereign powers of the state.

The parties to the 1991 Settlement Agreement also discussed the issue of section 6(i) of the Alaska Statehood Act, which generally prohibits the state from alienating any interest in mineral estates it owns. Congress has authorized an exception to this provision under sec. 22(f) of ANCSA, which authorizes exchanges of land with ANCSA corporations. In order to resolve any question as to whether the exchange contemplated in the settlement agreement would require approval of the Secretary of Interior, the state has requested, and expects to receive shortly, an opinion from the Interior Solicitor ruling that no Secretarial approval is required for the 1991 Settlement Agreement.

The Bill

The attached bill ratifies the 1991 Settlement Agreement and establishes procedures for implementing it. Section 1 of the bill sets out the overall purposes of the bill and settlement agreement.

Section 2 of the bill specifies that the 1991 Settlement Agreement is ratified "notwithstanding any provision of AS 38 or any other provisions of Alaska law." This clarifies that the exchange of undivided interests in land contemplated by the 1991 Settlement Agreement is not subject to the provisions, in particular, of AS 38.50.

AS 38.50 provides authority for exchanges of the state's mineral estate, including the mineral estate in submerged lands. For a variety of reasons, however, that chapter does not provide an appropriate vehicle for the settlement of litigation. For example, AS 38.50 contemplates a voluntary exchange of land for equal values and requires appraisals and a series of public hearings on proposed exchanges. Although the state and ASRC believe that the consideration given and received under the settlement agreement is roughly equal, no effort has been made to appraise the lands. The terms of the exchange are influenced by factors other than land values (which are highly speculative, in any event), including each side's assessment of the risks of litigation. Finally, settlement negotiations have necessarily and appropriately been conducted in closed sessions. Public involvement is provided through the process of legislative ratification, but could not realistically have been provided earlier in the process, as contemplated under AS 38.50.

In addition to addressing AS 38.50, the "notwithstanding any other provision of Alaska law" language is intended to ensure that no other provision of state law might subsequently be raised to challenge the settlement itself. The bill deliberately uses broad language to accomplish this result. This language is intended to make it clear, for example, that in carrying out the provisions of the settlement the commissioner is acting under the mandate of the legislature as provided in this bill and not exercising the commissioner's discretion under other statutory provisions that authorize administrative disposition of state lands. Specifically, this language, together with sec. 3 of the bill, discussed below, relieves the commissioner of any further notice, hearing, or public interest finding requirements before making the conveyances required by the 1991 Settlement Agreement.

The exemption as to other provisions of Alaska law extends, however, only to those actions mandated by the 1991 Settlement Agreement necessary to implement the settlement. The 1991 Settlement Agreement contemplates that, following conveyance, the commissioner will exercise management responsibilities consistent with statutory constraints, and does not waive any sovereign powers of the state. Any exploration and development activities that occur subsequent to the exchange will be fully subject to the normal statutory and regulatory procedures applicable to administration of state lands. Specifically, lease sales will be conducted in the normal manner and all regulatory requirements will be observed, including coastal zone consistency and public interest findings. To the extent that ASRC exercises powers as a landowner, this legislation does not exempt ASRC from federal, state, or local requirements otherwise applicable to private landowners.

Section 3 of the bill provides that "no statutory or common law rules against perpetuities . . . or restraints on alienation of property shall apply to the settlement agreement . . . or to any interest or power created by it." The 1991 Settlement Agreement commits the state and ASRC permanently to merge their titles with no right of partition, to jointly lease and develop their interests, and to take a number of other steps, including contemplation of sales, with respect to their lands for an indefinite period of time. The law is generally hostile to perpetual restrictions or restraints on alienation. For example, AS 34.27.010 provides that an interest that would violate the rule against perpetuities may be reformed by a court. If these rules were to apply, the 1991 Settlement Agreement might be challenged and stricken down or modified in ways that were never intended.

A major consideration for both the state and ASRC in entering into the 1991 Settlement Agreement is to improve the marketability of title. This objective, and the benefits of the settlement, would be frustrated if the merging of title, prohibition against partition of those interests, and "executive rights" provisions were ever successfully challenged as violative of the rule against perpetuities or as unreasonable restraints on alienation. Accordingly, sec. 3 exempts the 1991 Settlement Agreement from these requirements.

Sections 4 and 5 of the bill outline the authorities and duties of the commissioner of natural resources to carry out the terms of the 1991 Settlement Agreement, including issuing and recording the appropriate land conveyances.

Section 6 of the bill limits the time within which the bill or the 1991 Settlement Agreement can be challenged in court. In order to minimize the possibility that the exchange might be altered or invalidated by a court after the state and ASRC have committed themselves to making the conveyances and taking the other actions required by the 1991 Settlement Agreement, sec. 6 provides that any action challenging the legality of the 1991 Settlement Agreement must be commenced within six months after the effective date of the legislation. A joint lease sale involving lands subject to the settlement agreement is scheduled for December 1992. Any uncertainty as to the validity of the 1991 Settlement Agreement or the implementing legislation could adversely affect the marketability of the leases. Although the six-month limitation period is rather short, the parties most likely to have standing to challenge the settlement agreement are the state and ASRC or entities in privity with them. We believe that the short limitation period is reasonable in light of the extensive past negotiations between the parties and the need to provide some finality to the litigation and to allow for future uses of the lands. Also, sec. 6 of the bill provides that the bill may not be construed as creating any right in any party not privy to the 1991 Settlement Agreement to challenge that Agreement or the Act.

Finally, sec. 7 of the bill waives the sovereign immunity of the state to any suit brought by ASRC to enforce the 1991 Settlement Agreement if that action is commenced in a superior court of the state. The state does not waive its protection from suit in federal court under the eleventh amendment of the Constitution of the United States.

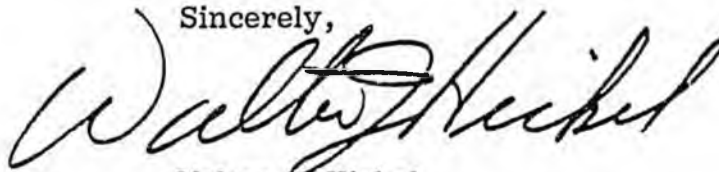
The Honorable Richard I. Eliason
January 23, 1992
Page 7

The 1991 Settlement Agreement is a compromise, and settles highly disputed issues. Because of that, it is not without risks to both the state and ASRC. However, I believe that these risks are outweighed by the benefits to the state of finally resolving this 18-year-old dispute. The 1991 Settlement Agreement not only settles long-standing litigation between ASRC and the state, it also anticipates and resolves disputes regarding the existence, extent, and location of submerged lands owned by the state in the Nuiqsut and Point Lay areas. Finally, by merging title to uplands and submerged lands and vesting "executive rights" in the state, the 1991 Agreement will result in maximum certainty and predictability for potential lessees, which in turn will make the interests of both the state and ASRC more marketable.

Copies of the 1991 Settlement Agreement will be provided to the senate secretary and the clerk of the house. Additional copies are available through the Department of Natural Resources.

I urge your prompt consideration and passage of this bill.

Sincerely,

A handwritten signature in cursive script, reading "Walter J. Hickel". The signature is written in dark ink and is positioned above the printed name and title.

Walter J. Hickel
Governor

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

400 WILLOUGHBY AVENUE
JUNEAU, ALASKA 99801-1796
PHONE: (907) 465-2400
FACSIMILE: (907) 586-2754

February 3, 1992

The Honorable Sam Cotten, Chair
Senate Special Committee for Oil and Gas
State Capitol
Juneau, AK 99811-1182

Dear Senator Cotten:

Subject: SB 369, relating to the Legislature's ratification of the 1991 settlement agreement between the Arctic Slope Regional Corporation (ASRC) and the State of Alaska.

Position: The Department of Natural Resources supports this bill. It will ratify an agreement that resolves protracted litigation between the state and the ASRC over potentially valuable North Slope mineral lands, allowing some of these lands to be leased in a December, 1992 state oil and gas lease sale.

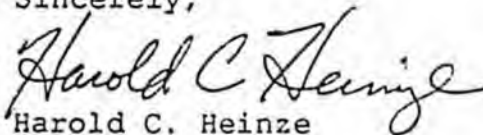
Background: The litigation stemmed from a 1974 agreement between ASRC and the state which was intended to resolve a dispute over the Alaska Native Claims Settlement Act eligibility of the villages of Nuiqsut and Point Lay. Under the 1974 agreement, for withdrawing its challenges to these villages' eligibility and transferring certain state lands in the Point Lay area to ASRC, the state was to receive the subsurface estate to certain lands near Nuiqsut. The dispute became a lawsuit in 1985 after Texaco announced an oil strike northeast of the Nuiqsut lands.

Under the new settlement agreement, the state and ASRC would jointly own undivided interests in the mineral estate of approximately 84,000 acres near Point Lay and over 100,000 acres near Nuiqsut. The state would hold joint oil and gas lease sales for itself and ASRC. If the two disagree about terms for the lease sales, such as minimum bid and royalty rate, a dispute resolution process agreed to in the settlement would be used instead of the courts.

Recommendation: Approve the settlement agreement.

Please let me know if you need additional information about the settlement agreement.

Sincerely,



Harold C. Heinze
Commissioner

cc: Committee Members
Paul Fuhs, Legislative Liaison, Office of the Governor
Charles E. Cole, Attorney General, Department of Law
Jim Eason, Director, Division of Oil and Gas

S B

3 7 5

SENATE COMMITTEE REPORT

DATE: 2/12/92

FURTHER:

DATE TURNED INTO OFFICE: March 31, 1992

Resources Committee considered

SENATE BILL NO. 375

"An Act prohibiting certain law enforcement officers from holding big game guide-outfitting licenses."

and recommends:

replace with _____ CS _____ (~~STA~~)
or adopt previous _____ CS SB 375 (STA)
 attaches amendment(s) (new title)

same title
 new title
 technical
title change
(HB only)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES: Dept/Date

zero fiscal notes _____

fiscal notes _____

appropriation--no fiscal note

PREVIOUS FISCAL NOTES: Dept/Date

zero fiscal notes Public Safety 2/11/92

fiscal notes _____

DO PASS:

Sus Gt
[Signature]
[Signature]
[Signature]
[Signature]

OTHER RECOMMENDATIONS:

[Signature]

Chair, Signature and Recommendation

A M E N D M E N T

OFFERED IN THE SENATE

BY THE SENATE RESOURCES COMMITTEE

TO: CSSB 375 (STATE AFFAIRS)

Page 1, line 2, after "licenses":

Insert "; and providing for an effective date"

Page 2, line 1:

Delete "suspended"

Insert "subject to suspension"

Page 2, following line 19:

Insert a new bill section to read:

"* Sec. 2. This Act takes effect immediately under AS 01.10.070(c)."



TELECOPY COVER SHEET

Anchorage Legislative Information Office
Office - (907) 561-7007 Fax - (907) 562-4376

TO: Sen Jones - Sen Resource Committee
ATTN: _____ FAX: 465-3922 PHONE: _____
FROM: Rec/Arch PHONE: _____
INSTRUCTIONS: Inf from Bruno Zedler

SENT: Date 3-30-92 Time _____

DISPOSAL OF ORIGINAL: Discard _____ Hold for Pickup _____

NUMBER OF PAGES: _____ (counting cover sheet)

TRANSMITTED BY: AMR

Anchorage, March 29th 1991

Dear Legislator!

Dear Committeemember!

Ask you to support SB 375 in essence and ask you to supplement the bill with a provision to include Fish and Wildlife Biologists, many of whom are deputized enforcement officers and some of whom are licensed guides, like Kevin Delany who accompanied Gov. Hinkel to Bethel to impress upon the substance users. No good impression was achieved!

As far as Fish and Wildlife Law Enforcement officers working as Big Game Guides is concerned, that is not tolerable, especially by our well supported contention that in some cases guides are 'crooks' and in 'bed' with cops. See Daily News for 25th 1992!!!

If guiding of cops is allowed it should be overseen by trustworthy superiors without criminal records. Especially the top supervisor should be clean, the director of that division of law enforcement.

Page 1 of 2

Not passing FS 375 would continue a double standard of allowing to be guided by 'policy', which the can violate, as in this case was done, and not by statute like anyone else. In this scenario it becomes evident that a 'policy' did not work. In fact the violation of it was approved of by the supervisors at hand, who may even have criminal records themselves.

Please once and for all safeguard for abuse of office and against corruption by passing this bill and please expand it as asked in the beginning of the letter.

It is also evident that the enforcement of any 'policy' in the Dept. of Public Safety is in question by and through the attitude as displayed by Commissioner Turtan, who is tired of hearing about such things. See Daily News Jan. 25th 1998.

Sincerely

Thomas E. Pedler

Officers' conduct panned

Daily News
Game guides, troopers too cozy, audit says

By CRAIG MEDRED

Daily News outdoors editor

1-25-92

Cozy relationships between Alaska big game guides and some Fish and Wildlife Protection troopers have tainted the agency charged with enforcing laws against poaching, according to a study conducted by the Division of Legislative Audit. To preserve the integrity of wildlife troopers, investigators said, Fish and Wildlife Protection must "emphasize and strictly enforce its policies prohibiting participation in the guiding industry."

Public Safety Commissioner Richard Burton said Friday that Fish and Wildlife will do exactly that. "I think the issue is done and over with," he said. "I don't know why you guys are even bringing it up again. I'm



getting tired of hearing about this. It's something I inherited. We've done what can be done." Wildlife troopers involved in questionable associations with guides in the past, however, remain on the job, and the fraternization among guides and some troopers continues. Burton said he would strictly enforce rules barring fish and wildlife troopers from spending annual leave working as big game guides. But he refused to comment on whether it was proper for troopers to fraternize with guides or stay in their camps. The audit report, completed last September but not released until this month, also notes Fish and Wildlife's weak efforts to enforce anti-guiding policies in the past. The agency has had a policy against guiding since 1984, but it has been inconsistently enforced, according to the report, which also said the agency should:

- Develop criteria on how it decides who it will investigate.
- Examine its Wildlife Safeguard pay.

EXIBIT #1

RECEIVED

FEB 12 1992

Office of Special Prosecutions and Appeals

RECEIVED

FEB 12 1992

Clerk of Appellate Courts Anchorage, Alaska

GUIDES: Relationships challenged

Continued from Page A-1

ment program, which pays informants in a way that's similar to the local Crime Stoppers program.

The Division of Legislative Audit cannot, however, require changes.

"In the past, supervisory management did not believe that guiding was necessarily a conflict with enforcement. Accordingly, there appears to have been little effort to enforce the policy, and it has been reported that supervisors actually encouraged officers to work in the guiding industry," the report said.

"Although one officer was widely known to work as an assistant guide, his evaluations did not reflect any concerns over this activity, and the individual was even promoted from sergeant to lieutenant during this period."

The officer is not named in the report, but Burton confirmed that he is Lt. Bob Boutang, now the detachment commander in Fairbanks.

Boutang at one time headed statewide investigations for Fish and Wildlife Protection. He spent his vacation time working as an assistant guide for Merlin and Ed Grasser of Palmer.

Merlin is a longtime Alaska guide. Ed, his son, has been the lobbyist for the Alaska Professional Hunters Association, an organization of big-game guides.

As head of statewide investigations, Boutang was in a position to determine which guides were investigated.

Neither Boutang nor the Grassers returned phone calls.

Wildlife) acknowledges that there is a great deal of discretion allowed over who to target for an undercover operation," according to the audit report.

"At a minimum, these circumstances give the appearance that this individual could suppress information regarding the activities of licensed guides with which he was associated while at the same time making decisions to target others who were competitors of his guides associates."

That appearance has only become stronger in recent days.

After Boutang's replacement as director of statewide investigations in 1989, Merlin Grasser became the target of a directed undercover investigation.

Earlier this month the 63-year-old guide was judged guilty of many hunting violations — including wanton waste of a caribou, taking wildlife during a closed season and waste of a fur-bearing animal.

Fish and Wildlife trooper Roger Aulabaugh of Kodiak said investigators there decided to go after Grasser when they learned the guide, who had won a drawing for a Kodiak brown bear permit, planned to go hunting on Kodiak with non-resident hunter John Boatman of Kalamazoo, Wash., in the fall of 1990.

Troopers suspected that Grasser planned to let Boatman shoot a bear, which Grasser would then illegally claim as his own. A guide can collect \$5,000 to \$10,000 for leading such a hunt.

The two men never found a bear, Aulabaugh said, but

from a camp nearby. Aulabaugh said the investigation techniques were not particularly sophisticated. Troopers introduced themselves to Boatman and Grasser as hunters camped down the beach. Then the troopers watched the two men commit wildlife crimes one after another.

"They had no idea we were with the state," Aulabaugh said, "and, more important, they just didn't seem to care."

Among the crimes troopers witnessed was the shooting of a caribou left to rot. Grasser and Boatman took only the head and cape, Aulabaugh said.

For that, a Kodiak judge eventually sentenced them to seven days in jail, ordered them to pay fines of about \$4,000 each, suspended their hunting privileges and put them on probation.

Aulabaugh said that in 15 years on Kodiak Island he had seen few cases so blatant as this. It left him with the impression Grasser had little respect for fish and game laws.

"This was probably not the first time (he did this)," Aulabaugh said.

Boatman was a one-time employee in Grasser's guide camp — the same kind of role filled by Boutang from 1984 to 1987. The Alaska State Troopers once investigated that relationship. Burton would not say what they found.

"There's never been anything to support firing him (Boutang)," he added.

He refused to release the Boutang investigation report because it might subject the department to a lawsuit.

TIMELINE

■ 1983: Alaska big game Mel Gillis recommends Fish and Wildlife Protection Trooper Bob Boutang be licensed by the state Division of Commerce and Economic Development as an assistant guide.

■ 1984: Boutang begins working as an assistant guide for registered guide Merlin Grasser at Grasser's Brooks Range sheep hunting camp.

■ 1986: As head of Fish and Wildlife Protection's Office of Statewide Investigations, Boutang writes an article for the Alaska Professional Hunter magazine praising the state's big game guides as providers of "an outstanding service to clientele from all over the world."

■ 1987: Boutang applies for a registered guide license. Edward Grasser, son of Merlin and a guide in the family business, certifies that Boutang has served a three-year apprenticeship with the Grassers. The state licensing office sends Boutang the trooper the licensing form of Boutang the guide, so the former can certify that the latter has committed no crimes.

■ 1988: A two-part series in the Daily News details relationships between the state's big game guides and Fish and Wildlife troopers. Boutang, under oath in court, is asked whether he ever intended to become a big-game guide. "I've got an assistant guide license," he answers, "but I'm not really working for any kind of a guide license. . . . I don't have any future intention on going to be a guide."

■ 1989: After Daily News stories detail relationships between the state's big game guides and Fish and Wildlife troopers, the Alaska State Troopers launch an investigation of Boutang's association with guides. The report is never made public. Boutang is transferred from the post at the head of statewide investigations to the head of Interior detachment in Fairbanks.

■ 1990: The state Department of Public Safety, which had allowed fish and wildlife troopers to guide so long as they do not receive payment, decides that troopers shouldn't guide under any circumstances.

■ 1991: The Division of Legislative Budget and Audit begins investigating Fish and Wildlife Protection and the state guide board. A report completed by fall is withheld from the public at the request of the Department of Public Safety.

■ 1992: The report is released. Commissioner of Public Safety Richard Burton says all the problems noted by investigators have been resolved, but he refuses to release the troopers' report on Boutang. Boutang remains at his post in Fairbanks. A legislative budget spokesman says two more investigations are planned.

he didn't think any of the problems noted in Fish and Wildlife have harmed the agency's public image. And he criticized one-time outfitter Brno Zedler of Anchorage for keeping the issue in the public eye for years.

Zedler was a small-time outfitter targeted for an undercover investigation because some guides didn't like him. He was eventually convicted of guiding without

The case is on appeal. Zedler said Friday he feels vindicated by the audit. Fish and Wildlife has many upright and honest troopers, he said, but the agency has been compromised by a few.

"They lie," he said. "They're a pack of liars."

□ Daily News reporter Ralph Thomas contributed to this story.

Enough on Hamel

Referencing your article on page A1, A7, A8 and half of A9(!!) of the Feb. 2 Daily News, titled "Is oil-pipeline critic Hamel a criminal?" I have but one comment. Hamel and the Daily News doth protest too much: Didn't we have a president who said, ad nauseam, "I am not a crook!"

Nuff said.

— Laura Green

Stop whining

So Public Safety Commissioner Richard Burton is getting tired of hearing about this. He doesn't know "why you guys are even bringing it up again" ("Game guides, troopers too cozy," audit says, Jan. 25). The issue is another example of the good old boy system at work to the detriment of the citizens and the top good old boys, allowing their minions to protect their friends from investigation and prosecution.

If the system was working for the citizens, the public safety commissioner would not have been allowing his investigators to be in the employ of people they were supposed to be investigating. And the current commissioner wouldn't be whining about the watchdogs finding out about it.

Bureaucratic egotists are mismanaging and doing wrong at the top of many federal, state, city and other local agencies. But the absolute worst is when our law enforcement leadership is such that it protects officers and staff who violate the law. Such "leadership" leads to an unarmed

teen-ager, getting "accidentally" shot five times by a law officer. And it seems that it leads to guides feeling they can flagrantly abuse our wildlife resources. And we suspect it leads to certain law enforcement officers violating game laws as well as protecting the bandit guides they are supposed to be investigating.

The real issue is not the few outlaws in Burton's agency. The real issue is his whining about the citizens expecting him to do his job.

— William H. Mattice

Adopt a pet

Recently, my husband and I had the pleasure of adopting two cats from Animal Control.

We picked out the cat we wanted and signed an agreement promising to take good care of the animal and to get it spayed or neutered within 30 days. The adoption fee was only \$10. We did have to pay a deposit because our cats' names had been fixed for \$10 for a cat and \$20 for a dog. If we will get that back when we submit proof that the cat was sterilized, we will get that back when we submit proof that the cat was sterilized. We received all the information and their price for sterilization, a rabies vaccination certificate and tag, and a coupon for a free exam by the vet of our choice.

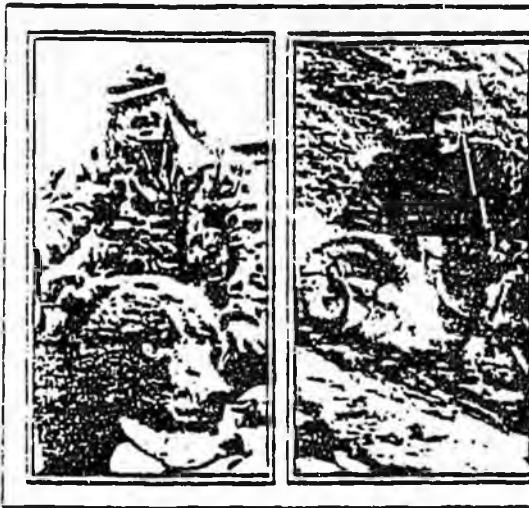
The hardest part was picking out the cat. There were over a dozen cats available for adoption, including a beautiful grey and black tabby, two beautiful black cats, and an adorable white kitten. There was even a rabbit! I was smitten with a black-and-white tom; my husband by a brown-and-

moose, using aircraft to drive and herd animals and using radio communications to aid and take animals.

Once such unlicensed guide showed a client undercover hunter a check which was two times the amount of a regular hunt and he said, "This is what I get for my hunts and I produce more record book animals than anyone in Alaska and I don't even have a guide license."

Another unlicensed guide, who recently pled guilty, took a client (undercover hunter) in Game Management Unit 7, Katmai National Park, during the off season and killed a brown bear the same day he was airborne. He also tried to solicit our hunter into getting him more clients. This is the type of people we are dealing with; they have no respect for the legal guides or the resources.

This year our investigative section investigated two outfitters (unlicensed guides) who took approximately 40-50 moose each in a two-year period. That is putting a serious dent in someone's exclusive guiding area and in Alaska's moose population. These illegal non-licensed guides are going into honest hard-working professional guides' areas and stealing the resources and giving hunting and the professional guides, through the publicity, a bad name. The licensed guides, hunters, the general



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Record Class Spring Grizzly taken by John Maccauso of Murfreesville, Pennsylvania 1985

public and the wildlife are all the victims.

These types of illegal operations have a direct effect on the licensed professional guide whereas the licensed guide must adhere to statutes and regulations which affect his operations.

While we do have the problem of unlicensed guides in Alaska, we first have to identify the people involved. To do this, we need all the help we can get from the Guide Board, professional guides and the concerned citizens.

In addition, it is extremely important that the Guide Board, professional guides, concerned public, and our Division continue to mutually cooperate in identifying individuals who are unlicensed and are acting in the capacity of licensed guides.

The unlicensed guides do not have to follow any laws. They are not bound by restrictions or ethics and in many cases, may have a total disregard for the resources and other guides. They take game anytime and place and use any methods they want to.

Only through the continuing cooperation of all of us working together can we hope to reduce the illegal unlicensed guiding operations that exist in the State of Alaska.

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New Life Sustaining Members

Charter Life Sustaining membership's final issuance was December 31, 1984. However, another classification was created which is referred to as Life Sustaining membership offered for \$250.00 instead of the \$200.00 Charter Life Sustaining offer. The following person has joined as a Life Sustaining member:

Charles Folkman of Oconomowoc, Wisconsin

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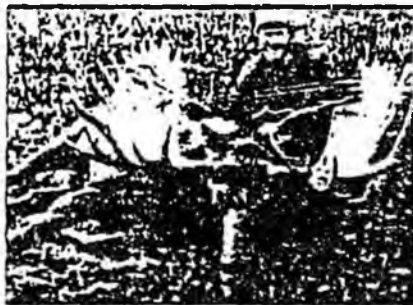


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DEPARTMENT OF PUBLIC SAFETY

DIVISION OF FISH & WILDLIFE PROTECTION

5700 EAST TUDOR ROAD
ANCHORAGE, ALASKA 99507
PHONE (907)

269-5509

February 28, 1991

Mr. Bruno E. Zedler
4803 White Birch Lane
Anchorage AK 99517

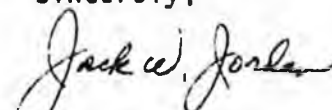
Mr. Zedler,

In response to your telephone call the other day, I did find out that we had sent your check to a previous address rather than the one you are currently using. As soon as that letter comes back, we will immediately send the check to your current address on White Birch Lane. If the previous letter is forwarded to you, please advise me when you have received it.

When you told me that you had information that your backpack had been opened, contrary to what was in my letter to the Ombudsman, I immediately checked with Trooper Campbell. My letter said that the pack was stored unopened and returned to you unopened. Upon my inquiry, Trooper Campbell clarified events for me. The backpack was stored unopened. He never opened the pack to inventory the contents or to see what was inside. However, your sharpening steel, knife, and binoculars had been stored separately in evidence. After getting these items out of evidence, Trooper Campbell did slide an outside pocket open just far enough to put in the other items so there would be less chance of losing them.

He had not told me of that before when he said the pack was returned unopened, because the thrust of my question was whether we could have removed some items from the pack. In that very real sense, the pack was never opened. One pocket was cracked open far enough to insert your other property. To me, that is not a falsehood. To characterize our comments that the pack was unopened as a lie and proof that this division is full of untrustworthy people is stretching, to say the least. When talking to you while returning the pack, Trooper Campbell was very clear about the pack not having been opened except to slip in your belongings that morning. He very explicitly admitted to you that the pack had never been opened until that very morning when he put in your other property. He did not try to deceive you nor hold back any of the facts. He told you the whole truth; you tried to use that against my statement to make it appear as a lie. I believe that the record is clear on what happened and what was said, and that you are fully cognizant of that fact.

Sincerely,

Jack W. Jordan
Directorcc: Commissioner Richard L. Burton
Ombudsman's Office

Stock (Lauri Jones) RE: U.S. ... 7/8 - 89

Alaska troopers linked to crime

The cruel and illegal slaughter of fish and wildlife is a multimillion-dollar industry in the state of Alaska which law enforcement appears to protect.

Behind Alaska's sportsmen for years, big game hunting industry operates a good-old-boy network that wraps the guides, the board that regulates them, and some officials of the Alaska Division of Fish and Wildlife Protection in a cocoon of political and economic cooperation, according to an investigation by the Anchorage Daily News, reported by Craig McCreed, the Daily News outdoors editor.

Following is a sample of the widespread conflicts of interest:

Chuck Weir is vice chairman of the Guide Board, the regulatory board that is supposed to regulate and police the guide industry. Weir also is a former guide and one of the few insurance salesmen in the state specializing in insurance for guides. Robert Boulanger is a sergeant with Alaska Fish and Wildlife Protection and is also licensed assistant guide, working toward his registered guide's license. Phil Driver, a guide and president of the professional hunter's association, was dismissed from his job as guide board chairman in 1985 after being charged with hunting illegally. It was the second time Driver had been indicted on illegal hunting charges.

Investigating this apparent multi-level statewide corruption has proved dangerous. Two guides who had been arrested on poaching charges died in plane crashes in which the banking cables of both their planes had been reversed. One of the two poachers had agreed to cooperate with prosecutors and was due to appear in court the day after his death. Alaska State Troopers found the deaths to be coincidental.

The efforts by one whistle-blower to expose the statewide poaching monopoly has ruined his life, forced him into poverty, and left him in jail on murder charges. Ken Hunter, Ph.D., is a former college professor who left Montana to pursue a commercial fishing career in Alaska. On

his arrival in Alaska, he discovered what many already knew about the poaching industry and vowed to expose it.

For long he wanted his efforts to be met with resistance from the Alaska State Troopers (ASTs) and eventually a contract was signed with the ASTs by trying to get the troopers Hunter's son that the troopers were making on the ground. Unable to get the help from the ASTs he received none. During the third attempt, in 1994, he shot and killed two hit-men whose bodies were never found.

In an effort to draw attention to his plight, Hunter contested to the murders even though no bodies were found. His strategy did not work since no charges were brought against Hunter and he left Alaska.

Then, in 1998, Hunter filed a \$600-million lawsuit against 75 prominent Alaskans he believes to be implicated in the state-wide corruption. Shortly after the suit was filed, the state of Alaska indicted Hunter on charges of murdering the two alleged hit-men four years earlier.

Ken Hunter now sits in an Alaskan jail awaiting judgment by those he is suing. In a letter to *Project Censored*, Hunter wrote "My family and I are now being sacrificed in order to conceal the involvement of Alaska State Troopers (ASTs) in conservation crime with Alaska's big game hunting guides. I ask you, as an American and as a human being, to help us fight and expose the corruption, the oppression, and the inhumanity that weigh so heavily upon us."

SOURCE: U.S. Anchorage Daily News, May 2, 1994, "Game's guides are under fire," by Craig McCreed, p. 1. Reported also in the Daily News and Anchorage Times, then printed later by Ken Hunter, Oct. 26, 1998.

Corrections and clarifications

This is a copy of the original document... The corrections should be made... The corrections should be made... The corrections should be made...

11 SJR

RECEIVED

SEP 11 1989

Public Defender Agency Anchorage

Alvin Sa has been called "the world's biggest heroin dealer."

Rogan used questionable results from CIO/Ga'up polls to build support for the Nicaraguan contras.

248-4716



State of Alaska
ombudsman

Duncan C. Fowler

January 9, 1989

Bruno Zedler
2804 Klamath Drive
Anchorage, Alaska 99517

RE: Ombudsman Complaint A88-1084 (Closed)

Dear Mr. Zedler:

On December 23, 1988, Assistant Ombudsman Ruth DeCamp of my Anchorage office sent me a copy of the letter you brought to her in which you objected to the preliminary finding issued on your complaint. I have reviewed the letter, and Ms. DeCamp has read the other materials. We have also received the official response from Colonel Jack Jordan, Director of the Division of Fish and Wildlife Protection. Colonel Jordan made no objection or comments on the preliminary finding.

Ombudsman regulations provide that the preliminary finding be sent to the agency for response. There is no provision for the complainant to receive this document in Ombudsman regulations or statutes. The finding of record, which is provided to the complainant, is not issued until the agency has an opportunity to comment on the initial report. This process allows the agency to object to the finding and recommendations, and an opportunity to request modification before the record becomes permanent.

This case has been unusual for us in terms of your premature involvement as recipient of the preliminary finding. You requested that report to use at a task force meeting, and because of the agency's formal approval of your request, you received a document which is normally exclusively reserved for preview by agency staff.

Routinely, when an agency answers a preliminary finding, and does not object to it, we are at liberty to issue a summary of the investigation and the finding of record to the complainant. If the agency does object to the preliminary finding, we must decide whether to approve the request to modify, or to retain our initial finding and recommendations. While our office and the agency negotiate the finding and recommendations of record, the complainant is not given specific information about the case. When a complainant receives the summary, the case has already been closed.

In this complaint, the agency did not object to the preliminary finding. Because you were made privy to that document by courtesy of the department, you were given an opportunity to review its contents at the same time department officials did. You did not agree with the preliminary finding, and you submitted a letter requesting modification and further investigation. You also provided new information which you had not made available to us during the course of the original investigation.

Reply to:

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(800) 478-2624

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(800) 478-4970

P. O. Box 74358
Fairbanks, AK 99707
(907) 452-4001
(800) 478-3257

Bruno Zedler

- 2 -

January 9, 1989

DISCUSSION OF NEW INFORMATION YOU PROVIDED

You gave Ms. DeCamp copies of transcripts from your meeting with Lt. Boutang, and copies of Lt. Boutang's guide license application file. The transcripts were apparently important in the charges against you and the court action which resulted in your recent conviction for illegal guiding. However, Ms. DeCamp could find nothing in the transcripts pertinent to your claim that Lt. Boutang had been a guide in violation of departmental policy, nor the allegation that he was incompetent and unworthy of promotion.

The guide license application file contains some very comprehensive statements by clients of master guide Grasser for whom Lt. Boutang worked. Those statements detail the kind of services Lt. Boutang performed as an assistant guide. However, there is no evidence in the statements that Lt. Boutang worked for pay; that is essentially what Colonel Jordan reported in his investigative summary.

The policy letter dated December 21, 1984 from Robert Sundberg to Colonels Michael Kolivosky and Robert Henderson (enclosed) does indicate that the policy of the department from that date was to prohibit outside employment for any state troopers (including fish and wildlife protection officers) in beverage dispensary businesses or guiding businesses. The policy, however, does not specify whether uncompensated service in those businesses would be considered "employment." A review of the existing Department of Public Safety policies and procedures does not answer that question, either. This makes the policy update proposed as part of the resolution of this case by Colonel Jordan even more important.

FINAL ANALYSIS

You have based your objection to the finding on what you allege is "misinformation" provided by Colonel Jordan. A summary of this information was included in the preliminary finding. You have explained to Ms. DeCamp and to me that Colonel Jordan's finding that "no real conflict exists because Lt. Boutang will allow his assistant guide license to expire this year" is not factual. You believe this is not a proper application of the spirit and letter of the Executive Ethics Act regarding outside employment.

You allege that the real conflict in Lt. Boutang's work as an assistant guide will not be realized until he retires. You assert that upon retirement, Lt. Boutang can and will reactivate his assistant guide time (allegedly acquired improperly while he was employed by the division as a fish and wildlife protection officer) and apply it toward his application for a master guide license.

It is altogether possible that this may happen. It is also possible that it will never happen. We can only know for certain what Lt. Boutang will do when he retires when that time comes. I cannot and will not make a guess about Lt. Boutang's future behavior. I cannot hold a case open for years, waiting for a potential conflict of interest to emerge in the form of Lt. Boutang's application for a master guide license.

If, and when, Lt. Boutang does apply for the master guide license, the use of his assistant guide time will be a factual issue. With your keen interest in Lt. Boutang's activities, it is reasonable to expect you to submit testimony to the guide board if that event occurs in the future. Today, it is a speculative issue. My office has neither the resources nor the mandate to speculate on the "possible events of the future."

You were given copies of the Ombudsman regulations and statutes. I had hoped you would read those with a view to the mandate of this office. The complaint you gave us was one in which personal misconduct was alleged. You also alleged that you had taken the complaints to the Director of the Division of Fish and Wildlife Protection and the Commissioner of Public Safety. You told us that those officials had refused to take action on your complaints.

According to our regulations, we presented those allegations to the director of the division for investigation. The director, Colonel Jordan, explained that he had commenced an internal investigation, and said he would share his findings with the ombudsman investigator. Colonel Jordan concluded his own investigation and sent his findings to Ms. DeCamp in writing.

The essence of Colonel Jordan's findings were: (a) that Lt. Boutang had failed to submit proper documentation on his guiding activities, although his supervisor had approved of them, and was aware of them; (b) that in order to rectify any conflict which Lt. Boutang may have had in acquiring hours for his assistant guide license, Lt. Boutang would allow his assistant guide license to expire at the end of this year; (c) that the division had failed in its responsibility to require Lt. Boutang to submit proper reports on his guiding activities; and (d) that the division was in the process of formalizing its articulated and currently practiced policy of prohibiting any form of guiding by its fish and wildlife protection officers.

Lt. Boutang nor Colonel Jordan denied that Lt. Boutang had worked in the Grasser camp as an assistant guide. They contended that the work was not compensated, and Colonel Jordan was satisfied from his own investigation that Lt. Boutang's assertions were true. According to Colonel Jordan, the work in Grasser's camp was known to and approved in advance by Lt. Boutang's supervisor. The supervisor and Lt. Boutang failed policy only because Lt. Boutang did not report the work on appropriate departmental forms.

On the side of resolving the problem, Jordan explained that Lt. Boutang was not to work in Grasser's or any other guide's camp in the future; he stated the department was formalizing its prohibition on guiding by fish and wildlife protection officers to include unpaid as well as paid guiding. Additionally, Lt. Boutang agreed to let his assistant guide license expire naturally at the end of the calendar year to avoid even the appearance of impropriety.

Because of the department's admitted failure to properly require Lt. Boutang to submit the appropriate reports on his guide activities, we found the complaint to be partially justified. We also found the complaint rectified because the division was in the process of formally adopting its stricter policy prohibiting all forms of guiding for its employees.

FINDING OF RECORD AND CLOSURE

The actions proposed by the Division of Fish and Wildlife Protection were consistent with our recommendations. Further, since the director was satisfied that the expiration of Lt. Boutang's assistant guide license would rectify any real or apparent conflict of interest, we believe the investigation has been properly concluded.

The following will be retained as the finding of record in this case:

Bruno Zedler

- 4 -

January 9, 1989

I find the allegation that the Division of Fish and Wildlife Protection allowed its officers to serve as guides in violation of agency policy partially justified because Lt. Boutang failed to file proper forms to report his work when the law required him to do so.

I find the allegation that the Division of Fish and Wildlife Protection acted capriciously when it promoted officer Boutang is not supported by the facts. I find that decision was an appropriate exercise of discretion and that departmental policies and procedures were properly followed when the decision was made.

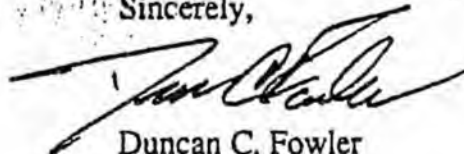
Because the agency has changed its practice of allowing its officers to do any kind of guiding, and has mitigated its own oversight in having Lt. Boutang report his assistant guide activities consistent with the requirements of new legislation, I find the complaint resolved.

* * * * *

With the transmission of this letter, I am closing the complaint. You are free to file a new complaint if and when Lt. Boutang reactivates his assistant guide time in an application for a master guide license. You may also file a written complaint under the auspices of the Executive Ethics Act if you wish to press that issue further.

A simultaneous copy of this letter will be sent to Colonel Jordan and Public Safety Commissioner Arthur English to notify them that the case has been closed. Since the agency made its response to the preliminary finding and recommendations with the reasonable expectation that all investigative work had been completed. I am sending them a copy of this report so they will know about the supplemental materials we considered and our conclusions regarding their relevance to the complaint.

Sincerely,



Duncan C. Fowler
Ombudsman

RAD:PJC

cc: Colonel Jack Jordan, Director
Division of Fish and Wildlife Protection, Anchorage
Commissioner Arthur English, Department of Public Safety
Enclosure: 1984 Sundberg Memorandum

EXHIBIT #2

Legislative Report

Guides vs Outfitters

by Ed Grasser

Hunting is a great American tradition and an important part of a heritage rich in individual freedoms. Many American sportsmen dream of the day when they can make that long-awaited hunt for a trophy animal in some other part of the country that will add to his or her outdoor experiences. Many of us choose to undertake this great adventure solely on our own, pitting our skills against unknown terrain and animals that require new learning experiences and techniques. There are those, however, that seek the assistance of experienced guides who know the territory and the game. These men make every effort to provide an enjoyable hunt while greatly increasing your chances of success.

In most of the Rocky Mountain states, the hunter books with an individual known as an outfitter. This person will provide all of the logistical and support activities necessary for a successful hunt, as well as experienced guides to accompany the client into the field in pursuit of game.

Alaska, like her sister states and Canada's western provinces, has a legally sanctioned system regulating guides who offer their services to the sportsman. However, unlike the other systems established throughout North America, Alaska sanctioned a system of guides that has three categories: Master and registered guides who are responsible for outfitting and directing your trip, and assistant guides who most often are the ones accompanying you in the field. In recent years, this departure has swerved from an established system to that of outfitters hiring assistants as guides. It's a scenario that has begun to create problems for both legitimate guides and the client who often has saved for several years to take that dream hunt in Alaska.

Not long after statehood, when Alaska began licensing persons wishing to pursue guiding as a profession, there was a group of individuals that became known for exploiting Alaska's big game populations, along with the sportsmen who came to Alaska to fulfill a life-

long dream. These "outlaw guides" have called themselves many things over the past couple decades. However, due to loopholes in the law, they are now calling themselves "outfitters." The confusion created by these individuals is creating two very undesirable effects.

First and foremost, these "outfitters" are operating outside of any regulatory controls and as such have no responsibility to the resource or the client. Since they are gaining their clientele with cut-rate prices, they are selling many more hunts than legitimate guides in order to make a profit. Although many non-residents of Alaska may see this as a desirable situation, they fail to recognize Alaska's unique subsistence law. By taking advantage of wholesale hunts with bargain prices, sportsmen can and will place enough pressure on the resource to cause Alaska's priority subsistence law to rear its ugly head. Simply stated, the subsistence law excludes non-residents from hunting in Alaska first, then if game populations so dictate, urban Alaskans are precluded from participating. This is done to ensure rural Alaskans access to necessary game resources for their subsistence lifestyle.

The second problem created by these illegitimate guides is one of name recognition. As most sportsmen recognize Western outfitters as the person who puts on and assists in hunting efforts, many hunters who have booked trips to Alaska have erroneously assumed they were going on a guided hunt. The actual experience they had at the hands of these "outfitters" has soured them on Alaska and the entire guiding industry, thereby creating an atmosphere of doubt and suspicion over hunting excursions to the 49th State. Both legitimate guides and the hunting public have suffered.

The question arises, "What may be done to alleviate this situation?" The solution, although perhaps bitter for the Alaska pseudo-outfitter, is relatively simple. Alaska's lawmakers should move swiftly to close loopholes that allow this activity to take place, thereby bringing all indi-

viduals wishing to participate in commercial activities involving Alaska's big game resources under uniform and consistent regulatory authority. Until this happens, non-residents wishing to journey north for a chance to hunt Alaska's wild game should make an effort to establish their guide's credentials. Ask for items such as the state-assigned licensing number given to master and registered guides. Check the information with state game enforcement officials. The little time and effort it takes to accomplish this could make the difference between an enjoyable trip and major disappointments. *

APHA-SCI Awards Program is now receiving entries for the 1987 hunting season. Please send inquiries and entries to:

APHA
Box 91932
Anchorage, AK 99509

ALASKAN TROPHY HUNTING

IN
THE BROOKS RANGE
AND ON
THE ALASKA PENINSULA
WITH

RICHARD A. GUTHRIE

Registered Guide and Outfitter

P.O. Box 24-0163

Anchorage, AK 99524

(907) 243-7766

Member:

FNAWS • SCI • NRA • APHA



Plaintiff

JACK W. JORDAN

Defendant(s)

Complainant
COUNT #1
No. 65-186

MAKE A FALSE STATEMENT
IN APPLICATION FOR A
RESIDENT LICENSE

Complainant, DON TETZLAFF PROTECTION OFFICER ADF-6

personally appearing before me and being duly sworn, states that on or about the

AUGUST 10 1965, at or near GLENN ALLEN in the THIRD day of

Judicial District State of Alaska approximately JACK W. JORDAN DID PURCHASE
A RESIDENT CLASS 5-A LICENSE AND CLAIMED
RESIDENCY, WHEN IN REALITY HE HAD ONLY
RESIDED IN ALASKA APPROXIMATELY FIVE
(5) MONTHS

All of which is contrary to and in violation of TITLE 5, ALASKA
ADMINISTRATIVE CODE, SECTION 309.21. and against

the peace and dignity of the State of Alaska

Don Tetzlaff

Sworn to and subscribed before me this 18th day of

OCTOBER 1965

Donald L. Lusk

THIRD Judicial District, GLENN ALLEN, Alaska

JACK W. JORDAN

Defendant(s)

TAKING GAME DURING
A CLOSED SEASON

Complainant, DON TETELAFF PROTECTION OFFICER ADFEG

personally appearing before me and being duly sworn, states that on or about the

11th

OCTOBER 10 65 in the Copper Valley Borough in the THIRD

Judicial District State of Alaska

JACK W. JORDAN DID UNLAWFULLY

TAKE GAME DURING A CLOSED PERIOD, TO WIT: THAT
HE DID SHOOT AND KILL ONE COW MOOSE DURING
THE CLOSED SEASON THEREOF

All of which is contrary to and in violation of TITLE 5, ALASKA
ADMINISTRATIVE CODE, SECTION 502.02 (B)

the peace and dignity of the State of Alaska

Don Tetelaff

Sworn to and subscribed before me this

18th

OCTOBER

1965

Lucretia L. Luelle

Magistrate

000787

HEARING RECORD SHEET

ARRAIGNMENT:

Type of charge WV. 17-1-1

10/19/1965 Counsel for Defendant _____
Counsel for State _____

On this date the Defendant appeared, a copy of the Complaint was received by the Defendant, the Complaint was read, and the Defendant was advised of his rights.

FOR MISDEMEANOR:

Thereafter, the Defendant entered a Plea of Not Guilty

On Plea of "Not Guilty"

Defendant _____ waive trial by jury.
Trial set for _____ M., ___/___/19___.
Bail set in the amount of \$ _____.

Magistrate

Case continued from above date to _____ M.,
___/___/19___ Magistrate

Case continued from above date to _____ M.,
___/___/19___ Magistrate

Case continued from above date to _____ M.,
___/___/19___ Magistrate

On Plea of "Guilty" Based upon the plea of "Guilty", the Court hereby enters its judgment of "Guilty".

Defendant sentenced to jail for 30 days with
\$300 suspended, and to pay a fine of
\$300 with \$ _____ suspended, and the
Court recommends that his driver's license be suspended for
_____. The payment of the unsuspended
portion of the fine is due on or before ___/___/19___.

Magistrate

FOR FELONY:

Defendant _____ waive Preliminary Hearing.
Preliminary Hearing set for _____ M.,
___/___/19___.
Bond set in the amount of \$ _____.

Magistrate

Bond reduced to \$ _____
Magistrate

Preliminary Hearing continued from above date to _____ M.,
___/___/19___ Magistrate

Preliminary Hearing continued from above date to _____ M.,
___/___/19___ Magistrate

Preliminary Hearing continued from above date to _____ M.,
___/___/19___ Magistrate

Original Action Number 5-17-49 (Blank) Defendant's name Jack W. Pender

HUNTING REPORTS

EDITOR'S NOTE: When specific locations are cited in Hunting Reports as the site of collecting unusually large trophies don't count on them being accurate. For obvious reasons we will not specify exact drainages, canyons, etc. and when they are specified in a report they are subject to editorial camouflage.

Africa



Keith Bates of Chicago, Illinois reports Mountain Nyala hunting in Ethiopia to be more like sheep hunting than antelope hunting.



Keith Bates collected this white rhino in South Africa with a .44 mag. He says this may be a first for the .44 mag as other rhinos are collected with Thompson contenders chambered for .375.



Alaska



Nine year old Forrest Boutang of Eagle River, Alaska harvested his trophy black bear this spring in the Taikeetna Mountains with guide Marlin Grasser. Forrest received a FNAWS rifle, Winchester 70, for signing up 15 members.

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

DATE: 1/29/92

FURTHER: Resources

Date of 5-Day Notice: 1/30/92
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 2-11-92

State Affairs Committee considered SB 375

"An Act prohibiting certain law enforcement officers from holding big game guide-outfitting licenses."

and recommends: with a majority of the committee recommends it be replaced with

replace with CS SB-375 (STA)

attaches amendment(s)

and do pass

- same title
- new title
- technical title change (HB only)

adopts Letter of Intent

further referral to the

do pass

do not pass

no recommendation

individual recommendations

Handwritten initials/signature

NEW FISCAL NOTES: Dept/Date
 zero fiscal notes

fiscal notes

appropriation--no fiscal note

PREVIOUS FISCAL NOTES: Dept/Date
 Governor's bill with fiscal notes:
zero fiscal notes

fiscal notes *DPS / 2/1/92*
ASIS

DO PASS

OTHER RECOMMENDATIONS:

Handwritten signatures and recommendations:
Dunn
Luh
Pau
M. J. Kelly do pass

Chair: Signature and Recommendation

CS FOR SENATE BILL NO. 375 (STATE AFFAIRS)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE STATE AFFAIRS COMMITTEE

Offered: 2/12/92
Referred: Resources

Sponsor(s): SENATORS HOFFMAN, Rodey

A BILL

FOR AN ACT ENTITLED

1 "An Act prohibiting certain law enforcement officers from holding big game guide-outfitting
2 licenses."

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 * Section 1. AS 08.54 is amended by adding a new section to read:

5 Sec. 08.54.393. CERTAIN LAW ENFORCEMENT OFFICERS MAY NOT HOLD
6 GUIDE-OUTFITTER LICENSE. (a) Notwithstanding AS 08.54.350 - 08.54.390, a person who
7 is employed by the Department of Public Safety as a state trooper or a law enforcement officer
8 engaged in fish and wildlife protection may not hold a guide-outfitter license, marine mammal
9 guide-outfitter license, class-A assistant guide-outfitter license, or assistant guide-outfitter license
10 under this chapter.

11 (b) A guide-outfitter license, marine mammal guide-outfitter license, class-A assistant
12 guide-outfitter license, or assistant guide-outfitter license issued under this chapter after the
13 effective date of this section is suspended, if the person to whom the license is issued is
14 subsequently employed by the Department of Public Safety as a state trooper or a law

1 enforcement officer engaged in fish and wildlife protection. A person whose license is suspended
2 under this subsection shall notify the Department of Commerce and Economic Development that
3 the person is employed by the Department of Public Safety as a state trooper or law enforcement
4 officer engaged in fish and wildlife protection within 30 days after beginning the employment.
5 The suspension of a license under this subsection remains in effect until the licensee is no longer
6 employed by the Department of Public Safety as a state trooper or a law enforcement officer
7 engaged in fish and wildlife protection and the licensee provides written notification to the
8 department of the fact that the person is no longer employed by the Department of Public Safety
9 as a state trooper or a state law enforcement officer engaged in fish and wildlife protection. A
10 person whose license is suspended under this subsection is not required to renew the license or
11 pay license renewal fees for the period of suspension. Once a suspension of a license is
12 terminated, the licensee may provide, without further payment of a guide-outfitter license fee, the
13 services described in AS 08.54.350(c) for the remainder of the licensing period in which the
14 suspension is terminated. Notwithstanding other provisions of this subsection, if a person whose
15 license is suspended under this subsection fails to notify the Department of Commerce and
16 Economic Development within one year after leaving employment with the Department of Public
17 Safety as a state trooper or law enforcement officer engaged in fish and wildlife protection, the
18 person's license lapses and the person is eligible for reissuance of the license only as provided
19 in AS 08.54.440. The board may adopt regulations to implement this subsection.

SENATE BILL NO. 375

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY SENATORS HOFFMAN, Rodey

Introduced: 1/29/92

Referred: STA, Resources

A BILL

FOR AN ACT ENTITLED

1 "An Act prohibiting certain law enforcement officers from holding big game guide-outfitting
2 licenses."

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8 engaged in fish and wildlife protection may not hold a guide-outfitter license, marine mammal
9 guide-outfitter license, class-A assistant guide-outfitter license, or assistant guide-outfitter license
10 under this chapter.

11 (b) A guide-outfitter license, marine mammal guide-outfitter license, class-A assistant
12 guide-outfitter license, or assistant guide-outfitter license issued under this chapter after the
13 effective date of this section is suspended, if the person to whom the license is issued is
14 subsequently employed by the Department of Public Safety as a state trooper or a law

1 enforcement officer engaged in fish and wildlife protection. The suspension of a license under
2 this subsection remains in effect until the licensee is no longer employed by the Department of
3 Public Safety as a state trooper or a law enforcement officer engaged in fish and wildlife
4 protection and the licensee provides written notification to the department of the fact that the
5 person is no longer employed by the Department of Public Safety as a state trooper or a state law
6 enforcement officer engaged in fish and wildlife protection. A person whose license is suspended
7 under this subsection is not required to renew the license or pay license renewal fees for the
8 period of suspension. Once a suspension of a license is terminated, the licensee may provide,
9 without further payment of a guide-outfitter license fee, the services described in AS 08.54.350(c)
10 for the remainder of the licensing period in which the suspension is terminated. The board may
11 adopt regulations to implement this subsection.

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

240 Main Street, Suite 500
Juneau, Alaska 99801-2101

MEMORANDUM

January 24, 1992

SUBJECT: Sectional Summary: Draft bill prohibiting state troopers and fish and wildlife protection personnel from holding big game guide-outfitting licenses (Work Order No. 7-LS1809)

TO: Representative Lyman Hoffman

FROM: George Utermohle *GU*
Legislative Counsel

This memorandum is a sectional summary of a draft bill that prohibits state troopers and fish and wildlife protection personnel from concurrently holding active big game guide-outfitting licenses.

The bill adds a new section to AS 08.54, the big game guide-outfitting statutes. Subsection (a) prohibits state troopers and fish and wildlife protection personnel of the Department of Public Safety from holding an active guide-outfitter license, marine mammal guide-outfitter license, class-A assistant guide-outfitter license, or assistant guide-outfitter license. This subsection would prevent all state troopers and fish and wildlife protection personnel from acquiring guide-outfitter licenses after the effective date of the bill.

Subsection (b) suspends any guide-outfitter license held by a person who becomes employed by the Department of Public Safety as a state trooper and fish and wildlife protection officer after the effective date of the bill. Many persons who become guide-outfitters are also well-suited for employment as state troopers and fish and wildlife protection officers and can provide valuable services to the Department of Public Safety and the state as law enforcement officers. This provision allows the Department of Public Safety to hire such persons as state troopers and fish and wildlife protection personnel while preventing these persons from being actively engaged in guide-outfitting by suspending their guide-outfitting licenses.

If I may be of further assistance, please advise.

GU:pl:gc
92-038.plm
Enclosure

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. SB 375

Revision Date: _____ Department Affected: Public Safety
 Title: "An Act prohibiting certain law enforcement officers from holding...licenses" BRU: Fish & Wildlife Protection
 Sponsor: Senator Hoffman Component: Enforcement & ISU
 Requestor: Senate State Affairs COMPONENT SERIAL NO.

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EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
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 FUND SOURCE:	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER FUND SOURCE:						
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

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

No fiscal impact is anticipated.

Prepared By: Captain Conrad G. Seibel Phone: 269-5509

Division: Fish & Wildlife Protection Date: 2/1/92

Approved by Commissioner: *Boyle Hoff* for Richard L. Burton

Agency: Department of Public Safety Date: 2/3/92