

ALASKA LEGISLATURE COMMITTEE FILES 2001-2002 8672

10408 HOUSE RESOURCES

- 9 -

Please place in the Legislative
History of this bill.

Angela G. Brown

Thank you

ALASKA STATE LEGISLATURE

SENATOR
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Senate
Senate District Q

Senate Bill 308—Revised 3/20/2002

“An Act relating to the Alaska Coastal management program
and the responsibilities of the Coastal Policy Council.”

SPONSOR: Senator Gene Therriault

SPONSOR STATEMENT:

Alaska's permitting system is broken. Industries from across the state have stepped forward to ask for clarity, consistency and timeliness. Central to the confusion of this broken system is the Coastal Zone Management program (CZM) and its underlying consistency determination process. It is confusing and often misunderstood by the public and permit applicants alike. Senate Bill 308 takes steps to address some of the problems associated with CZM and keep Alaska and its resource-dependent economy moving forward.

Alaska chose to participate in the federal voluntary Coastal Zone Management program by creating the Alaska Coastal Management Program (ACMP) in 1977. The ACMP requires that all permits issued by state agencies for a project within the coastal zone be consistent with the respective plans developed by a coastal resource district. Since that time, there have been many state and federal laws such as the clean water act, clean air act, spill prevention laws, and wetlands legislation affecting coastal districts and further complicating the process by which permits are found to be consistent.

As local plans have been developed, the statutes and regulations of specific departments and agencies were incorporated by reference. The result has been that local officials sometimes interpret these requirements differently than the state officials who work with them on a regular basis. While these conflicts are resolved through the internal elevation process, it causes delays and frustrations among all involved.

Specifically, the bill does two things:

- Prohibits the adoption by reference of state statutes and regulations by coastal districts.
- Allows permitting agencies to make consistency determinations in separate phases for a North Slope natural gas pipeline project that parallels the Trans

Alaska Pipeline System and the Alaska Highway or a route that runs to Alaska tidewater.

While the original version and the previous committee substitute for SB 308 dealt with the petition process, a House bill (HB 439) has come over to the Senate that addresses the issue. However, the language adopted by the House may not accomplish what was intended and the title on that measure is too restrictive to allow changes. If, in order for the Senate to effectively deal with these concerns, changing the title of HB 439 proves problematic, the title of SB 308 needs to remain broad enough to deal with petitions at a later time. For that reason, the proposed CS retains a broad title.

For the foreseeable future, Alaska's economy will be dependent upon the development of our natural resources. As the policy-making body of state government, we must remove those aspects of our permitting system which cause unnecessary delay and expense without improving public input and accountability, particularly when it comes to those projects which are critical to our state's future prosperity and revenues.

Pocket GUIDE to the

*Alaska Coastal
Management
Program project
review process*



5 steps to project approval in Alaska's coastal zone



Pocket Guide

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*Working together for
the long-term economic and
environmental productivity
of Alaska's coast.*

Is this guide for you?

This guide is for you if you have little or no experience obtaining permits for projects in Alaska's coastal zone or you just want to learn more about the Alaska Coastal Management Program (ACMP). Here you will learn



Once you understand the permits your project will require, you can design a project that will address these requirements up front and avoid delays later during the permitting process.

How do I know if the ACMP applies to my project?

If your project meets the following two criteria, or if you are unsure, you should contact DGC. One of DGC's Project Review Coordinators will help you determine if your project requires an ACMP consistency review and guide you to the state agencies and coastal districts you may need to contact.

If your project is:

1. located in or will affect resources of the coastal zone; *and*
2. requires a state, federal, or local permit(s), your project may require an ACMP consistency review.

how to determine if your project is in the coastal zone, the 5 steps in the coastal consistency review process, answers to some commonly asked questions, and where to go for more information.

By answering the following questions, you should determine whether the Alaska Coastal Management Program applies to your project. If it does, feel assured that this booklet, the Division of Governmental Coordination (DGC), coastal districts, and state resource agencies will help you navigate your project through the ACMP consistency review process. You will find addresses, telephone numbers, and web site addresses for agencies you may need to contact at the end of this booklet.

If you are not sure about the location of your project in relation to Alaska's coastal zone or the permits required for your project, keep reading.

How do I know if my project is located in the coastal zone?

Alaska's coastal zone boundaries include more than 44,000 miles of coastline and can extend inland along river drainages as far as 250 miles. This variability can make it difficult to tell if your project is within the coastal zone. The map on pages 20-21 shows a representation of Alaska's coastal zone and coastal districts.

If your project is located within a coastal district, you should contact either DGC at (907) 465-3562 (Juneau) or 269-7470 (Anchorage), or the coastal district to determine whether your project is within its coastal zone. Coastal district contact information is located at the end of this booklet.

Please note that the ACMP also applies to projects in large areas of Prince William Sound and southeast Alaska that are in the coastal zone but not within a coastal district.

How do I know if my project will require state or federal permits?

If you are not sure what permits your project might require, fill out a Coastal Project Questionnaire (CPQ) (for your own information). Even if you don't require an ACMP consistency review, the questions in the CPQ will help you identify what permits might apply to your project and who to contact for more information. If you discover your project requires an ACMP consistency review, you will be well on your way to fulfilling the requirements in Step 1.

Keep reading to learn more about the ACMP consistency review process and how DGC, your local coastal district, and state resource agencies can be of assistance.

Questions & Answers

What is the Alaska Coastal Management Program?

In 1972 Congress passed the Coastal Zone Management Act (CZMA) to promote the orderly development and protection of the country's coastal resources. The CZMA resulted from concern spurred by the increasing demands for development of the nation's coastal areas, population increases near the coast, and declining productivity of the coastal environment. The CZMA established a voluntary partnership among the federal government, coastal states, and local governments to develop individual state programs for managing coastal resources.

The Alaska Coastal Management Program (ACMP) implements legislation passed by the State of Alaska in 1977. With this legislation, called the Alaska Coastal Management Act, Alaska joins the partnership envisioned by the CZMA.

The ACMP improves stewardship of Alaska's coastal land and water uses, and natural resources, by creating a network of local, state, federal, and applicant interests in the project approval process. The networking provided by the ACMP helps to ensure that all aspects of a project are considered during a single review and approval process. This integrated approach promotes both economic and environmental productivity of Alaska's rich and diverse coastal resources.

The ACMP requires that projects in Alaska's coastal zone be reviewed by coastal resource management professionals and found consistent with the statewide standards of the ACMP. These standards and the enforceable policies of an affected coastal district ensure that development interests observe the vision set out for the future by the state and coastal communities. It is called the consistency review process. A finding of consistency with the ACMP must be obtained before permits can be issued for the project.

Mission of the Alaska Coastal Management Program:

"The ACMP provides stewardship of Alaska's rich and diverse coastal resources to ensure a healthy and vibrant coast that sustains long-term economic and environmental productivity."

What criteria does the ACMP use to evaluate my project?

The ACMP applies to projects within or affecting Alaska's coastal zone. The statewide standards (6 AAC 80) and coastal district enforceable policies of the ACMP provide direction for coastal resources and uses, such as:

- coastal development (whether a project is water-dependent or water-related),
- habitats (such as wetlands, tideflats, or streams),
- air, land, and water quality,
- transportation and utility routes and facilities,
- timber harvest,
- mining and mineral processing,
- subsistence opportunities,
- recreation designations,
- geophysical hazard areas,
- historical and archaeological resources,
- energy facilities, and
- fish and seafood processing.

Using the statewide standards and local enforceable policies, the ACMP evaluates the effects a project will have on the above coastal resources and uses. Projects must be consistent with the requirements found in the standards and enforceable policies.

What is the Coastal Consistency Review Process?

The coastal consistency review process, or *consistency review process*, helps ensure your project meets the statewide standards and coastal district policies. It also serves as the review process for most permits you will need from state resource agencies. This 5-step process advances your project through review and approval requirements in a timely fashion.

The consistency review process is a coordinated review process that benefits applicants and project reviewers alike. Applicants have a single, primary point of contact for their projects. Reviewers benefit by comprehensively reviewing a project only once.

This booklet explains the consistency review process in more detail and how you can get your project approved with a minimum of difficulty. The Division of Governmental Coordination, as well as state resource agencies and coastal districts, are available to help you understand and navigate your project through the consistency review process.

Who is DGC?

The Division of Governmental Coordination (DGC) is home to the ACMP. Located in the Office of the Governor, DGC is responsible for the overall administration and operation of the ACMP. In this role, DGC provides assistance to applicants, coastal districts, and state agencies in carrying out their duties and responsibilities under the ACMP.

DGC has connections throughout the ACMP network.



As such, *your first ACMP contact should probably be one of DGC's helpful Project Review Coordinators.* DGC also serves as the coordinator for the consistency review process if your project requires a federal permit or permits from more than one state agency.

The staff at DGC perform a variety of other activities that support the ACMP, including

- preapplication meetings for applicants
- federal funding for the ACMP
- assistance to local districts in getting their coastal management programs approved
- assistance resolving conflicts
- appeals, elevations, and petitions
- ACMP education and training

Who are the State Resource Agencies?

The State of Alaska has three agencies primarily responsible for managing its natural resources and uses of those resources. These resource agencies have permitting authorities for specific activities. If your project requires a permit(s) from only one state resource agency, that agency coordinates the consistency review process.

Your project will most likely require one or more permits from at least one resource agency. The state resource agencies include:

- *Department of Natural Resources (DNR)* manages state-owned land and natural resources, including sales and leases.
- *Department of Fish and Game (DFG)* manages the state's fish and wildlife resources and their habitats.

- *Department of Environmental Conservation (DEC)* serves to safeguard the public health and environment from human uses.

What is a coastal district?

Coastal districts are generally local governments, such as cities and boroughs, that contain a portion of Alaska's coastal area. In coastal areas outside the boundaries of local government, coastal districts known as Coastal Resource Service Areas (CRSA) may be formed.

Most coastal districts develop a coastal management program that requires a rigorous state and federal approval process. A district coastal management program contains enforceable policies that guide development affecting the coastal resources within its boundaries. Once approved, a district coastal management program becomes a part of the ACMP.

During the consistency review process, an affected coastal district reviews your project against the enforceable policies of its coastal management program. By complying with its enforceable policies, your project can help the district achieve its goals and objectives for coastal development within its boundaries.

The ACMP consistency review process provides:

- *a one-stop, consolidated state response to coastal development projects and related state and federal permit applications;*

- *specific timeframes and deadlines for reviewing project applications; and*

- *a fast appeal (elevation) process.*

Step 1

Complete a Coastal Project Questionnaire (CPQ)

What is the CPQ?

The Coastal Project Questionnaire, commonly called the CPQ, serves as the application for getting your project started in the ACMP consistency review process. A project in the coastal zone must receive an ACMP consistency determination, the end product of the consistency review process, before agencies can issue permits for the project.

The CPQ also helps you identify which state and federal permits will be required for your project. In addition, your completed CPQ provides reviewers with a description of your project and serves as your certification that your project will be conducted in a manner consistent with the ACMP. The CPQ (and this guide) includes a list of state agency and coastal district contacts for your convenience.

Who has to fill out a CPQ?

Anyone proposing a project within or affecting coastal areas of Alaska must submit a CPQ, with the following exceptions:

1) Placer miners: submit an *Annual Placer Mining Application* to the Department of Natural Resources (DNR).

2) Aquatic farmers: submit a *State of Alaska Aquatic Farm Permits Application* to DNR.

Federal agencies should contact DGC for information on how the consistency review process is used to review federal activities.

How do I get a CPQ?

Copies of the CPQ are available from DGC, state resource agencies (see the back of this brochure), the

U.S. Army Corps of Engineers (toll-free at 1-800-478-2712), other federal permitting agencies, and local coastal district offices.

What else do I need to know?

One of DGC's Project Review Assistants will help you determine what you need to do and who to contact to get your project ready for the consistency review process.

If your project is located within a coastal district, be sure to contact the district's ACMP coordinator and the planning department early to find out what will be required at the local level.

Once you've determined what permits will be required, be sure to contact those agencies to learn their permitting requirements.

How do I apply for my other permits?

Alaska has streamlined the permitting process to provide developers with a single point of entry. Your CPQ packet will include applications and fees for the permits you will need.

The consistency review process also serves as the permit review process for state resource agencies.

How much does it cost?

There is no charge for the ACMP consistency review process. However, agencies issuing permits for the project may require fees.

Is there anything I can do to pave the way for my project?

Before you finalize project plans or submit your CPQ and other information necessary for a complete application packet, the state can arrange a **preapplication meeting** with you and other review participants to discuss your draft plans. This meeting identifies concerns and information needs, helps you avoid 'pitfalls', and promotes a mutual understanding of your project. To

Pave the way for your project by identifying and addressing concerns before you turn in your application packet. Ask the state for a pre-application meeting.

arrange a preapplication meeting, contact the coordinating agency. In lieu of a meeting, the coordinating agency can distribute materials to review participants for preapplication assistance.

Fill in all the blanks

To complete the CPQ, fill in all the blanks and contact agencies as directed in the CPQ. Filling out the questionnaire properly is important and helps agencies process your project application without delays. If a question is not applicable then put "N/A." If you answer yes to a question and are not applying to that agency for a permit, explain why.

Your signature on the CPQ certifies that you believe your project is consistent with the standards and enforceable policies of the Alaska Coastal Management Program. The standards and enforceable policies are available from DGC and your local coastal district. If you need assistance, contact DGC or your local coastal district.

Is your application packet complete?

Your CPQ package should include:

- The completed CPQ and signed Certification of Consistency;
- Copies of any necessary state and federal permit applications, topographic maps, and plan drawings required by the approving agency. DGC encourages you to send original applications to the state or federal agency issuing the permit. Any fees associated with these permits also go to the issuing agency.
- Any additional pertinent information. Make sure you include a complete description of your entire project to minimize the need to provide more information later.

Step 2

Coordinating agency receives packet

Where do I send the CPQ?

Once you have a completed CPQ and application packet, you should submit it to the state agency responsible for coordinating the coastal consistency review for your project, commonly referred to as the **review coordinating agency**. You can determine the review coordinating agency for your project from the following:

- If your project requires a permit(s) from only one state agency, submit your CPQ and permit applications to that state agency. That agency will coordinate the consistency review for your project.
- If your project requires permits from two or more state agencies, or a permit from a federal agency, then you should submit your CPQ packet to the Division of Governmental Coordination, which will coordinate the consistency review for your project.

If you are not sure where to send your CPQ packet, contact DGC.

What happens next?

The review coordinating agency receives the application packet, decides whether it is complete, and determines if the project needs to undergo a coastal consistency review.

Does my project qualify for expedited review?

Some projects that have no significant impact on coastal resources, or are routine activities, may be exempt from further coastal consistency review requirements. The state maintains a list of permits and projects that qualify for expedited review in 6 AAC 50.050. The list is



referred to as the "Classification of State Agency Approvals" but is commonly known as the "ABC List."

To find out if your project qualifies for expedited review in the ABC List, contact DGC or your review coordinating agency. Projects that are in the coastal zone and not exempt from further review in the ABC List must undergo a full ACMP coastal consistency review.

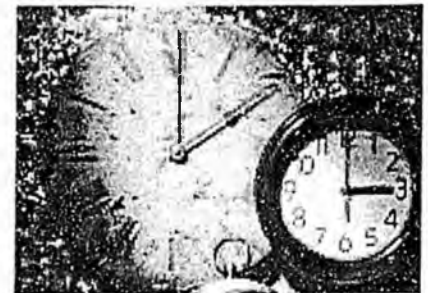
Step 3

Consistency review starts

50-day coastal consistency review begins

Once your application is received by the review coordinating agency and determined to be complete, the coordinating agency initiates the required public notices. The consistency review starts once all public notices have been issued.

The coordinating agency issues a deadline for reviewer and public comments and circulates your application packet to review participants. The coordinating agency tracks the project during the review and makes sure all interested parties take the opportunity to participate within the designated time frames.



The review coordinating agency will notify you of your review's start date, review number, review schedule, and any other pertinent information. With a few exceptions, the state must complete the consistency review of your project 50 days after the start date.

Do all consistency reviews last 50 days?

Although most projects require a 50-day review, the actual time frame may be shortened or extended under certain circumstances. Alternatives to 50-day consistency reviews are identified below:

- The consistency review of your project may be expedited if your project is a routine activity identified in the ABC List. For more information, refer to *Does my project qualify for expedited review?* in Step 2.
- The 50-day review schedule for your project may be extended for specific reasons. For more information, refer to *Extensions to the review schedule* below.

50-Day Consistency Review Schedule

ACMP Consistency Review Process	Day
Step 1 – Complete CPQ	0
Step 2 – Turn in your Packet	0
Step 3 – Consistency Review Starts	1
Deadline for information requests	25
Comment deadline	34
Step 4 – Proposed Determination	44
Deadline to file for elevation or petition*	49
Step 5 – Final Determination	50

*See page 17

- If all necessary permits for your project are legally required to be issued within 30 days, the consistency review can be completed within a 30-day time frame as provided in 6 AAC 50.110 (a).
- Federal activities (projects conducted by or for a federal agency) may require a different review schedule. However, this booklet is not designed to address specific review or consistency requirements for federal activities. Contact DGC for more information at (907) 465-8794.

Who reviews the project?

The participants in the coastal consistency review process include: (1) you, the applicant; (2) state resource agencies and the Division of Governmental Coordination; (3) the affected coastal district; (4) other interested members of the public; and (5) federal agencies.

Having had a preapplication meeting can really pay off during step 3. Identifying concerns before the review begins can avoid delays and the need for additional stipulations.

Extensions to the review schedule

The review schedule may be extended for certain reasons as provided in 6 AAC 50.110(b). For example, after demonstrating a need for an extension, reviewers may request an extension:

- For you to provide additional information on your project that is needed for their analysis. The project review may be stopped within specified deadlines until that information is received. Within 7 days of receipt of the additional information, you will be notified of its adequacy.
- To perform a field review within a 10-day limit.
- To coordinate with DNR's process for disposals of interest in state land or resources.
- For a public hearing held as part of the consistency review process.

Step 4

Proposed consistency determination

What happens after reviewers submit comments?

After receiving comments from participants during the review process, the coordinating agency tries to resolve any issues that were raised. The coordinating agency then develops a **proposed consistency determination**. The proposed determination is discussed with you, state resource agencies, and the affected coastal district for concurrence.

What are stipulations?

The proposed consistency determination may include stipulations that modify your project and are necessary to bring it into compliance with the ACMP. These stipulations, or conditions of approval, are attached to permits issued for the project. Applicants and reviewers may discuss, or negotiate, the stipulations that will be included in the final determination.

What happens if I don't concur with the proposed consistency determination?

If concurrence cannot be reached by the review deadline, an elevation and/or petition can be requested by you or certain review participants. Please note that the instances of elevation are low. In fact, our statistics show that less than one percent of proposed consistency determinations receive requests for elevation or petition.

For a brief explanation of these processes, refer to *Elevations, Appeals, and Petitions* after Step 5. DGC can provide you with more information than is presented here in the unlikely event that this becomes an issue for your project.

Step 5

Final determination

When does my project get a final consistency determination?

A final consistency determination is issued when you and the project reviewers concur with the proposed determination, including the stipulations. The final consistency determination must be issued by the review deadline, generally 50 days.

When do I get my permits?

Once the final consistency determination is completed, most state agencies issue state permits covered by the determination within five days. However, an agency may find that additional time is necessary to fulfill its statutory requirements. For example, leases and other disposals of state land or resources issued by DNR generally require additional time. DGC or the permitting agency can provide you with more information on when you can expect to receive the permits for your project.



Once all your permits are in place, the real work begins.

Elevations, Appeals, and Petitions

Elevation

If you disagree with the proposed determination on your project, you may request **elevation** (further review) to division directors within state resource agencies. A resource agency or affected coastal district may also request an elevation. This request must be in writing and include a proposed alternative consistency determination that would effectively address your concerns. The directors review the proposed determination and the alternative determination included in the elevation request, then issue a director-level proposed determination.

If you do not agree with the director-level review, you may elevate the review to the commissioners of the resource agencies, who issue a final determination. This is the last step in the administrative process. Each elevation review can take up to 15 days.

Petition

Under AS 46.40.096, certain eligible parties may petition the Coastal Policy Council to review a project if the petitioner believes their comments related to the enforceable policies of an affected coastal district were not fairly considered. These parties may include the project applicant, an affected coastal district, a state agency, or a citizen of an affected coastal district. The petition process must be completed within 30 days. Contact DGC for more information.

Appeal

If your project requires a federal approval and you disagree with the state's final consistency determination, you may also appeal to the U.S. Secretary of Commerce in Washington, D.C., as provided in 15 CFR 930.125(h). DGC can provide you with information on this appeal process upon request.

Looking for more information?

Where you go to obtain more information will depend on the type of information you are seeking and your familiarity with the ACMP consistency review process. **Generally, DGC can provide answers to your questions or direct you to the right person.** However, before and during the application and review process, you will also likely benefit from contacting the local coastal district, and the agency or agencies that will be issuing permits.

If you are new to the ACMP or are unsure where to go, we recommend you contact the Division of Governmental Coordination (DGC). As the administrator of the Alaska Coastal Management Program, DGC's duties include helping applicants navigate the consistency review process and obtaining the information they need to succeed in getting their projects approved.

What other information can DGC provide?

The Division of Governmental Coordination (DGC) serves as the information center for the ACMP and the consistency review process. DGC can provide quick answers to whether or not your project is in the coastal zone, what permits you will need, and other questions you have about the project approval process.

DGC also retains copies of:

- all coastal district management programs,
- coastal zone boundary maps,
- ACMP statutes and regulations,
- policies, procedures, special project papers,
- ACMP history and legal opinions, and
- other documents related to the ACMP.

For projects requiring permits from two or more state agencies, or a federal permit, DGC serves as the coordinating agency for the consistency review. In addition, DGC coordinates the review for federal projects proposed in the coastal zone.

What information can other state resource management agencies provide?

The Department of Natural Resources (DNR), Department of Environmental Conservation (DEC), and the Department of Fish and Game (DFG) can provide information about the ACMP consistency review process but specialize in providing applicants with permitting requirements under their authority. For projects only requiring a permit from one of these state resource agencies, that agency coordinates the consistency review.

What information can coastal districts provide?

Coastal Districts can provide information about the ACMP consistency review process, but most importantly can share with you local permitting requirements for your project. In addition, coastal districts have expertise of local conditions and community standards, including development priorities, cultural values, and environmental conditions.

What information can I find on the Internet?

If you have access to the internet, be sure to visit the ACMP Website at:

<http://www.alaskacoast.state.ak.us/>

This new site will feature:

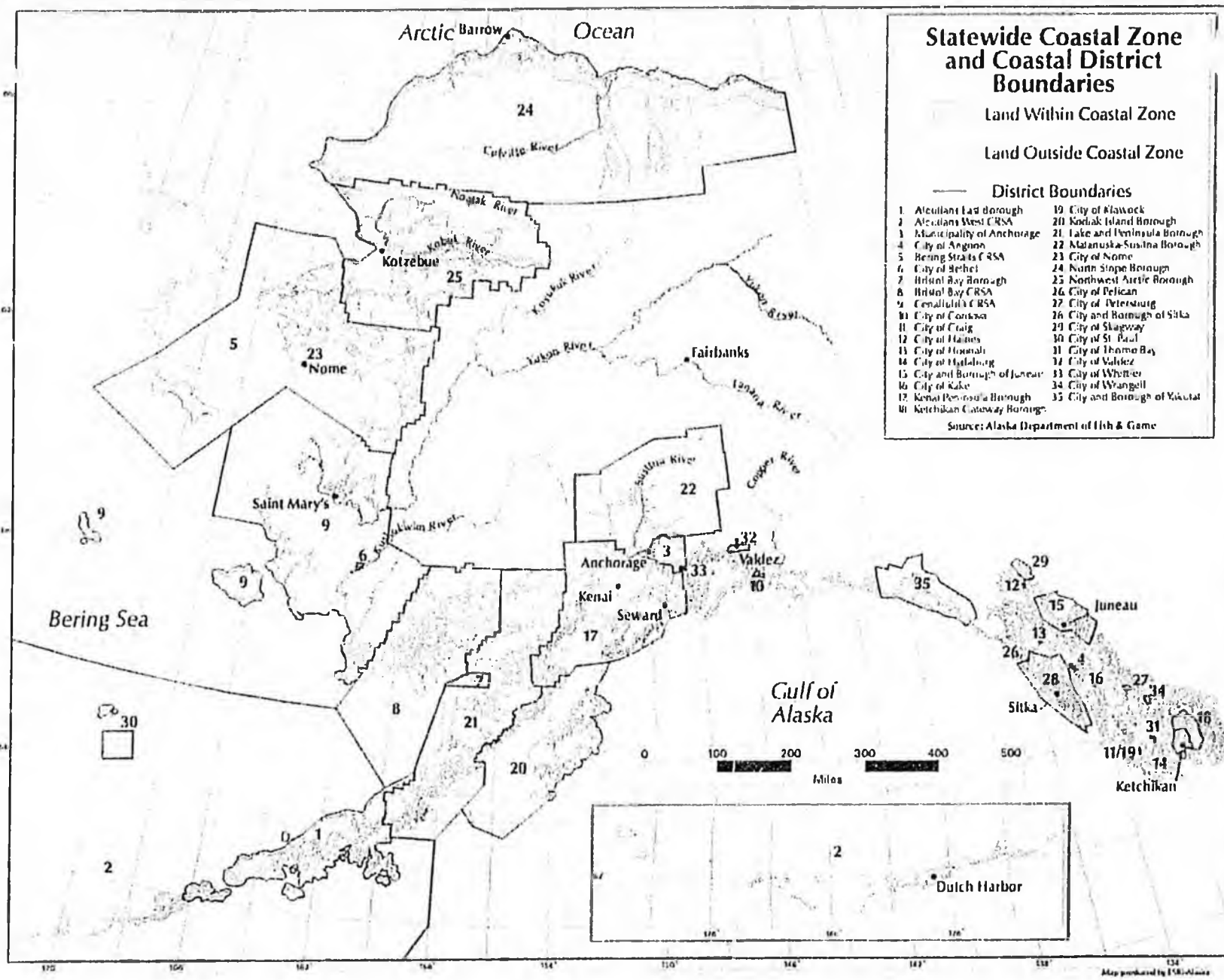
- a downloadable CPQ,
- more complete information about who to contact to help you through the consistency review process,
- access to DGC's project review database,
- coastal district enforceable policies,
- the ACMP statewide standards in 6 AAC 80,
- and much more.

If you need detailed information about an Alaskan community, visit the Department of Community and Regional Affairs community profiles database web page at:

http://www.comregaf.state.ak.us/CF_ComDB.htm

DGC can provide answers to your questions or direct you to the right person.





DGC Contacts: addresses are on back cover



**JUNEAU
OFFICE**

Main Line (907) 465-3562
Fax (907) 465-3075
Web Site Address:
<http://www.alaskacoast.state.ak.us>

Director of DGC 465-3562
Project Review Coordinators 465-2142
Project Review Analysts
ABC List 465-3529
ANILCA 269-7477
Federal Consistency/Supervisor 465-8794
Mining and Timber 465-8791
Oil and Gas 465-8792

ANCHORAGE DGC OFFICE

Main Line (907) 269-7470
Fax (907) 561-6134

Project Review Coordinators 269-7472

JOINT PIPELINE OFFICE

Main Line (907) 271-4317
Fax (907) 272-0690

Project Review Coordinator 271-4317

Coastal District Contacts

Aleutians East Borough

P.O. Box 349
Sand Point, AK 99661
Phone: (907) 383-2699
Telecopy: (907) 383-3496
E-mail: aebclerk@aol.com

Aleutians West CRSA

P.O. Box 920045
Dutch Harbor, AK 99692
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Telecopy: (907) 581-1306
E-mail: awcrsa@ptialaska.net

Anchorage, Municipality of

Department of Community
Planning and Development
P.O. Box 196650
Anchorage, AK 99519-6650
Phone: (907) 343-4261
Telecopy: (907) 343-4220
E-mail: TobishTG@ci.anchorage.ak.us
Web Site: <http://www.ci.anchorage.ak.us>

Angoon, City of

P.O. Box 189
Angoon, AK 99820
Phone: (907) 788-3653
Telecopy: (907) 788-3821

Bering Straits CRSA

P.O. Box 190
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Phone: (907) 624-3062
Telecopy: (907) 624-3811

Bethel, City of

P.O. Box 388
Bethel, AK 99550
Phone: (907) 543-5301
Telecopy: (907) 543-4186
E-mail: john_malone@ddc-alaska.org

Bristol Bay Borough

P.O. Box 189
Naknek, AK 99633
Phone: (907) 246-4224
Telecopy: (907) 246-6633
E-mail: bbbmgmt@bristolbay.com

Coastal District Contacts

Bristol Bay CRSA

Nanvaq Building, Room 207
P.O. Box 849
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Telecopy: (907) 842-2776
E-mail: bbcrsant@nushtel.com

Ceñaliulriit CRSA

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Telecopy: (907) 438-2643

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Craig, City of

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Telecopy: (907) 826-3278
E-mail: jbolling@ptialaska.net

Haines, City of

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Telecopy: (907) 766-3179
Web Site: <http://www.haines.ak.us>

Hoonah, City of

P.O. Box 360
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Phone: (907) 945-3663
Telecopy: (907) 945-3445

Hydaburg, City of

P.O. Box 49
Hydaburg, AK 99922
Phone: (907) 285-3761
Telecopy: (907) 285-3760

Coastal District Contacts

Juneau, City and Borough of

Community Development Department
155 South Seward Street
Juneau, AK 99801
Phone: (907) 586-5230
Telecopy: (907) 586-3365
Email: Terry_Stone@mail.ci.juneau.ak.us
Web Site: <http://www.juneau.Lib.ak.us>

Kake, City of

P.O. Box 500
Kake, AK 99830
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E-mail: clerkake@seaknet.alaska.edu

Kenai Peninsula Borough

144 N. Binkley Street
Soldotna, AK 99669-7599
Phone: (907) 262-4441 x337
E-mail: Glandua@borough.kenai.ak.us
Web Site: <http://www.borough.kenai.ak.us>

Ketchikan Gateway Borough

344 Front Street
Ketchikan, AK 99901
Phone: (907) 228-6610
Telecopy: (907) 247-8439
E-mail: ktnczm@ktn.net

Klawock, City of

P.O. Box 113
Klawock, AK 99925
Phone: (907) 755-2261
Telecopy: (907) 755-2403

Kodiak Island Borough

Community Development Department
710 Mill Bay Road
Kodiak, AK 99615-6340
Phone: (907) 486-9360
Telecopy: (907) 486-9376
E-mail: lfreed@kib.co.kodiak.ak.us (no caps)

Lake and Peninsula Borough

P.O. Box 495
King Salmon, AK 99613
Phone: (907) 246-3421
Telecopy: (907) 246-6602
E-mail: lpboro@bristolbay.com

Coastal District Contacts

Matanuska-Susitna Borough

350 E. Dahlia Avenue
Palmer, AK 99645-6488
Phone: (907) 745-9865
Telecopy: (907) 745-9876

Nome, City of

P.O. Box 281
Nome, AK 99762
Phone: (907) 443-5242
Telecopy: (907) 443-5349
Web Site: <http://www.alaska.net/~nome/>

North Slope Borough

P.O. Box 69
Barrow, AK 99723
Phone: (907) 852-0440 x266
Telecopy: (907) 852-5991
E-mail: jdunham@co.north-slope.ak.us

Northwest Arctic Borough

P.O. Box 1110
Kotzebue, AK 99752
Phone: (907) 442-2500
Telecopy: (907) 442-2930
E-mail: acar@eagle.ptialaska.net
Web Site: <http://www.northwestarcticborough.com>

Pelican, City of

P.O. Box 737
Pelican, AK 99832
Phone: (907) 735-2202(wk)
Telecopy: (907) 735-2258

Petersburg, City of

P.O. Box 329
Petersburg, AK 99833
Phone: (907) 772-4533
Telecopy: (907) 772-4876
E-mail: luczak@alaska.net

Sitka, City and Borough of

100 Lincoln Street, #201
Sitka, AK 99835-7540
Phone: (907) 747-1812
Telecopy: (907) 747-7403
E-mail: campbell@cityofsitka.com
Web Site: <http://www.CityofSitka.com>

Coastal District Contacts

Skagway, City of

P.O. Box 415
Skagway, AK 99840
Phone: (907) 983-2297
Telecopy: (907) 983-2151

St. Paul, City of

P.O. Box 901
St. Paul, AK 99660
Phone: (907) 546-2331
Telecopy: (907) 546-3199

Thorne Bay, City of

P.O. Box 19110
Thorne Bay, AK 99919
Phone: (907) 828-3380
Telecopy: (907) 828-3374

Valdez, City of

P.O. Box 307
Valdez, AK 99686
Phone: (907) 835-4313
Telecopy: (907) 835-2992
E-mail: vdzadm@alaska.net

Whittier, City of

P.O. Box 729
Whittier, AK 99693
Phone: (907) 472-2326
Telecopy: (907) 472-2404

Wrangell, City of

P.O. Box 531
Wrangell, AK 99929
Phone: (907) 874-2381
Telecopy: (907) 874-3952
E-mail: ecodev@wrangell.com

Yakutat, City and Borough of

P.O. Box 160
Yakutat, AK 99689
Phone: (907) 784-3323
Telecopy: (907) 784-3281

State Agency Contacts

Primary State Resource Management Agency Contacts

Department of Natural Resources

Web Site: <http://www.dnr.state.ak.us>

Southcentral Alaska:
Public Information Office
3601 C Street, Suite 200
Anchorage, AK 99503-5929
Phone: 269-8400
Fax: 269-8901

Southeast Alaska:
Public Information Office
400 Willoughby, Fourth Floor
Juneau, AK 99801-1790
Phone: 465-3400
Fax: 586-2954

Northern Alaska:
Public Information Office
3700 Airport Way
Fairbanks, AK 99709-4699
Phone: 451-2700
Fax: 451-2751

Department of Fish and Game Division of Habitat and Restoration

Web Site: <http://www.state.ak.us/local/akpages/FISH.GAME/adfghome.htm>

Southcentral Alaska:
333 Raspberry Rd.
Anchorage, AK 99518-1599
Phone: 267-2335
Fax: 267-2464

Southeast Alaska:
P.O. Box 240020
Douglas, AK 99824-0020
Phone: 465-4290
Fax: 465-4272

State Agency Contacts

Northern Alaska:
1300 College Rd.
Fairbanks, AK 99701-1599
Phone: 459-7289
Fax: 456-3091

Department of Environmental Conservation

Web Site: <http://www.state.ak.us/local/akpages/ENV.CONSERV/home.htm>

Southcentral Alaska:
555 Cordova St.
Anchorage, AK 99501
Phone: 269-7500
Fax: 269-7652

Southeast Alaska:
410 Willoughby Ave. Suite 105
Juneau, AK 99801
Phone: 465-5350
Fax: 465-5274

Northern Alaska:
610 University Ave.
Fairbanks, AK 99709-3643
Phone: 451-2360
Fax: 451-2187

Federal Agency Contacts

U.S. Army Corps of Engineers

<http://www.usace.army.mil/alaska>

P.O. Box 898
Anchorage, AK 99506-0898
ATTN: NPACO-RF
Phone: 1-800-478-2712

Your project may also require permits from other federal agencies such as those listed below. However, these agencies do not have consistent or single points of contact for permit information and ACMP requirement. DGC can provide you with appropriate contact information if your project may require permits from these agencies.

Bureau of Land Management

<http://www.ak.blm.gov/>

Environmental Protection Agency

<http://www.epa.gov/region10/www/search.html>

222 W. 7th Ave. #19
Anchorage, AK 99513-7588
1-800-781-0983

Federal Aviation Administration

Federal Energy Regulatory Commission

Minerals Management Service

949 E. 36th Ave.
Anchorage, AK 99508
(907) 271-6010

U.S. Coast Guard

<http://www.uscg.mil.d17uscgd17.html>

U.S. Forest Service

<http://www.fs.fed.us/r10/>

For more information about federal consistency or appeals to the U.S. Secretary of Commerce contact

Office of Ocean and Coastal Resource Management (OCRM)

<http://www.nos.noaa.gov/ocrm/>

OCRM, National Ocean Service
National Oceanic & Atmospheric Administration
U.S. Department of Commerce
1305 East-West Hwy., N/ORM4
Silver Spring, Maryland 20910



**State of Alaska,
Office of the Governor**

Division of Governmental Coordination (DGC)

DGC Web Site:

<http://www.alaskacoast.state.ak.us>

Juneau DGC Office

Address: 240 Main St.,
Suite 500, Juneau, AK

Mailing: P.O. Box 110030,
Juneau, AK
99811-0030

Telephone: (907) 465-3562
Fax: (907) 465-3075

Anchorage DGC Office

Address: 3601 "C" St., Suite 370
Anchorage, AK
99503-5930

Telephone: (907) 269-7470
Fax: (907) 561-6134

Joint Pipeline Office

Address: 411 W. 4th Ave.
Suite 2-C, Anchorage,
AK 99501-2342

Telephone: (907) 271-4317
Fax: (907) 272-0690



Funding for this publication provided by the State of Alaska and through the Coastal Zone Management Act of 1972, as amended in 1990, administered by the Office of Ocean and Coastal Resource Management, National Oceanic and Atmospheric Administration, U.S. Department of Commerce. These booklets were printed at a cost of .96 each in Anchorage, Alaska during June, 1998.

SB

319

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 319
(S) Publish Date: 3/1/02

Revision Date/Time (Note if correction): _____ Dept. Affected: DNR
Title Shallow Natural Gas Leasing BRU Oil and Gas Development
Component Oil and Gas Development
Sponsor Sen. Torgerson
Requester Senate Resources Component No. 439

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()	275.0*	250.0**	250.0**	250.0**	250.0**	250.0**
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

*Positive revenue flow anticipated in FY 03 from the conversion of approximately 50 shallow gas leases. Lessees would have a one-time chance to convert the lease to the specifications allowed under the new amendments if they pay the difference in the application fee (estimated at \$4,500 if fees are set at \$5,000 in the regulation process), bonding requirement, and rental fees. Under this example the state could receive \$225,000 additional application fees, plus an additional \$0.50 per each acre converted under the proposed amendments. DNR also assumes that it will receive 10 new applications (\$50,000) during FY03.

** In the ensuing years, activity in shallow gas leasing is expected to increase leading to additional revenues to the state. These figures assume that DNR receives 50 new applications each year. This amount does not include additional rental income nor royalties from production.

Prepared by: Mark Myers Phone 269-8800
Division Oil and Gas Date/Time 2/25/2002
Approved by: Pat Pourchot Date 2/25/2002
Agency Natural Resources



ALASKA STATE LEGISLATURE

SENATOR JOHN TORGERSON

CHAIR, SENATE RESOURCES COMMITTEE

CHAIR, SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CHAIR, JOINT COMMITTEE ON NATURAL GAS PIPELINES

Session:

State Capitol, Room 427, Juneau, AK 99801
Telephone 907/465-2828 Fax 907/465-4779

District:

45457 Kenai Spur Hwy. Suite 101B,
Soldotna, AK 99669
Telephone 907/260-3042 Fax 907/260-3044

Sponsor Statement

SB 319 - "An act relating to shallow natural gas leasing; and providing for an effective date."

Shallow gas leasing was originally proposed as a program that would enable exploration and production of shallow natural gas deposits. One of the features of the program was to encourage a new energy supply to villages, mines, and other rural users. The program is fully operational with over 100 leases processed and nearly 200 more pending. The program has become a vehicle for commercial gas development in Fairbanks, Big Delta, Matsu Valley, and the lower Kenai Peninsula. SB 319 is intended to advance the program into a more robust and viable commercial program that should benefit all parties.

Because the program has become more commercial in nature, increasing revenues from application fees and annual rental fees is appropriate. The program will still neither involve competitive bidding nor require bonus bids. However, application fees for shallow gas leases have been increased from \$500 to \$5,000 and annual rental fees have been increased from \$0.50 to \$1 per acre. The increased fees are designed to increase revenue and pay for the program costs, while not discouraging parties of genuine interest and ability from developing shallow natural gas resources.

The requirement that DNR annually notify a lessee by certified mail of rental due has been deleted. Rent would automatically be due on the date determined in the lease. Deadlines have proven to be unworkable and do not recognize the work required by DNR to prepare leases in areas that are populated and may have complex land ownership patterns.

REPRESENTING THE KENAI PENINSULA

*Anchor Point Bear Creek Clam Gulch Cooper Landing Crown Point Fritz Creek Happy
Valley Halibut Cove Homer Hope Kachemak City Kachemak Selo Kaslof Lowell Point
Moose Pass Nanwalek Nikolaevs Ninilchik Port Graham Razdolna Seward Seldovia
Soldotna Stariski Sterling Voznesenka*

SPONSOR

The limitation on depth to 3,000 feet has been replaced with the requirement that some portion of the field must be within 3,000 feet of the surface. The total amount of acreage that may be held by shallow natural gas lessees has been increased from 46,080 acres to an aggregate of 100,000 acres. The acreage increase reflects the fact that large acreage may be necessary to a shallow gas program.

The requirement that the applicant conduct a title search will be removed. DNR routinely conducts a title search for land before leases are issued. Additionally, there are no title companies who will conduct a thorough title search of the subsurface estate and warranty title. These changes will improve reservoir management and increase the value to the lessee and the state.

New bonding provisions would demonstrate lessees are fiscally responsible and would help protect surface owners. The lessee must secure the bond as a precondition to obtaining the lease. In the event that the surface estate is owned by a private party, an additional bond may be required if the lessee and the private party cannot reach an agreement.

Lessees will have from July 1, 2002 through September 30, 2002 (roughly 90 days) to convert leases from the existing program to the new program, if they so choose.



ALASKA STATE LEGISLATURE

SENATOR JOHN TORGERSON

CHAIR, SENATE RESOURCES COMMITTEE

CHAIR, SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CHAIR, JOINT COMMITTEE ON NATURAL GAS PIPELINES

Session:

State Capitol, Room 427, Juneau, AK 99801
Telephone 907/465-2828 Fax 907/465-4779

District:

45457 Kenai Spur Hwy.; Suite 101B, Soldotna, AK 99669
Telephone 907/260-3042 Fax 907/260-3044

SECTIONAL ANALYSIS

SB 319

"An Act relating to shallow natural gas leasing"

Sec. 1 Page 1, lines 6-7.

- Amends the 3,000 foot depth to "a field, if a part of the field is within 3,000 feet of the surface."

Sec. 2 Page 2, Lines 14-22

- Amends the application fee to "up to \$5,000."
- Amends the total acreage from 46,080 acres to 100,000 acres.

Sec. 3 Page 2, Lines 23-7

- Removes the timing requirements for DO&G: Notice 20 days after receipt of application; Execute lease within 90 days after close of public comment period or 30 days after final consistency determination.

Sec. 4 Page 3, Lines 8-14

- Increases rental from .50 per acre to \$1 per acre.
- Removes requirement that DO&G send written notice by certified mail of rent due.

Sec. 5 Page 3, Lines 15-29

- Amends depth in AS 38.05.177(j) Lessee has the right to produce gas only if it is from a field if a part of the field is within 3000 feet of the surface.

Sec. 6 Page 3, Lines 30-16

- Adds new section requiring an additional bond (in addition to the bond required under AS 38.05.130). Establish by regulation form and amount for statewide, areawide, unit-wide, or per-lease bonds.

REPRESENTING THE KENAI PENINSULA

*Anchor Point Bear Creek Clam Gulch Cooper Landing Crown Point Fritz Creek Happy Valley Halibut Cove
Homer Hope Kachemak City Kachemak Selo Kaslof Lowell Point Moose Pass Nanwalek Nikolaevsk
Ninilchik Port Graham Razdolna Seward Seldovia Soldotna Stariski Sterling Voznesenka*

SECTIONAL

- The bond must be posted as a condition of issuing the lease.
- An additional bond is not required if the person already has a bond covering the person's statewide oil and gas leasing activities in an amount of at least \$500,000.

Sec. 7 Page 4, Lines 17-5

- Amends the depth with respect to Waste Disposal Permits under Title 46(DEC). The permit requirements do not apply for "water well drilling, geophysical drilling, or coalbed methane drilling or other natural gas from a field subject to lease under AS38.05.177.

Sec. 8 Page 5, Lines 6-29

- Changes depth for proof of financial responsibility to respond to damages in the case of pipelines or exploration/production facilities Title 46 (DEC).

Sec. 9 Page 5, Line 30

- Repeals the requirement for the applicant to conduct the title search.

Sec. 10 Page 5, Lines 31-5

- DNR may proceed with adopting regulations necessary to implement these amendments.

Sec. 11, Page 6, Lines 6-12

- Adds a new section to the uncodified that allows lessees to convert leases to consistency with the amendments between July 1, 2002 and October 1, 2002.

Sec. 12 Page 6, Line 13

- Section 10, above, takes effect immediately

Sec. 13 Page 6, Line 14

- The remainder of the amendments take effect July 1, 2002

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

Alaska Reserves and Production

- **36% of total U.S. oil reserves.**
- 8.0 billion barrels of oil
- **17% of total U.S. gas reserves**
- 35 trillion cubic feet of gas
- **20% of total U.S. oil production**
- 1.04 million barrels of oil per day

Sources: Alaska data are from Department of Natural Resources, Division of Oil and Gas, 2001 Annual Report
U.S. data are from U.S. Crude Oil, Natural Gas, and NGL Reserves, 2000 Annual Report, U.S.D.O.E.-E.I.A.

2001 REPORT

The State Revenue Pie

Petroleum Revenue Sources, (FY 2001)

Total Royalties, Bonuses, Rents & Settlements:

\$1,145.9 Million

General Fund Royalties, Bonuses & Rents^{1,2}:

\$798.8 Million

Royalties to Permanent Fund &
School Fund⁴:

\$337.1 Million

Settlements to CBRF⁴:

\$10.0 Million

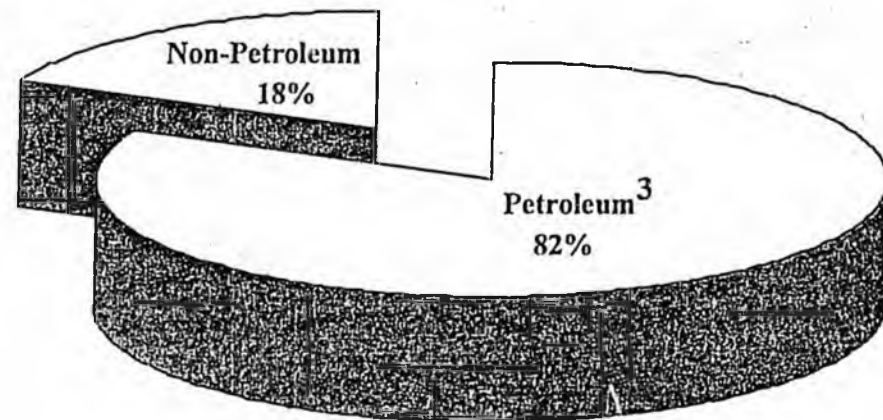
(Includes Royalties & Taxes)

Taxes:

\$1,125.4 Million²

(Oil & Gas Property Tax + Tax Settlements +
Income Tax + Severance Tax)

FY 2001 Unrestricted Revenue



1 Includes Federally shared rentals

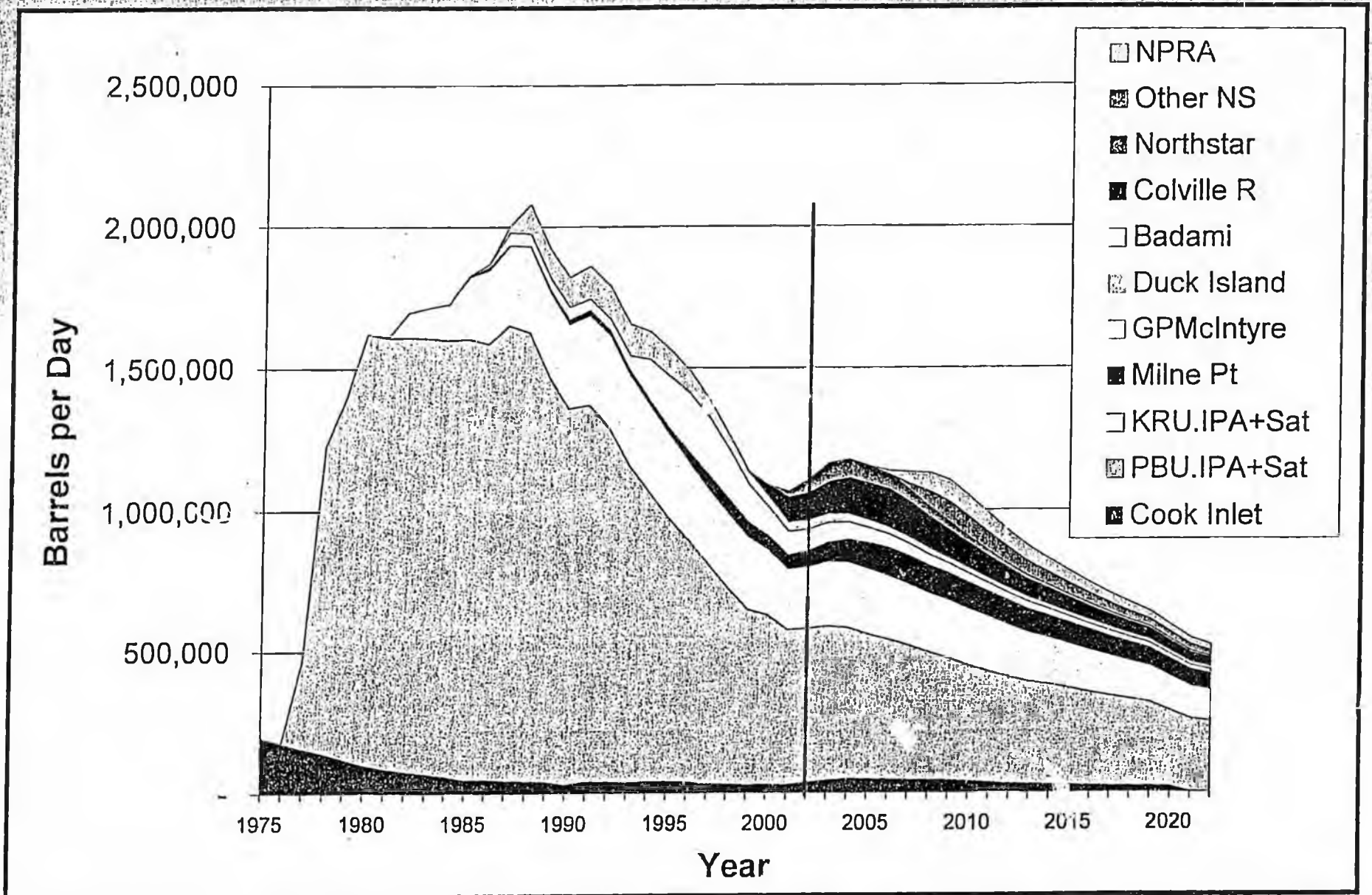
2 Source: pg. 23, DOR Fall 2001 Revenue Sources Book

3 Source: pg. 22, DOR Fall 2001 Revenue Sources Book

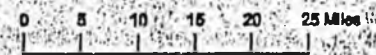
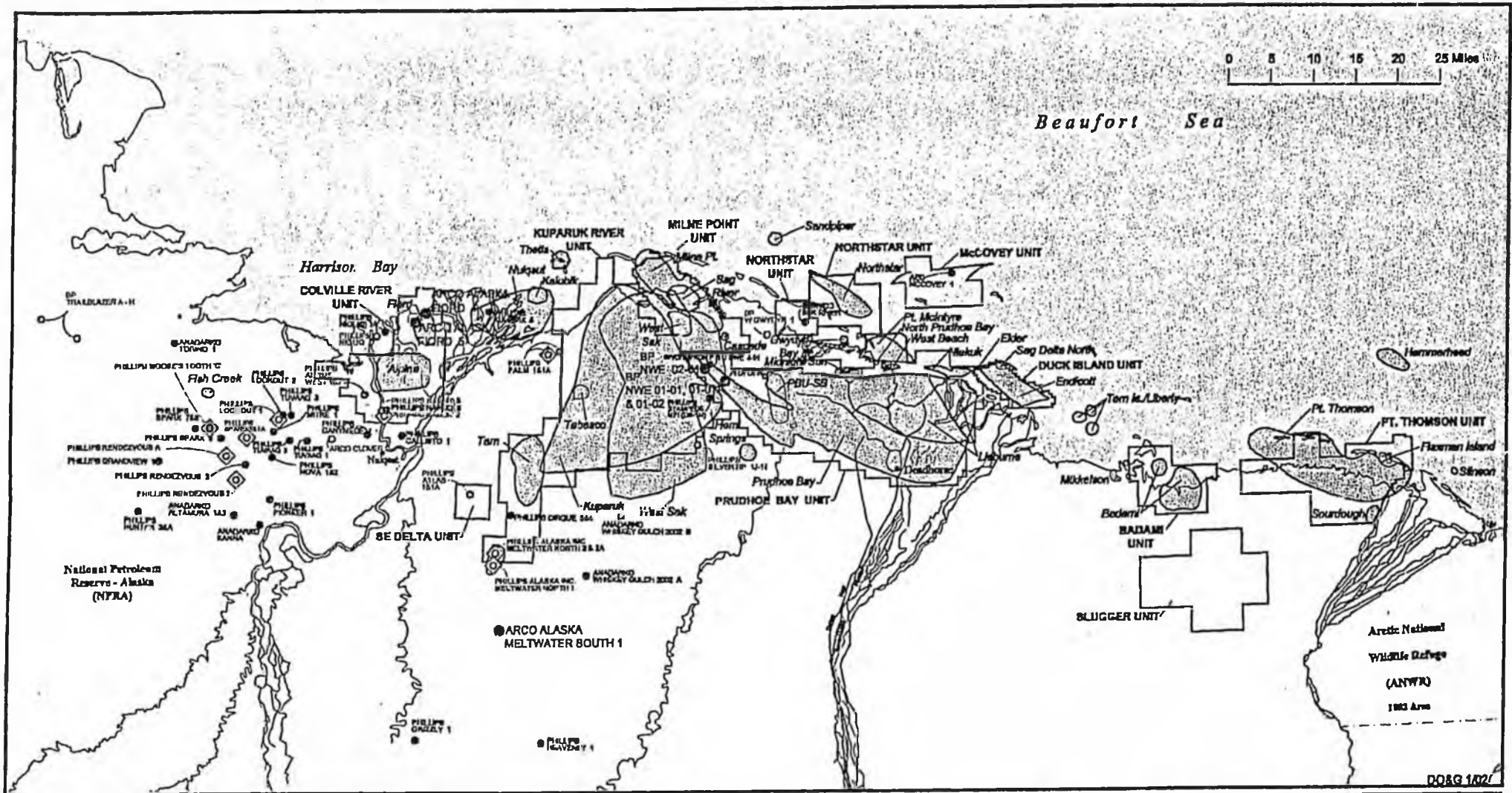
4 Source: pg. 19, DOR Fall 2001 Revenue Sources Book

Historic and Projected Alaska Oil Production

1975 - 2022



North Slope Oil & Gas Activity and Discoveries 2002

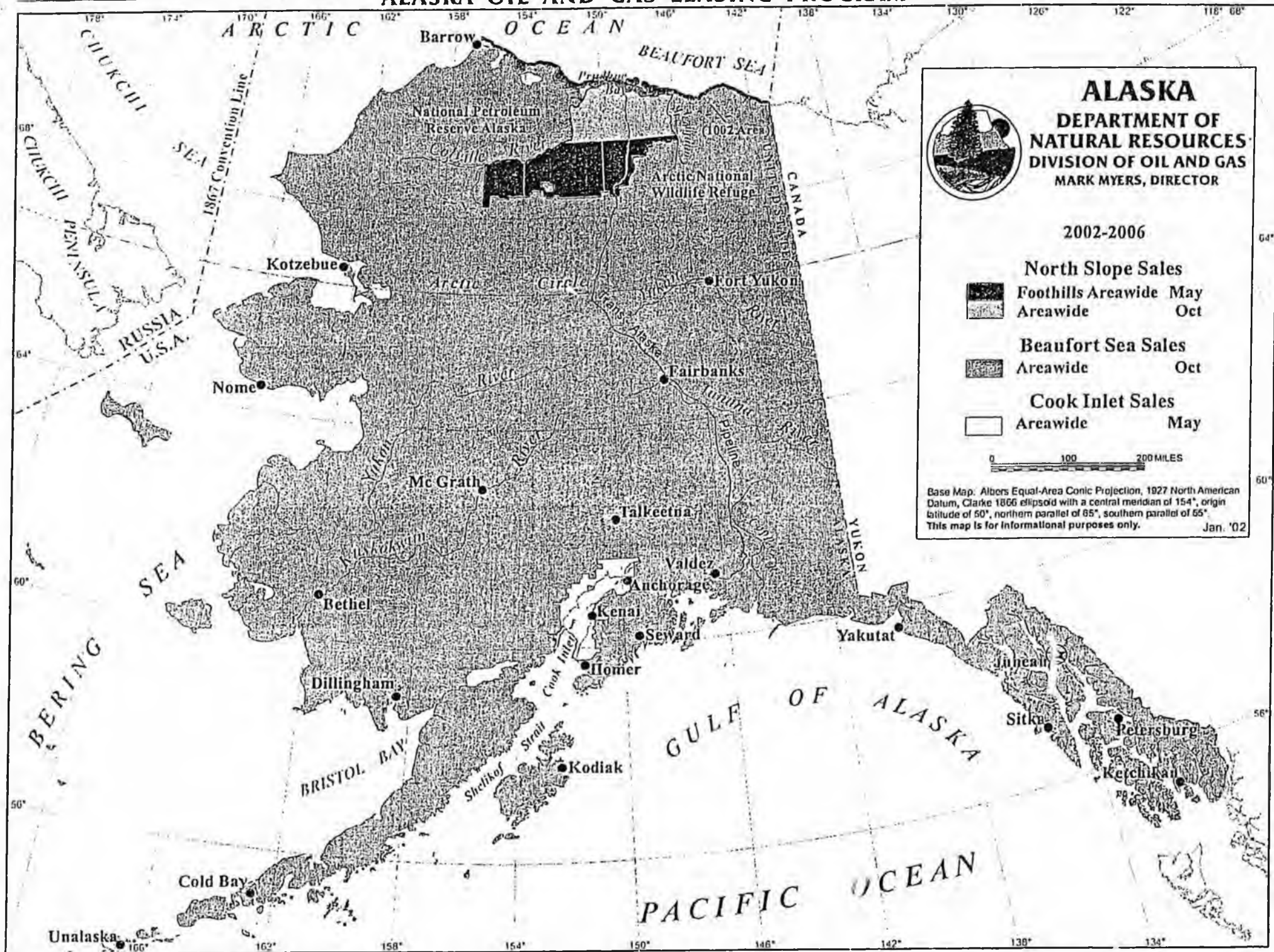



Beaufort Sea

Map Legend

	Units		Road
	Oil Field / Accumulation		Trans-Alaska Pipeline
	2000 Exploration Wells		
	2001 Exploration Wells		
	2002 Proposed Wells		
	Active Wells		
	Recent Discoveries		

ALASKA OIL AND GAS LEASING PROGRAM











ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL AND GAS

MARK MYERS, DIRECTOR

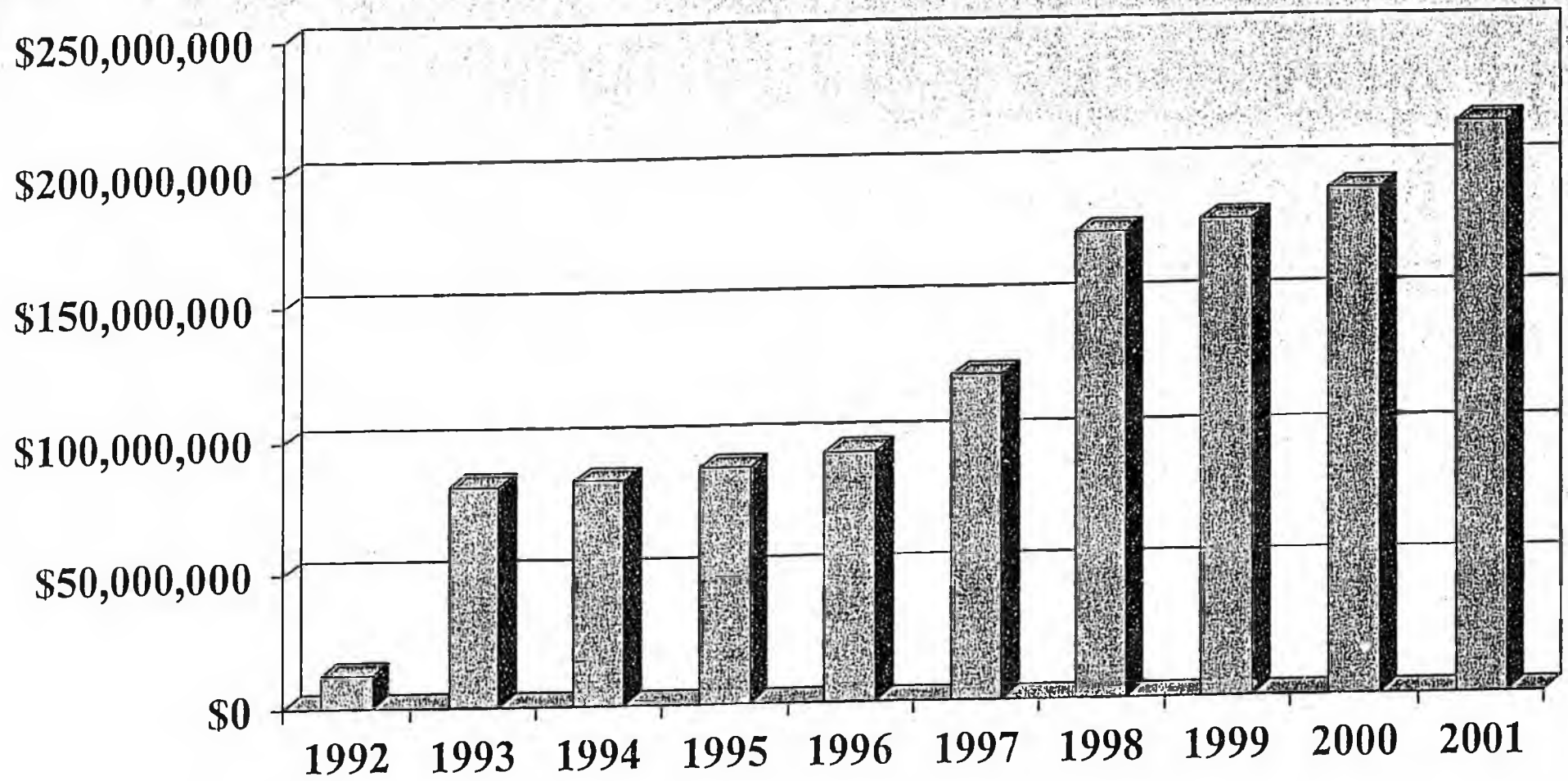
2002-2006

North Slope Sales	
	North Slope
	Arcawide
	Arcawide
Beaufort Sea Sales	
	Arcawide
	Arcawide
Cook Inlet Sales	
	Arcawide
	Arcawide

0 100 200 MILES

Base Map: Albers Equal-Area Conic Projection, 1927 North American Datum, Clarke 1866 ellipsoid with a central meridian of 154°, origin latitude of 50°, northern parallel of 65°, southern parallel of 65°. This map is for informational purposes only. Jan. '02

Cumulative Bonus Bids



2001 Areawide Lease Sales

Total Acres Leased = 1.6 Million

Total Bonus Bids = \$24.5 Million

North Slope Foothills

- Area's First Lease Sale
- Largest State Sale Ever
- 8 Bidding Groups
- 978,560 Acres Leased
- \$10.7 Million in Bonus Bids

North Slope

- 16 Bidding Groups (Shell returns after 13 yrs)
- 469,760 Acres Leased
- \$7.4 Million in Bonus Bids

Cook Inlet*

- 6 Bidding Groups
- 102,523 Acres Leased
- \$928,085 in Bonus Bids

(* Final Results)

Beaufort Sea

- 7 Bidding Groups
- 60,800 Acres Leased
- \$5.4 Million in Bonus Bids

Exploration Licensing

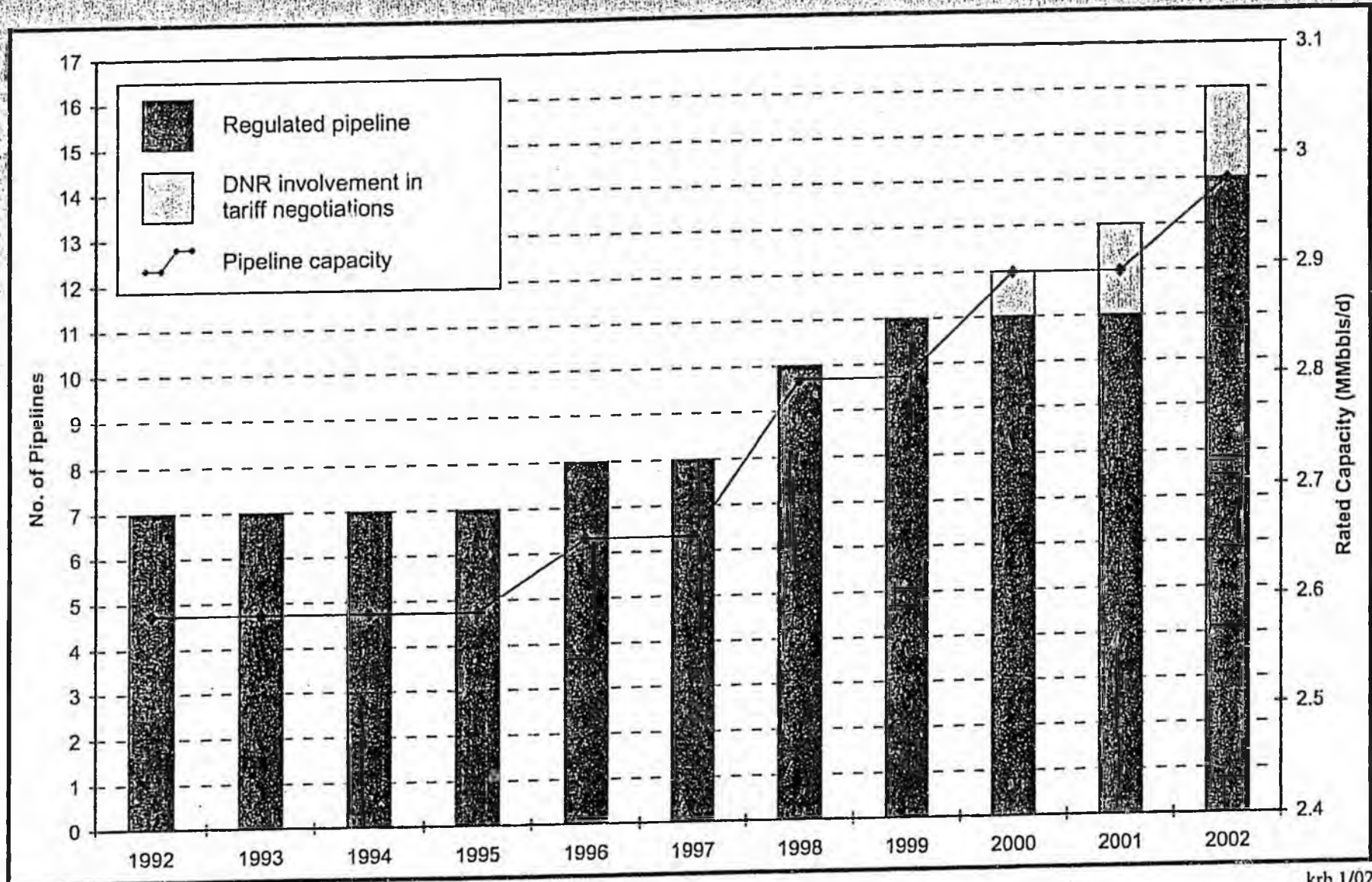
Proposed – Susitna Valley

- Forest Oil Corp. submitted two proposals
- 873,600 Total Acres, located west of Susitna R.
- Total Exploration Commitment over \$5 Million
- Final Finding and Decision – February 2002

Proposed – Nenana Basin

- Andex Resources submitted only proposal
- 499,800 Acres, located north and west of Nenana
- Exploration Commitment = \$2.5 Million
- Preliminary Finding – February 2002
- Final Finding and Decision – Late Summer 2002

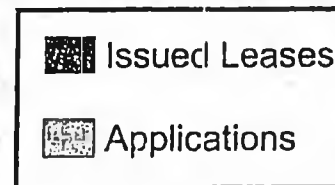
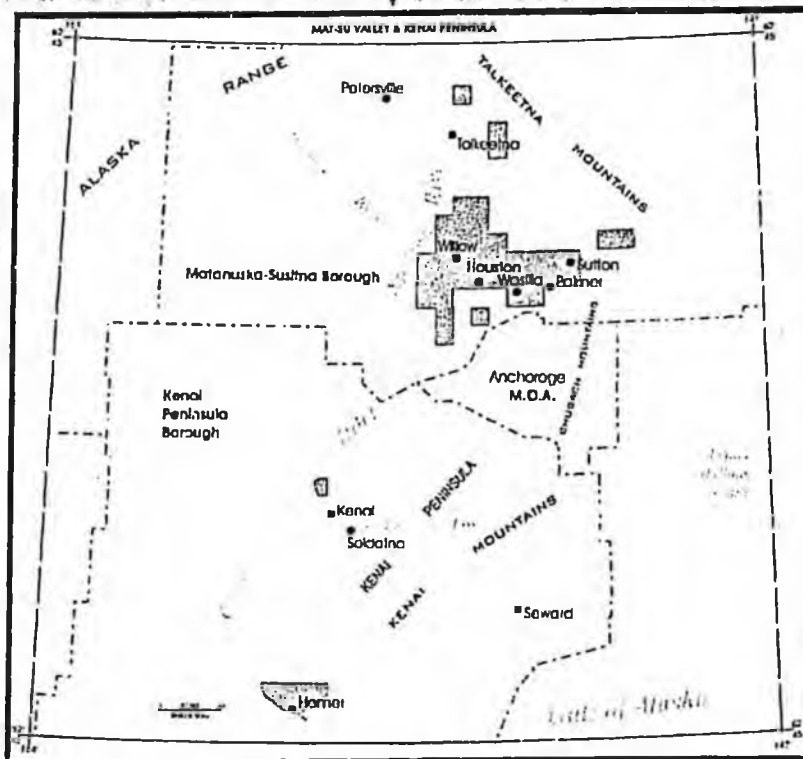
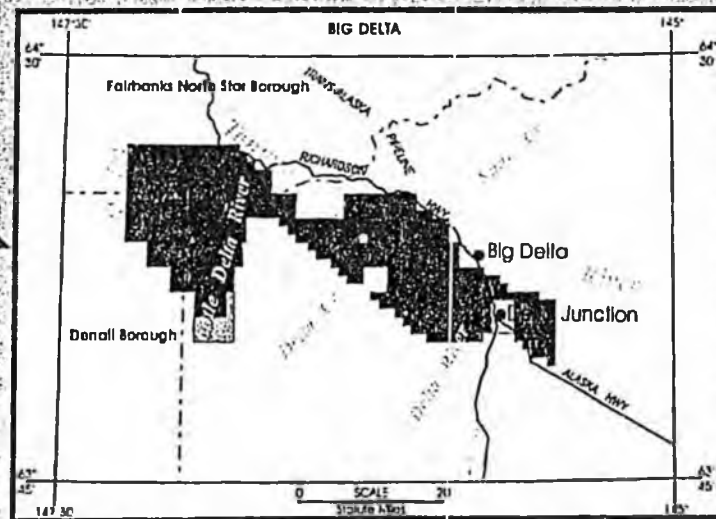
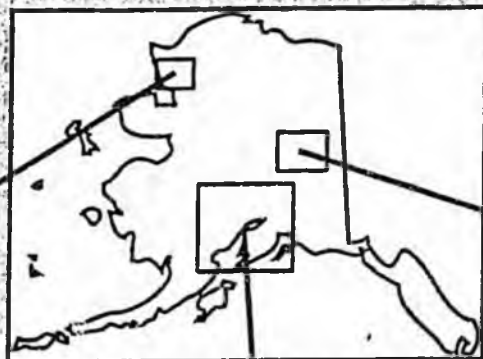
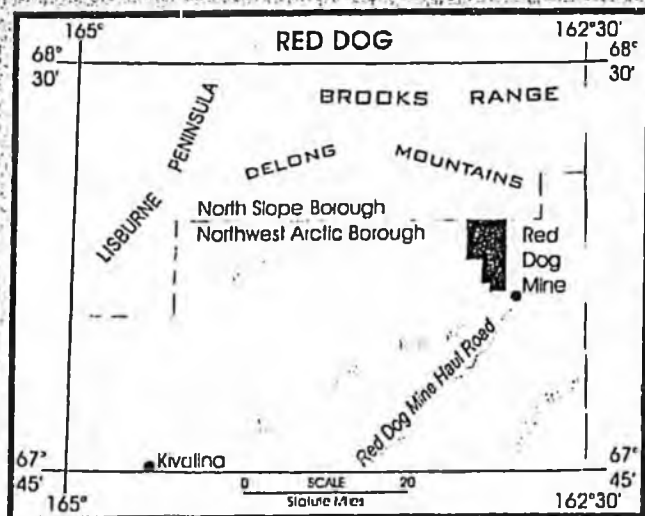
Alaska Regulated Pipelines



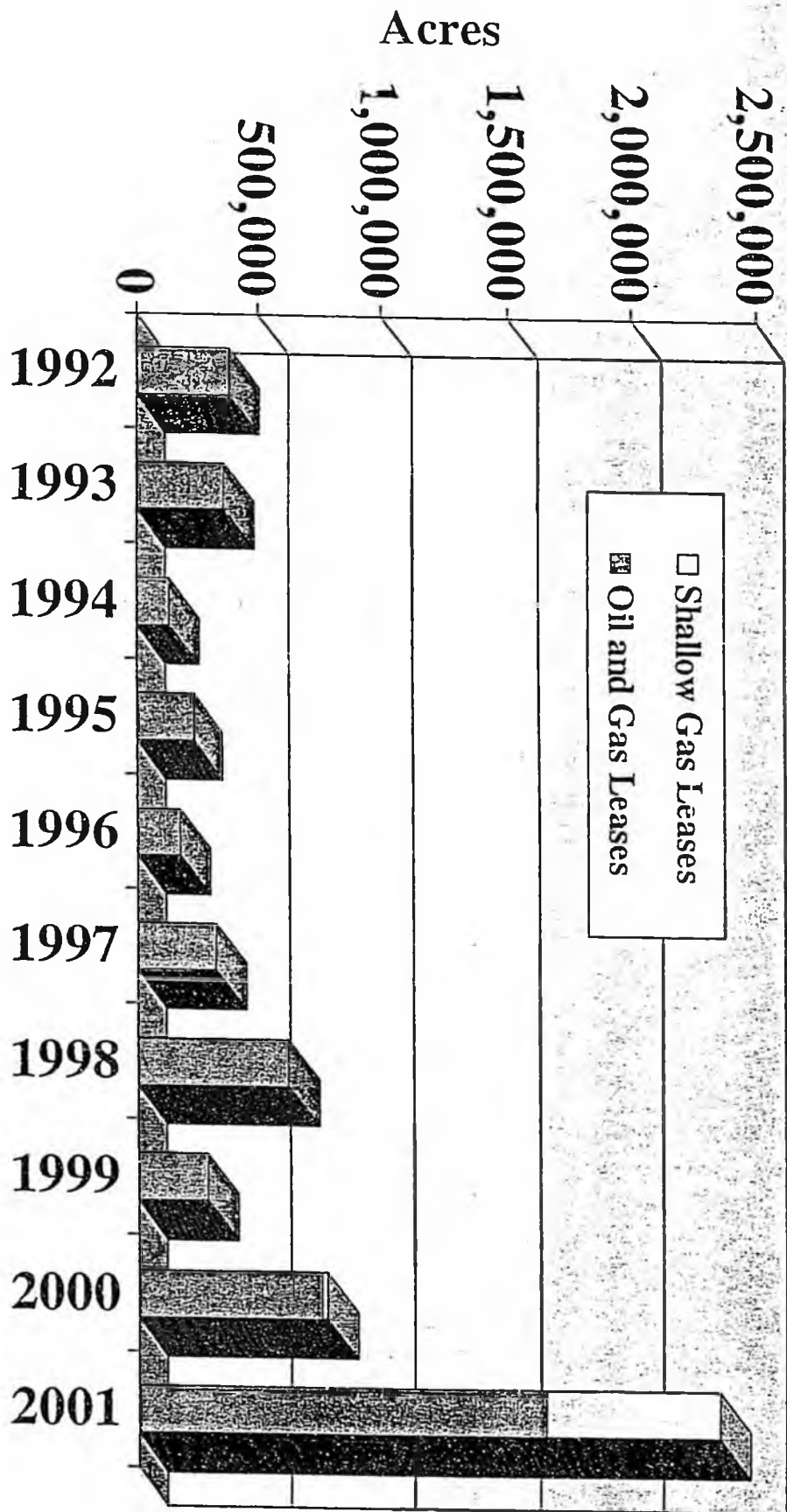
Source: Division of Oil and Gas, January 2002

krb 1/02

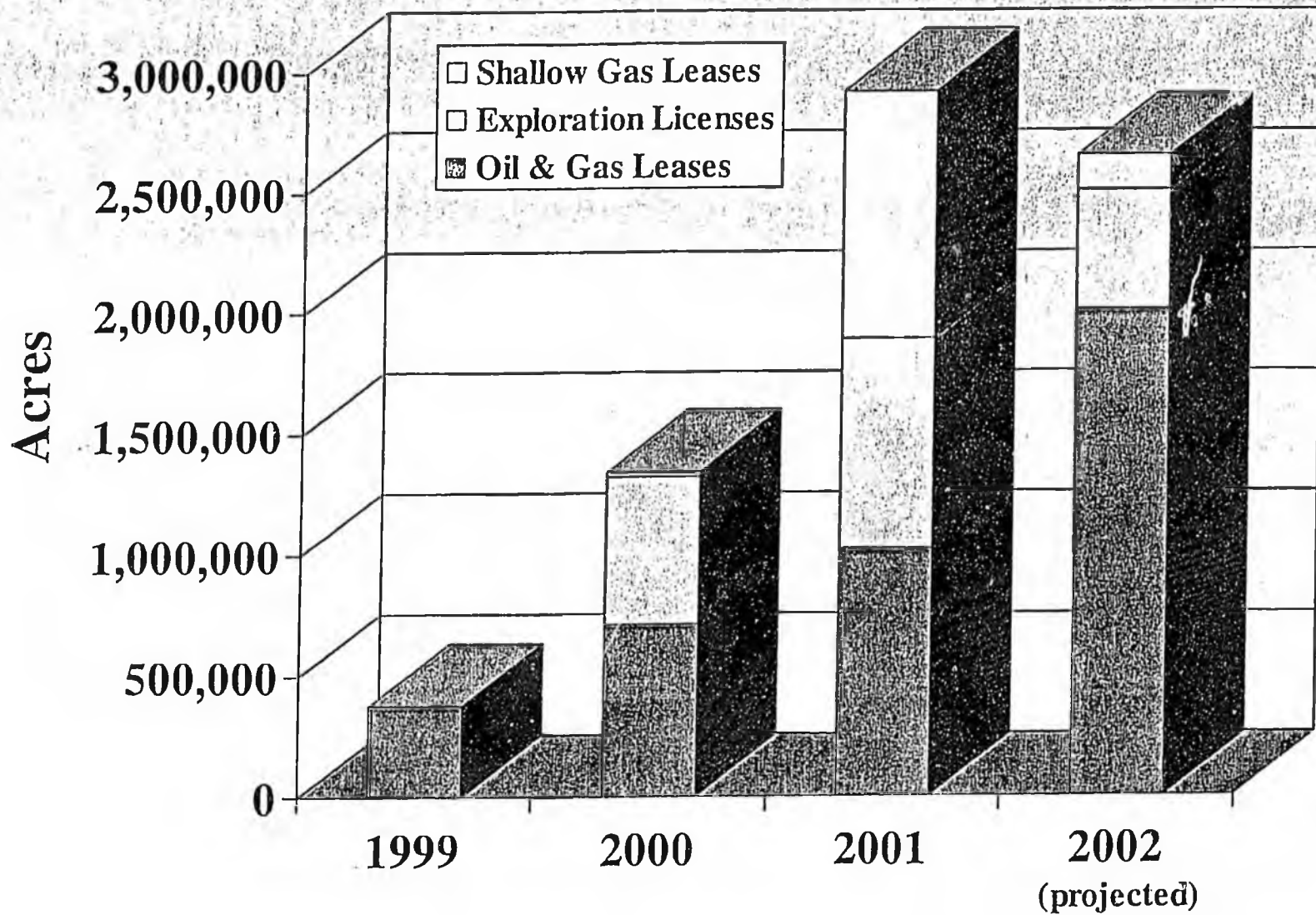
Shallow Natural Gas Leasing Program



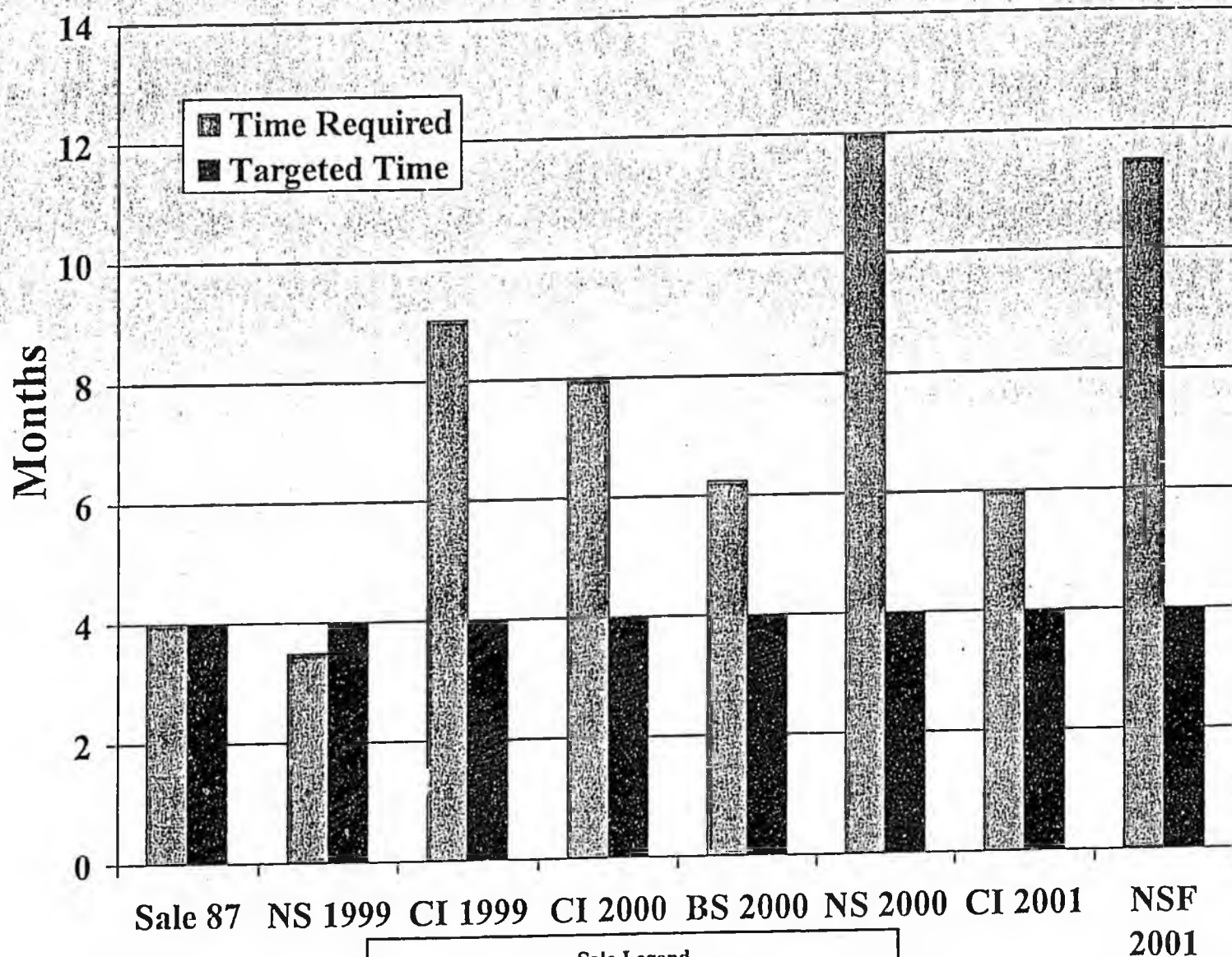
Acreage Leased



Title Work



Time Required to Issue a Lease



Sale Legend

BS - Beaufort Sea	CI - Cook Inlet
NS - North Slope	NSF - North Slope Foothills

(Projected)

Delays in Title = Delays in \$\$

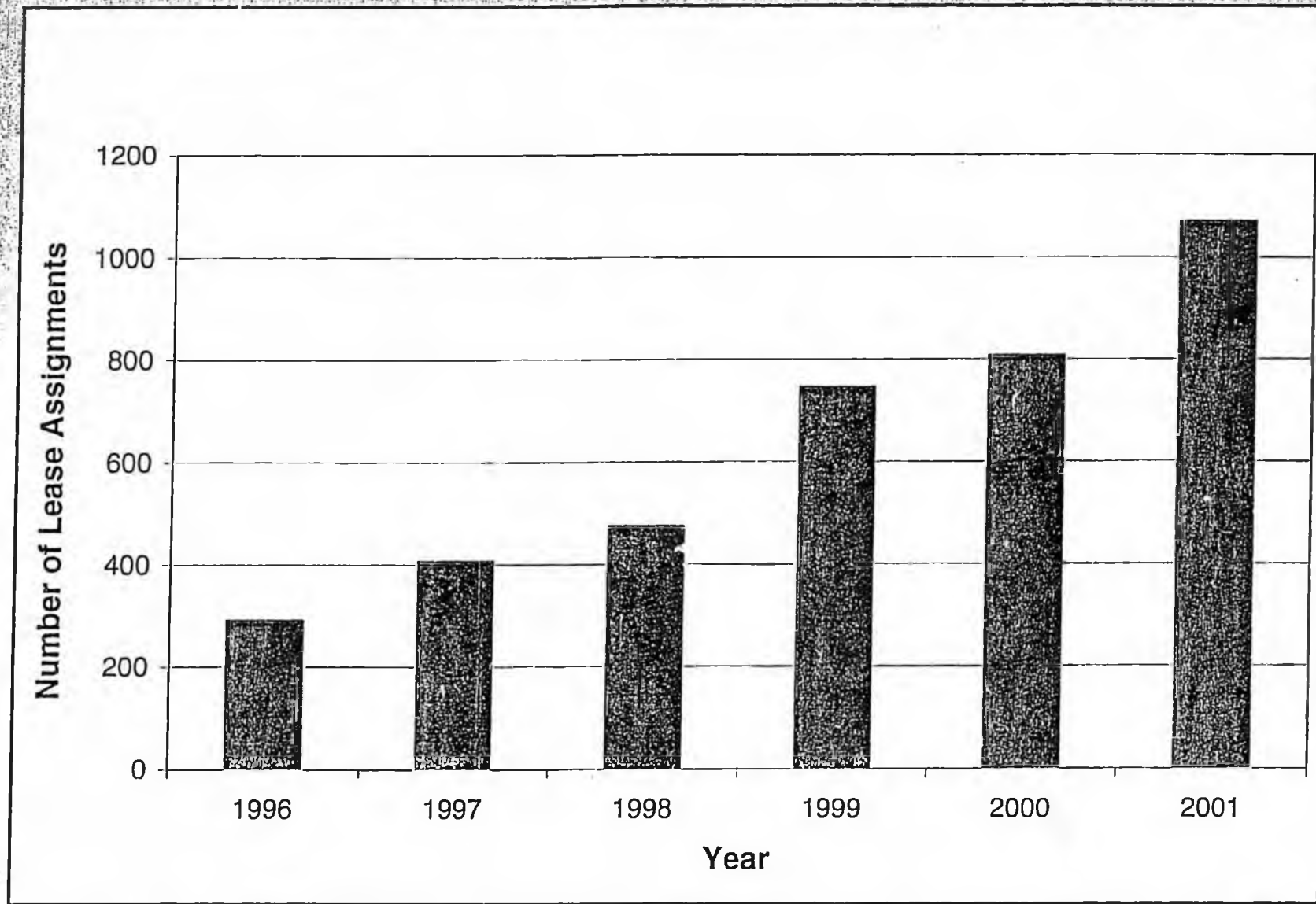
- It Takes up to 1 Year to Issue Leases

- FY 01 Revenue Delayed to FY 02

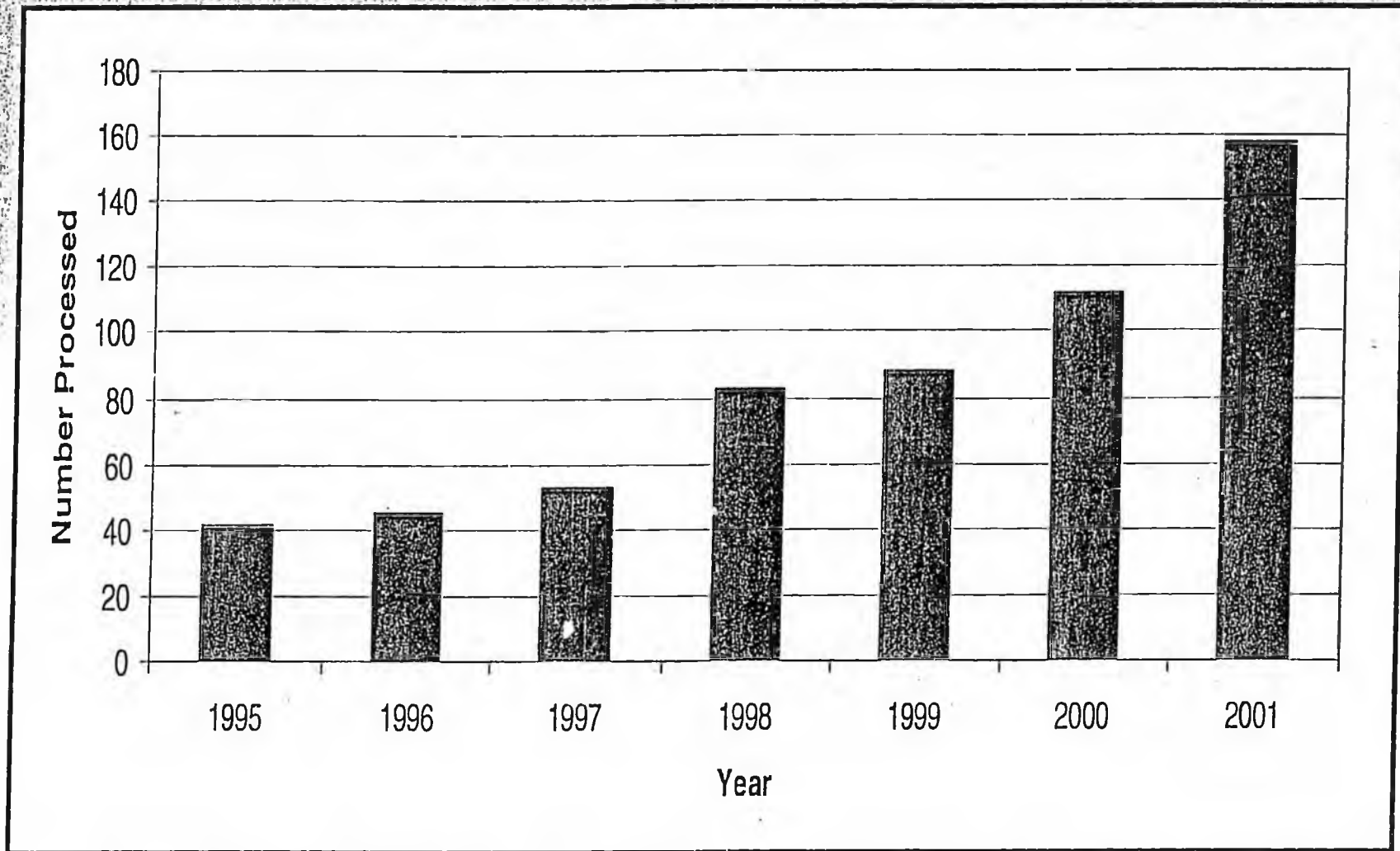
Balance on Bonus Bids = \$8.9 Million

1st Yr Lease Rentals = \$1.3 Million

Lease Assignments in Alaska



Unit Actions

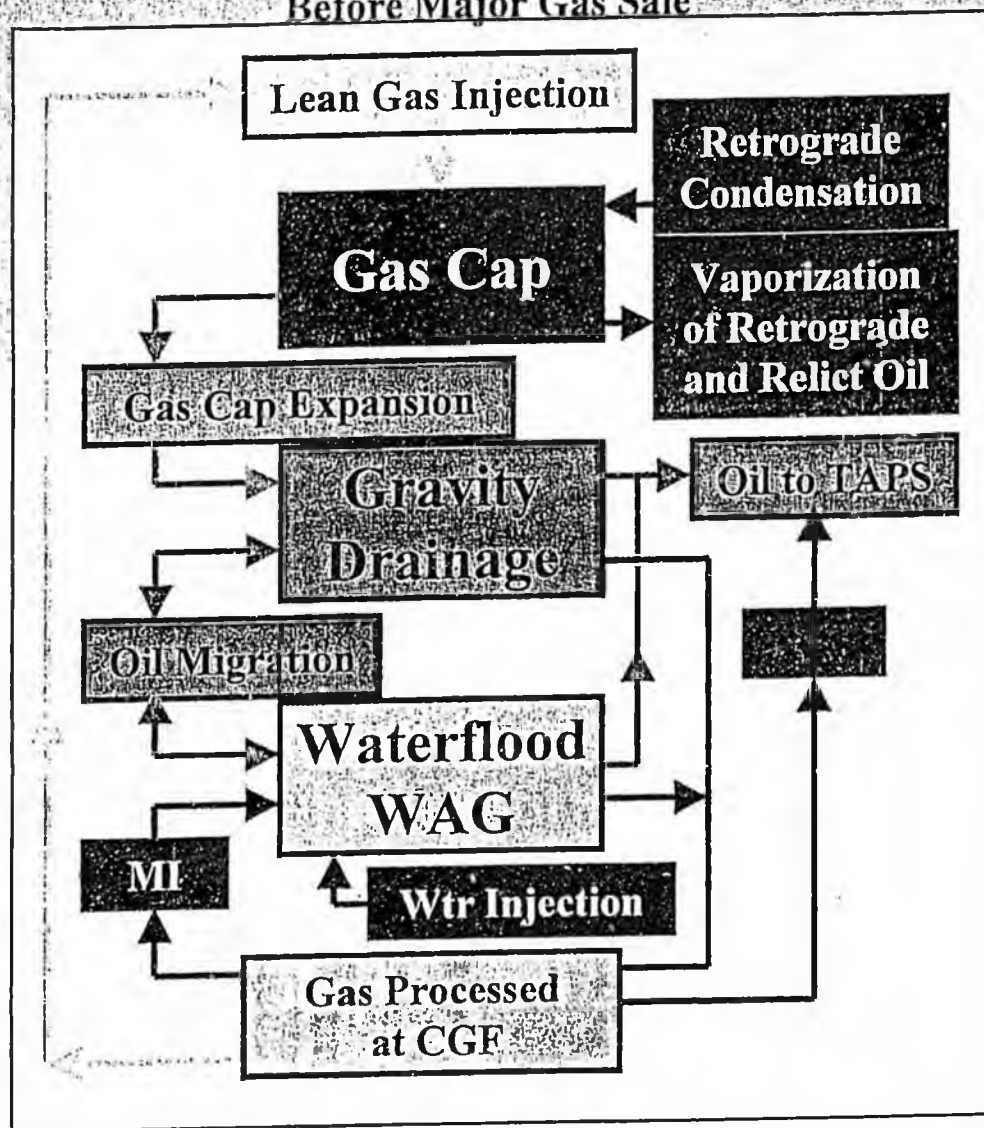


Actions include Units and Participating Areas formed, expanded, contracted, and terminated; Unit decisions appealed; Unit Plans of Exploration and Development reviewed and approved.

cdl 01/02

PBU Mechanisms

Before Major Gas Sale



During Major Gas Sale

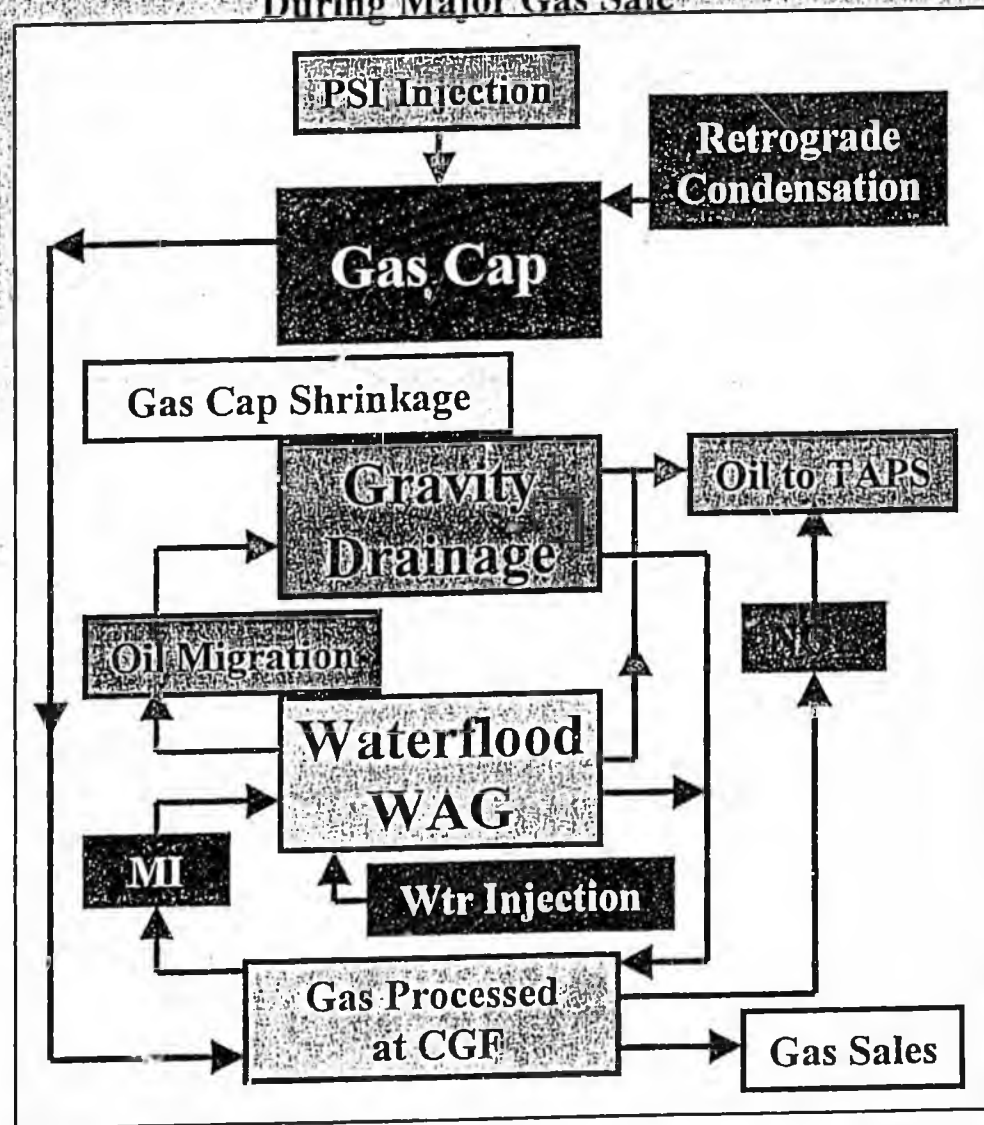
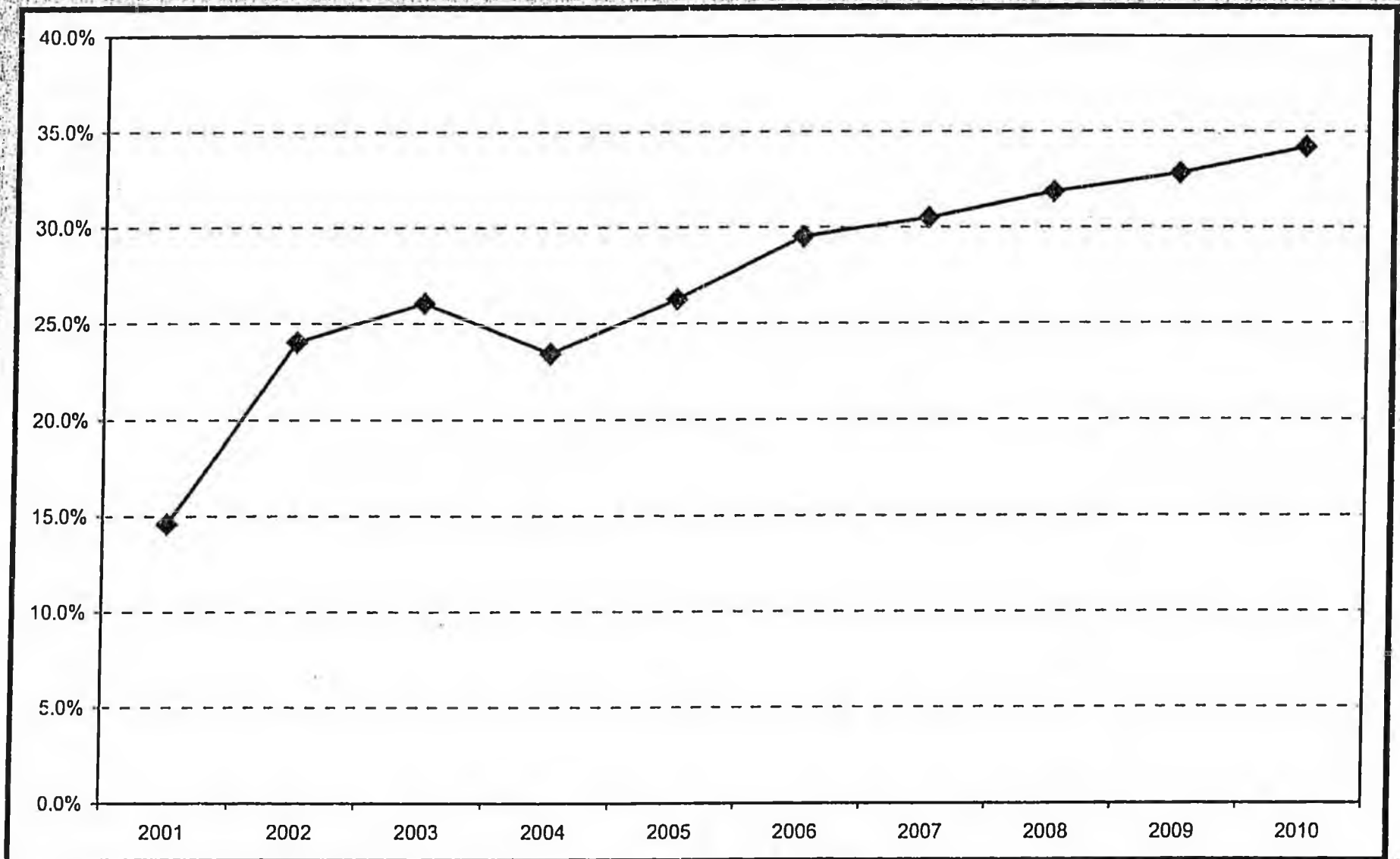


Figure 10

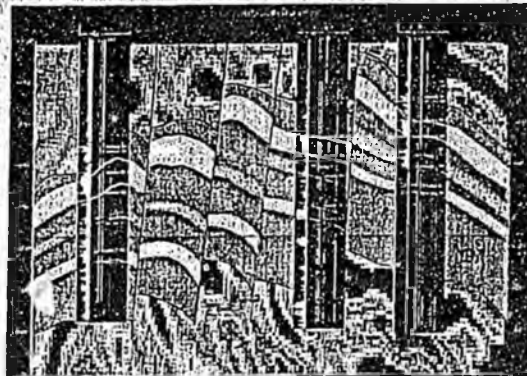
Projected Pipeline Tariffs as a Percent of ANS Wellhead Price



Source: DOR, Revenue Sources Book, Fall 2001

krb 1/02

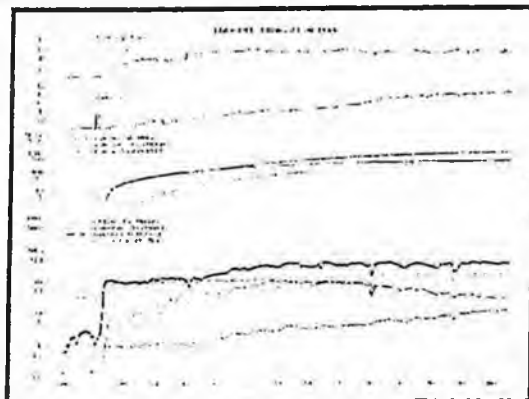
Different databases and data managed and merged to create 3-D pictures of oil fields and royalty share



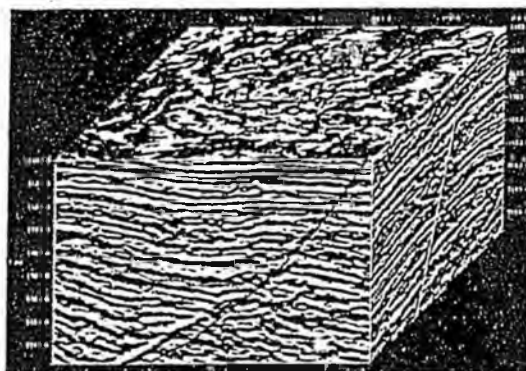
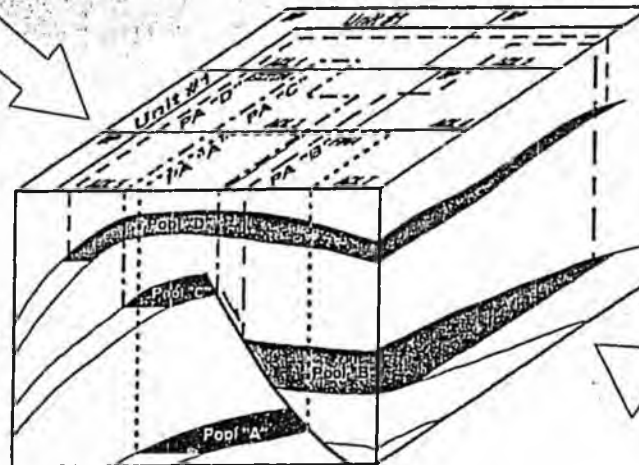
Geologic Data
(Well logs, Directional Surveys, Geochemistry, Paleontology, & Formation data)

Ninkuk Western PA		Ninkuk Eastern PA		
34826 ARCO, BISON 12.5% 12.5% 1987		34825 OPX 12.5% 12.5% 1987		317827 OPX, AMERADA 30%, 74.5% NPX 81.25% 1988
34129 ARCO, BISON 12.5% 12.5% 1987	34830 OPX 12.5% 12.5% 1987	34635 OPX 12.5% (NPX) 84.75% 1987		34634 OPX 12.5% 12.5% 1987

Royalty, Lease, Unit/Participating Area, Ownership & Economic Data

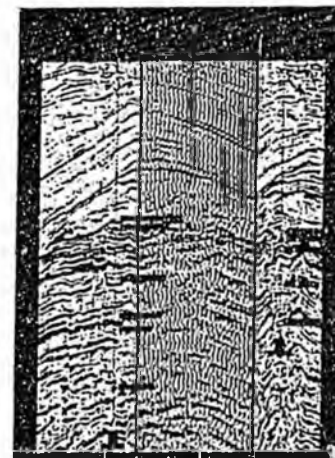


Engineering & Production Data



3-D Seismic

Geophysical Data
(Seismic, Gravity, Magnetic, Velocity, & Shothole data)



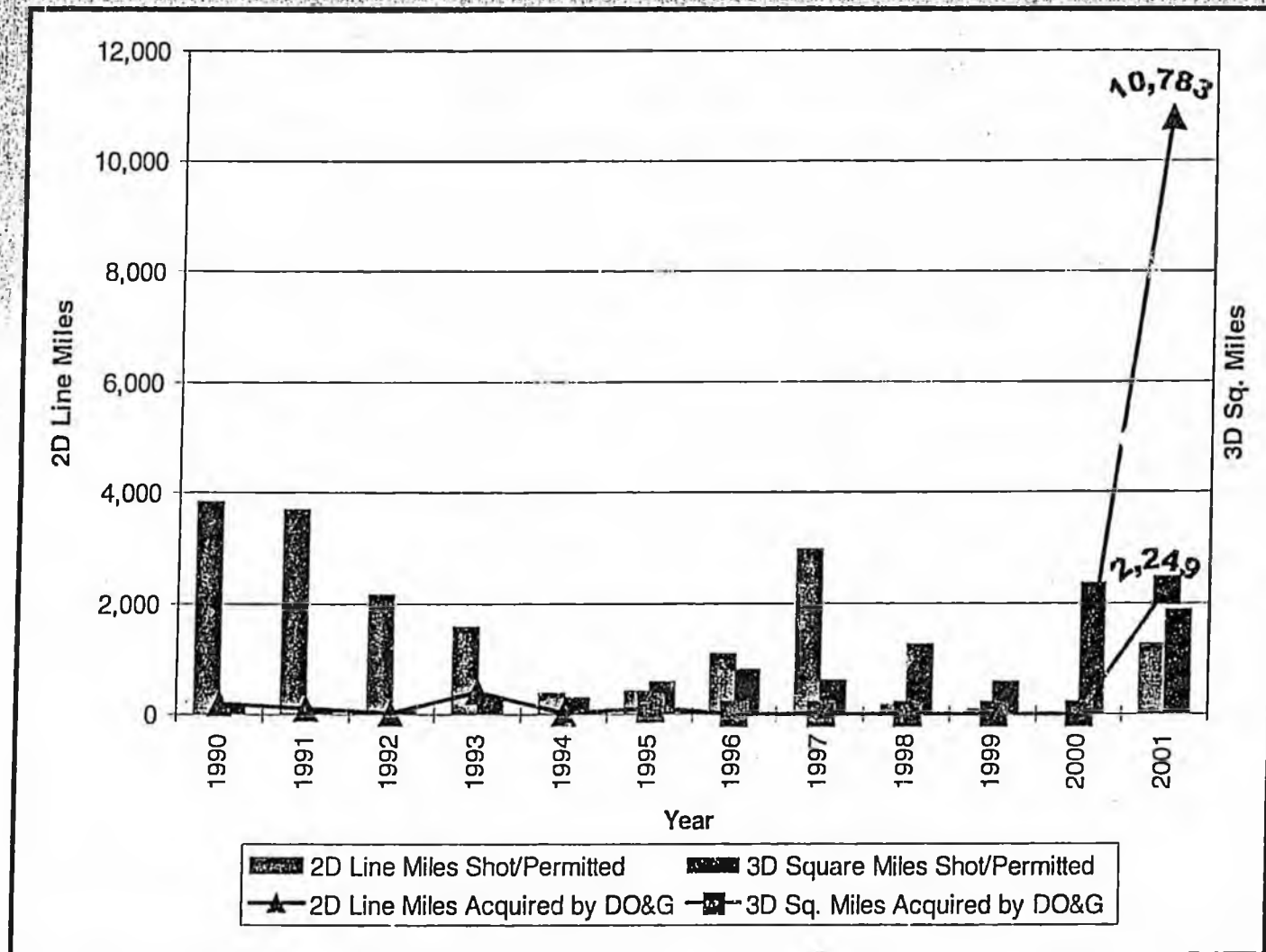
2-D Seismic



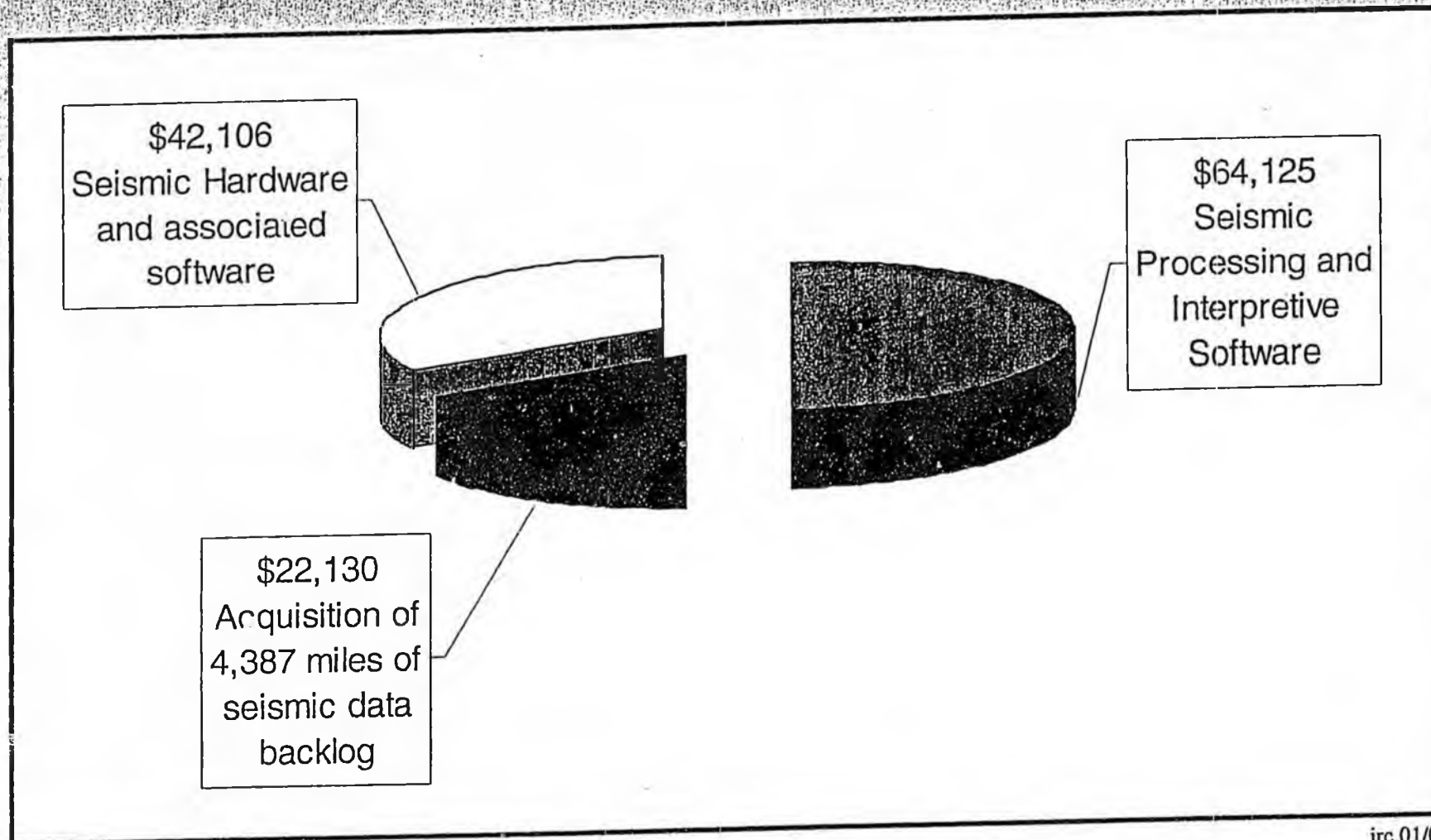
**Geographic Information;
Cultural & Physical Data
Aerial & Satellite Imagery**

Seismic Data Status

1990 - 2001



FY02 Seismic Increment Expenditures



Subject: SB 319

Date: Mon, 15 Apr 2002 09:44:47 -0600

From: "John Tanigawa" <JohnT@EvergreenGas.com>

To: <Jennifer_Yuhas@legis.state.ak.us>

CC: "Jack Ekstrom \ (E-mail)" <JackE@EvergreenGas.com>

Jennifer,

Thanks for the help. I would appreciate it if you could draft up an amendment.

Here is the change that we'd like to see. Again, I have confirmed that Kevin Tabler with Unocal, Mark Myers with the Division of Oil and Gas, and Jerry Booth of Teck-Cominco have no problem with this. I have calls in with Darwin of Sen Torgerson's office regarding this change.

We propose changing the maximum allowable acreage from 100,000 acres to 138,240 acres. An amendment would change one word in the current version of the bill. The significance of the 138,240 acres is exactly 6 townships. Making shallow gas economic through economies of scale in arctic environments is the reason for this request. Exactly 6 townships is because one applies for acreage in 1/4 township increments, so it seems reasonable that the maximum would be a township.

Location of change: Section 2 AS 38.05.177(b), (1)
Page 2, Line 19 of SB 319 C (Senate Finance)

What it says right now:

(1) ... a lessee may not hold more than an aggregate of 100,000 [46,080] acres of land...

What we propose:

(1) ... a lessee may not hold more than an aggregate of 138,240 [46,080] acres of land...

Thanks again Jenn.

John T.

Subject: SB 319

Date: Mon, 15 Apr 2002 09:44:47 -0600

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John T.

*Amend to
Foot*

2-

Social and economic

Cost of Assessment, (environmental)

AND NOT FACTUAL EVALUATION OF THE

POUNDERS} THEN 5,000 IS ABSURD

5,000 DOLLARS (ITS ORGANIC USING ROCK

AGRICULTURAL PROJECT FOR \$500⁰⁰ OR EVEN

SINCE 1984

IF DNR CANT ASSESS MY MASTERD

PROJECT OR WITH THE STATE OF ALASKA.

(KNIK ARM POWER PLANT) PROPOSED

THE GAS EXTRACTED OR UTILIZED IN THE

ASKED HIM TO SUPPORT A REQUIREMENT

AT ~~THE~~ MS LEGISLATIVE OFFICE, WHEN I

VIABLE, AT PRIORITY TELECONFERENCE ON THIS BILL

EVEN KNOW IF THEY ARE ECONOMICALLY

BUT EVERGREEN SAID, "THEY DONT

EVERGREEN PROMPTED MY INQUIRY.

NEWSLETTER CONCERNING HER WORK WITH

MY LEGISLATOR REPRESENTATIVE MASSIE'S

MIGHT MEANINGFUL COMMENT. I KNOW

PRESUMED TO OCCUR, SO THAT I

WILL OCCUR, AND WHAT RISKS CAN BE

TO FIND OUT FACTUALLY WHAT ACTIVITIES

WITH EVERGREEN. I MET WITH EVERGREEN

OFFICIAL

I'M CONCERNED WITH A MEETING I HAD

(HE CALLED ME) (EVERGREEN OFFICIAL)

3-

official
Evergreen said he was there to
address me, but I met with him to
discuss the operation and its effects
(not provided) . I came under
A false pretense. I'm disputing
his credibility. His name is on
testimony he gave, and on the written
testimony he sent. When I asked him
if he believed in equal protection
under the laws, he said "no, because
there's equal opportunity."
I allege insurmountable discrimination,
provides for no opportunity.
I also am disputing DNR
Authority to do an environmental
assessment solely as DEC has
not complied with MS DEQ 030401 (Joint
AND those responsibility)
Federal conformity in Federal
regulations have not considered
its effect ^(reports) impact either.
AND Evergreen must provide a legal
factual basis before program change/
implementation, in order for ~~provision~~
consideration
program changes/implementation
Not Publicly provided (or any other firm.)

- 11 -

I allege, the appearance of legislating
 and acting executive for Evergreen
 and others is merely the legislature
 attempt to circumvent my due
 process, sufficiency of notice, and
 fair compensation for taking. I allege
 a constitutional claim. Not to (pk.)
 mention III Sec 17 violation claim
 Evergreen disputes their ^{or community} interest
 is around my property, but my sources
 provide a different story. Maybe not
 immediate, but the potential is there. or
 for someone else.
 There is no fiscal note for
 AS 46.03.010, nor ~~the~~ the 38
 revise when necessary. I claim
 secondary effects alone require
 revision. The Sustaining Area Plan is
 out of date. The Willow Subasin Plan also.
 and makes no distinction of time
 A industrial site is occurring. It must
 be specially planned for. (Not done).
 DR can not grant construction
 permits under Federal regulation
 without a basis AS 46.03.010. and
 the 38 revise when necessary.



ALASKA MINERS ASSOCIATION, INC.

3305 Arctic #202, Anchorage, Alaska 99503 • (907) 563-9279 • FAX (907) 563-9225 • www.alaskaminers.org

April 15, 2002

Honorable John Torgerson
Alaska State Senate
State Capitol
Juneau, AK 99801

RE: Senate Bill 319, Regarding Shallow Gas Leasing

APR 15 2002

Dear Senator Torgerson,

Thank you for the opportunity to comment on this bill regarding shallow gas leasing which in many instances will be coalbed methane. The Alaska Miners Association was heavily involved in the bill that first established shallow gas leasing and we remain very interested in the topic.

There remains an item in CSSB-319(FIN) version J that we feel should be changed. In AS 38.05.177(f) we support increasing the annual lease rate from \$0.50/acre to \$1.00/acre but not removal of all requirements for DNR to send out lease payment notices. We appreciate that current statute requires that a written notice be sent by certified mail to all lessees and that this adds workload. However, to not provide a notice and to not allow any grace period after the due date is punitive and will place some leases in jeopardy. Such a requirement is very burdensome for industry and will result in significant conflicts and problems for the Department. We therefore suggest that the Department send out a notice for only those leases for which the payment is not received by the due date and give the lessee 30 days to pay, after which time the leases would be terminated. This subsection (f) would then read:

(f) A shallow gas lease must provide for payment to the state of an annual rent in the amount of \$1 [50 CENTS] per acre. The rent is due and payable on the date [DATES] determined in the lease. If the lease payment is not received by the due date, [T]he director shall mail the lessee one written notice, certified return receipt requested[, THREE WEEKS BEFORE THE DUE DATE OF THE RENT]. If the lessee fails to pay the rent within 30 days of receipt of the notice, the director shall terminate the lease

Thank you for the opportunity to comment on this bill.

Sincerely,

Steven C. Borell, P.E.
Executive Director

cc: Representative Beverly Masek
Representative Drew Sculzi
Director Mark Myers

Subject: JJT Testimony for House Resources 4 14 2002

Date: Mon, 15 Apr 2002 10:00:18 -0600

From: "John Tanigawa" <JohnT@EvergreenGas.com>

To: <Jennifer_Yuhas@legis.state.ak.us>

Testimony of John Tanigawa (from Mat-Su LIO)

Evergreen Resources (Alaska) Corporation

House Resources Committee

Monday, April 14, 2002, 1:00 PM

RE: SUPPORT OF SENATE BILL 319

Thank you Mr. Chairman. My name is John Tanigawa. I am the Special Projects Manager for Evergreen Resources Alaska Corporation, a wholly owned subsidiary of Evergreen Resources, Inc. Last December, I moved to Wasilla to oversee our operations. Currently, we have 46,080 acres of Shallow Gas Lease Applications located near Willow. Today, I testify in support of Senate Bill 319.

SB 319 removes obstacles to our ability to explore for and to develop shallow natural gas. Evergreen Resources Alaska's specialties extend to Alaska the main focus of Evergreen Resources which is coal bed methane, unconventional gas and shallow natural gas development. These activities require at least 100,000 acres or roughly 4 townships to establish the necessary economies of scale for initial development. Due to the challenges of operating in an arctic environment however, increasing that acreage limitation to 138,240 acres or 6 townships, increases economic viability of shallow natural gas. We strongly support increasing the depth limitation to one that relies on science and geology for the specific play. We are certain that we can drill, complete and produce natural gas wells below 3,000 feet in a safe and environmentally responsible manner using already existing technologies that we employ.

Finally Mr. Chairman, the Shallow Natural Gas Program is the primary reason Evergreen is in Alaska. We are grateful that the legislature is making this program possible and for improving it. Changes proposed in this bill provide us the necessary latitude to operate in an economically sound and environmentally safe manner. We acknowledge the Division of Oil and Gas for collaborating with us and other stakeholders and is an excellent example of how state agencies and industry can work together to the benefit not just government and industry, but particularly the public.

Thank you for allowing me to testify.

I would be pleased to answer any questions that you may have.

Please draft
the following
change to SB 319

- 2 pages to follow

THIS Bill has passed

(H) RES as Amended

Jennifer
X3715



ALASKA MINERS ASSOCIATION, INC.

3305 Arctic #202, Anchorage, Alaska 99503 • (907) 563-9279 • FAX: (907) 563-9225 • www.alaskaminers.org

April 15, 2002

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State Capitol
Juneau, AK 99801

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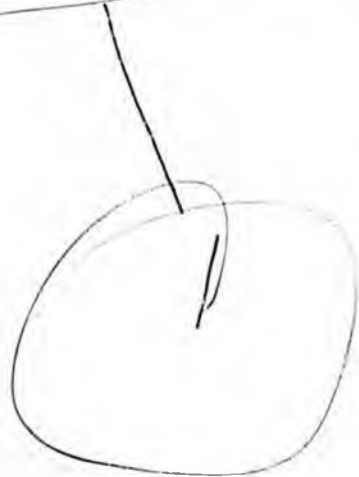
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Thanks again Jenn.

John T.



S B

3 2 8

Bill History/Action Display



BILL: SB 328

SHORT TITLE: BIG GAME HUNTERS ACCOMPANIED BY GUIDE

BILL VERSION:

SPONSOR(S): SENATOR(S) HALFORD BY REQUEST

CURRENT STATUS: (H) RES

STATUS DATE: 04/04/02

HEARING: (H) RES Apr 15 1:00 PM CAPITOL 124 TELECONFERENCE

TITLE: "An Act requiring that a nonresident big game hunter be accompanied by a big game guide who is providing big game hunting services to the nonresident under a contract with the nonresident or who is employed by a big game guide who has a contract to provide big game hunting services to the nonresident."

Jrn-Date	Jrn-Page	Action
02/19/02	<u>2238</u>	(S) READ THE FIRST TIME - REFERRALS
02/19/02	<u>2238</u>	(S) L&C
03/06/02	<u>2386</u>	(S) L&C RPT 4DP
03/06/02	<u>2386</u>	(S) DP: STEVENS, TORGERSON, DAVIS, LEMAN
03/06/02	<u>2386</u>	(S) FN1: ZERO(DPS)
03/06/02	<u>2386</u>	(S) FN2: ZERO(CED)
04/03/02	<u>2610</u>	(S) RULES TO CALENDAR 4/3/02
04/03/02	<u>2611</u>	(S) READ THE SECOND TIME
04/03/02	<u>2611</u>	(S) ADVANCED TO THIRD READING UNAN CONSENT
04/03/02	<u>2612</u>	(S) READ THE THIRD TIME SB 328
04/03/02	<u>2612</u>	(S) PASSED Y19 N- E1
04/03/02	<u>2619</u>	(S) TRANSMITTED TO (H)
04/03/02	<u>2619</u>	(S) VERSION: SB 328
04/04/02	<u>2793</u>	(H) READ THE FIRST TIME - REFERRALS
04/04/02	<u>2793</u>	(H) RES
04/04/02	<u>2793</u>	(H) REFERRED TO RESOURCES

Similar Subject Match or Exact Subject Match

CONTRACTS

CRIMES

FISH & GAME (GAME)

GUIDES

Bill Root:



TO REPORT PROBLEMS WITH BASIS INQUIRY

LIVE KTOO STREAMS 

[Return to Basis Main Menu \(22 Legislature\)](#)

[Return to Legislature Home Page](#)

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SB 328
S) Publish Date: 3/6/02

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
Title An Act requiring a non-resident big game BRU: Occupational Licensing (117)
hunter be accompanied by a big game guide Component Occupational Licensing
Sponsor Senator Halford
Requester Senate Labor & Commerce Component No. 2360

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
-------------------------------	------------	------------	------------	------------	------------	------------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

SB 328 clarifies the requirements of nonresident hunters and hunters who are nonresident aliens to hire a big game guide. New funds are not required to implement these changes.

Prepared by: Jennifer Strickler, Administrative Manager Phone (907) 465-2144
Division Occupational Licensing Date/Time 3/4/02 3:15 PM
Approved by: Deborah B. Sedwick, Commissioner Date 3/4/2002
Agency Department of Community & Economic Development

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 328
(S) Publish Date: 3/6/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Public Safety
Title An act requiring nonresident big BRU Fish & Wildlife Protection
game hunters to be accompanied by a big game guide Component Enforcement & Investigations
Sponsor Senator Halford
Requester Senate Labor & Commerce Component No. 490

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0					
-----------------------------	------------	--	--	--	--	--

CHANGE IN REVENUES ()	0.0					
-------------------------------	------------	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
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1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time	0					
Part-time	0					
Temporary	0					

ANALYSIS: (Attach a separate page if necessary)

This bill does not conflict with the Department's programs objectives. We anticipate no impact on our budget.

Prepared by: Captain Al Cain Phone 269-5589
Division Fish & Wildlife Protection Date/Time 3/4/02 11:11 AM
Approved by: Commissioner Glenn G. Godfrey Date 3/4/2002
Agency Department of Public Safety



Official Business

Alaska State Legislature
President of the Senate

**RICK
HALFORD**

State Capitol
Juneau, Alaska
99801-1182
Phone (907) 465-4958
Fax (907) 465-4928

P.O. Box 670190
Chugiak, Alaska 99567
Phone (907) 694-4958
Fax (907) 694-0549

**SPONSOR STATEMENT
SB 328**

Senate Bill 328 makes changes to AS.16.05 to clarify the language in order to conform with the original legislative intent that nonresidents must obtain the services of a registered guide or a master guide to hunt big game in Alaska, as well as the requirements for guiding nonresident big game hunters.

Alaska law states that non-resident or non-resident alien cannot hunt brown and grizzly bear, mountain goat or sheep without the services of a registered or mater guide. An interpretation of the current law created a loophole that allows non-resident or non-resident alien assistant guides, who only have to meet a minimal threshold of qualifications, to hunt these big game species without the services of a registered or master guide. This recent interpretation of current law allows these non-resident assistant guides to act as their own guides.

Under the proposed changes to AS 16.05.407 (a) an assistant guide would be able to accompany the nonresident or nonresident alien only if a registered or master guide employs him, and the hunter has a contract with the registered or master guide.

AS 16.05.408(a), the statute requiring nonresident aliens to obtain guide services in order to hunt big game in Alaska is also amended to provide the same requirement for assistant guides accompanying nonresident aliens.

These proposed amendments to the current statute would close this loophole and return to the original intent of the legislature.

(3) either

(A) has

- (i) been employed during at least three calendar years as any class of licensed guide in the game management unit for which the license is sought; and
- (ii) at least 10 years' hunting experience in the state; military service outside of the state for not more than three years shall be accepted as part of the required 10 years' hunting experience; or

(B) provides

- (i) evidence that the person physically resides in the game management unit in which the person is to be employed;
- (ii) evidence that the person has had at least 15 years' hunting experience in the game management unit in which the person is to be employed; military service outside of the state for not more than three years shall be accepted as part of the required 15 years' hunting experience; and
- (iii) a written recommendation from a registered guide, state trooper, state fish and wildlife law enforcement officer, or state fish or game biologist who is familiar with the person or who intends to employ the person as a class-A assistant guide.

(b) A class-A assistant guide

- (1) may not contract to guide or outfit a big game hunt;
- (2) shall be employed by and under the supervision of a registered guide who has contracted with the client for whom the class-A assistant guide is conducting the hunt;
- (3) may take charge of a camp and conduct guide activities from the camp without the contracting registered guide being in the field and participating in the contracted hunt if the contracting registered guide is supervising the guiding activities;
- (4) may not perform functions of a class-A assistant guide outside of the game management unit for which the license is issued; and
- (5) may be employed by a registered guide to perform the functions of an assistant guide in any game management unit.

Sec. 08.54.630. ASSISTANT GUIDE LICENSE. (a) A natural person is entitled to an assistant guide license if the person

- (1) is 18 years of age or older;
- (2) has legally hunted in the state during two calendar years;
- (3) possesses a first aid card issued by the Red Cross or a similar organization;
- (4) obtains a written recommendation from a registered guide, state trooper, state fish and wildlife law enforcement officer, or state fish or game biologist who is familiar with the person or who intends to employ the person as an assistant guide; and
- (5) applies for an assistant guide license on a form provided by the department and pays the license application fee and the license fee.

(b) An assistant guide

- (1) may not contract to guide or outfit a big game hunt;
- (2) shall be employed by a registered guide and under the supervision of a registered guide or class-A assistant guide while the assistant guide is in the field on guided hunts; and
- (3) may not take charge of a camp or conduct guide activities unless the contracting registered guide is in the field and participating in the contracted hunt or a registered guide or class-A assistant guide employed by the contracting guide is physically present and supervising the hunt.

Sec. 08.54.640. LAW ENFORCEMENT OFFICERS AND GAME BIOLOGISTS. (a) Notwithstanding AS 08.54.610 - 08.54.630 and except as provided in (b) of this section, a person may not hold, or earn experience credits to apply for, a registered guide license under this chapter, while the person is a law enforcement officer and for three months after terminating the person's status as a law enforcement officer.

(b) A registered guide license, class-A assistant guide license, or assistant guide license issued under this chapter, or under former provisions of AS 08.54.300 - 08.54.590, after May 16, 1992, is suspended if the person to whom the license is issued subsequently becomes a law enforcement officer. A person whose license is subject to suspension under this subsection shall notify the department that the person has become a law enforcement officer within 30 days after becoming a law enforcement officer. The suspension of a license under this subsection remains in effect until three months have elapsed from the date on which the licensee provides written notification to the department of the fact that the person is no longer a law enforcement officer. A person whose license is suspended under this subsection is not required to renew the license or pay license renewal fees for the period of suspension. Once a suspension of a license is terminated, the licensee may provide, without further payment of a guide license fee, the guide services authorized by the license for the remainder of the licensing period in which the suspension is terminated. Notwithstanding other provisions of this subsection, if a person whose license is suspended under this subsection fails to notify the department within one year after the person is no longer a law enforcement officer, the

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STATE OF ALASKA

DEPARTMENT OF FISH AND GAME

DIVISION OF WILDLIFE CONSERVATION

TONY KNOWLES, GOVERNOR

P.O. BOX 20526
JUNEAU, ALASKA 99802-5626
PHONE: (907) 465-4100
FAX: (907) 465-6142

August 23, 2001

Mr. Tom Burgess
661 34th Avenue NE
St. Petersburg, FL 33704

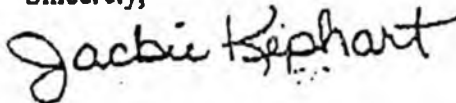
Dear Mr. Burgess,

This letter is to confirm our phone conversation of August 22, 2001 regarding your hunting brown bears in our state as a nonresident Alaska-licensed assistant guide.

I contacted Kevin Saxby with the Attorney General's office, and he confirmed that you may hunt brown bears in Alaska while acting as your own guide. As long as you are an Alaska-licensed assistant guide, this meets the terms of the statute to guide yourself on a brown bear hunt. However, you are still required to purchase a nonresident hunting license and a nonresident big game tag prior to hunting for big game in Alaska.

If you have any questions, please contact me at (907) 465-6197.

Sincerely,



Jackie Kephart
Wildlife Biologist

cc: Jack Whitman, Area Biologist, Sitka

ADF:67

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