

**LDIR#060**

**KACHEMAK BAY**

**OIL LEASE**

**SENATOR RADER**

UNITED FISHERMEN OF ALASKA  
P.O. Box 1352  
Juneau, Alaska 99801

R E S O L U T I O N    N O .    4

Adopted March 13, 1974

WHEREAS the recent oil lease sales in Kachemak Bay encompass the Bluff Point crab sanctuary, and

WHEREAS the Bluff Point sanctuary constitutes the only known breeding and nursery grounds for crab and shrimp in Cook Inlet, and

WHEREAS a recent study indicates that crab larvae in the early stages of development are vulnerable to concentration of oil at one point per million,

WHEREAS the value of the lease to the State was \$25,000,000 while the yearly first wholesale value of fishery products in the area is \$7.3 million, and

WHEREAS the Alaska Department of Fish and Game was given only one week's notice for comment;

NOW, THEREFORE BE IT RESOLVED, that the State of Alaska return the funds generated by the Bluff Point sale to the oil companies involved, that a thorough study and assessment of the effect exploration and drilling will have on the Bluff Point sanctuary be conducted, and then, if the study indicates that compatability of the two uses is possible, the area be made available for oil leasing.

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EFFECTS OF PRUDHOE BAY CRUDE OIL ON  
MOLTING TANNER CRABS, CHIONOECETES BAIRDI

By

John F. Karinen and Stanley D. Rice

National Marine Fisheries Service  
Auke Bay Fisheries Laboratory  
Auke Bay, AK 99821

Marine Fisheries Review

Table 1.--TLm values at 5°C of Prudhoe Bay crude oil for premolt and postmolt juvenile male tanner crabs. Values are for one bioassay with premolt crabs and the mean of two assays for postmolt crabs.

Hours of exposure	TLm value (ml oil/liter)	
	Premolt crabs	Postmolt crabs
24	0.56	0.83
48	0.56	0.56

ALASKA SENATE FISHERIES COMMITTEE

Hearings on

28th OIL & GAS LEASE SALE - KACHEMAK BAY

February 23, 1974

Homer, Alaska

Statement by

Frank A. Tupper

Box 851  
Homer, Alaska 99603

Alaska Department of Natural Resources  
Division of Oil & Gas  
3001 Porcupine Drive  
Anchorage,  
Alaska 99501

November 13, 1973

Gentlemen;

It is my understanding that the Department of Natural Resources for the State of Alaska will be offering State water areas for lease to oil and gas producing firms in the Southern portion of Cook Inlet, and specifically the Kachemak Bay area.

With this understanding, I would like to know the answers to the following questions;

- a.) When have you scheduled the dates for competitive leasing bids?
- b.) Are you planning to hold any hearings regarding the leases in the Homer area? If so when? If not, why not?
- c.) Has your Department conducted and/or concluded any environmental impact studies within the established areas mentioned for lease?

Please be so kind as to respond to my inquiries at the above address that appears on this letterhead. Thank you for your assistance in this matter.

It is most important that you conduct a public hearing into this matter so that you can gain the necessary public input. Please be sure that there is ample notification and time given, so that the persons in this area may prepare their remarks with deliberation and forethought, so necessary to such an important issue that effects our community.

Sincerely,

Frank A. Tupper

FY 75 BUDGET

SUBMISSION

BUDGET REQUEST UNIT: Environmental Conservation

PROGRAM CATEGORY: NRM & EC

Agency: Environmental Conservation Division: Office of the Commissioner

Name and Position of Program Manager: Max C. Brewer Phone: 586-6721

Name and Position of Agency Contact: A. L. Eagle Phone: 586-6721

Date: March 8, 1974

Max C. Brewer  
(Signature of Agency Head)

# Shell Will Cooperate In Kachemak Studies

BY ROBERT C. MILLER  
JUNEAU (UPI) — Shell Oil Company has told the Department of Resources that it "prefers" to begin drilling operations as scheduled on August 15, on its Kachemak Bay leases, but would be happy to cooperate in any marine study of the shrimp and crab fisheries in the area.

Shell had been asked by the state to delay their drilling operations in the lower Cook Inlet leases for at least a year until a thorough study could be made of the marine biology in the area.

In hearings at Homer and later in Juneau, fishermen from the area protested the issuance of leases for Kachemak Bay, saying such operations might destroy what

they called Alaska's richest crab and shrimp grounds.

At the Juneau hearings, the Department of Resources was instructed by Senator John Rader, D-Anchorage, to write Shell, asking if they would delay their drilling operations until a complete study of the area could be made.

Deputy Commissioner William Fackler said today that Shell had said they were willing to send two divers down every other day to examine the drilling area and make certain there was no damage being done to the fishing grounds.

Shell officials also told Fackler they would be most happy to cooperate in any type of marine biological study of the area.

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# COMMITTEE OKS CAMPAIGN BILL

JUNEAU (AP) — The House Judiciary Committee has approved a slightly modified version of a Senate passed campaign disclosure bill, opening the way for floor debate later this week.

The Judiciary Committee adopted the Senate bill instead of a House State Affairs Committee version which dealt with personal financial disclosure by public officials, as well as campaign reporting and limitation.

The measure, which parallels an initiative certified for the fall election, limits campaign expenditures to about \$7,000 for a state House seat and \$14,000 for a Senate seat. Candidates for governor or lieutenant governor could spend 40 cents per registered voter, or about \$120,000 to \$135,000.

Candidates would have to report total contributions and list individual donations of money or services over \$100. Contributors would also have to file reports if they gave more than \$100.

The measure sets up a five-member Alaska Election Campaign Commission within the lieutenant governor's office to administer the act. The governor would appoint two members of the commission, not of the same political party, while the Senate president, house speaker and chief justice of the state Supreme Court each would appoint one.

The measure prohibits anonymous political gifts and requires filing of several reports of contributions and expenditures.

The Judiciary Committee worked for about five hours on the bill, amending it slightly. Committee members said they did not want to make major changes for fear the Senate would not concur.

Sen. Chaney Croft, D-Anchorage, prime sponsor of the Senate bill, praised the Judiciary Committee work on the bill and predicted certain adoption in the Senate, barring substantial changes on the house floor.

"I think they strengthened the bill," Croft said. "They improved it from a technical point of view."

# Silides Be In C

BY ROBERT C. MILLER  
JUNEAU (UPI) — Senator George Silides said today that every effort must be made to keep Alaska's oil and gas royalties in Alaska for Alaskan use.

The Fairbanks Republican said any proposal for home use of the 12 per cent royalty gas would be far more feasible than giving it away at 25 cents per thousand cubic feet.

"What may not be economically feasible from a gas pipeline point of view may be completely feasible from an Alaskan point of view," Silides said.

In a Senate discussion of newly-introduced Senate Bill 311, the Fairbanks engineer said it was necessary for Alaska to serve notice immediately that the state intended to take its 12 percent royalty fee in gas and not in cash as it was to be used exclusively for intra-state use.

The Federal Power Commission has jurisdiction over all interstate gas movements, but Silides said Alaska could demand that its share of the North Slope gas stay in Alaska and be used here to develop a petrochemical industry.

"Senate Bill 311," he said, "serves notice to everyone, including the Interstate Commerce Commission and the Federal Power Commission of our determination to keep our gas and oil royalties for our own use. This is especially important in view of the fact that plants engaged in using natural gas as their raw material find it necessary to locate in areas that guarantee

DEPARTMENT OF FISH AND GAME  
PRESENTATION TO SPECIAL SENATE FISHERIES COMMITTEE  
KACHEMAK BAY OIL DEVELOPMENT

Wednesday, 3 April 1974

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Senator Palmer and other members of the committee:

My name is Michael Smith and I am Chief of the Habitat Protection Section of the Department of Fish and Game. With me today is Dr. Pat Wennekens, also of the Habitat Section.

As a logical follow-up to our apprehension concerning oil and gas development in Kachemak Bay, and as requested by this committee at your last hearing on this subject, we wish today to present our proposals outlining the steps we believe necessary to rationally and systematically protect fish and game in light of potential oil and gas development in the Kachemak Bay area.

Our proposals speak to several aspects of an overall program aimed at protection of biological resources in Kachemak Bay and lower Cook Inlet. Our department does not possess the necessary expertise to execute some of the subprograms, although other agencies do possess such expertise. Our purpose in speaking to an overall program is to emphasize that an undertaking of this magnitude must be multidisciplinary in scope if it is to be successful. Merely charging one agency with responsibility and appropriating large amounts of money to it will not result in accomplishment of the stated goals.

To this end, it is our opinion that if the State of Alaska is truly interested in not exploiting its non-renewable resources (ie: oil) at the expense of its renewable biological resources in lower Cook Inlet, some form of task force must be established which will coordinate actions by affected state agencies, local government and industry. Without such a mechanism, the same unfortunate situation which created the Kachemak Bay oil lease sale brouhaha will continue to exist.

ALASKA DEPARTMENT OF FISH AND GAME

Testimony Before Special Senate Fisheries Committee

Homer - 23 February 1974

(Presented by Michael C.T. Smith)

Senator Palmer, other distinguished members of the Committee, and interested citizens. My name is Michael Smith and I am Chief of the Habitat Section of the Department of Fish and Game. I am here today representing Commissioner James Brooks who sends his regrets for being unable to attend. Commissioner Brooks has had to remain in Juneau to testify before the House Finance Committee.

With me today are members of our fine Homer field staff: Messers Loren Flagg, Daniel Hennick, Alan Davis and Charles Hurd. I will call upon them for assistance in answering specific resource questions generated by this presentation.

Before beginning our formal testimony, I would like to mention an incident which I feel is indicative of the confusion which shrouds the entire question of the environmental effects of oil or gas development in Kachemak Bay.

At a meeting held by oil company representatives here in Homer on Tuesday, February 19, Mr. Ken Lagorne, of Shell Oil Co., quoted Ken Middleton, Regional Supervisor for the Commercial Fisheries Division as stating, "oil development in Kachemak Bay would have a minimal impact." This alleged statement by Mr. Middleton was made during a legislative oil impact committee hearing held in Anchorage, December 28, 1973. Mr. Middleton, who could not attend today's hearing, categorically denies this statement. Although he did not speak from prepared text, upon specific questioning from committee members regarding what impact oil drilling might have in Kachemak Bay, he replied that "although theoretically there should be little impact, there is oftentimes a very wide gap between the theoretical and actual situation."

My presentation will be made in four parts. First, I will indicate why my department has an interest in Kachemak Bay. Secondly, I will show why we are concerned about possible petroleum development in this area. Thirdly, I will suggest a number of actions which we feel are required to minimally protect our resource if oil or gas exploration drilling and development occurs. Finally, I will speak briefly to points or questions raised by previous speakers or directed specifically to my department.

# Alaska State Legislature



W. I. "BOB" PALMER, CHAIRMAN  
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LOWELL THOMAS, JR.

MICHAEL M. WHITEHEAD  
ADMINISTRATIVE ASSISTANT

POUCH V  
JUNEAU, ALASKA 99801

586-5516

586-5517

## Special Senate Committee on Fisheries

### Memorandum

To: Members of the Special Senate Committee on Fisheries

From: Mike Whitehead  
Staff Assistant

Re: Kachemak Bay Oil Lease; Potential Effects of Crude  
Oil Pollution

During the recent hearings, both in Homer and Juneau, testimony has been received on the potential effects of both major and chronic minor oil spills on marine resources. Because of the conflicting nature of some of the testimony, this memo is to provide additional background information. The following information has been abstracted (in most cases verbatim) from the Environmental Impact Statement for the TAPS project, and from two prepublication copies of manuscripts kindly provided by the Auke Bay Laboratory of the National Marine Fisheries Service (see literature cited).

### Description of Crude Oil

Hydrocarbons are fat soluble and therefore have the potential to be retained and accumulated in organisms. The major hydrocarbon components in crude oil and petroleum products can be classified with reference to known biological effects, as summarized below:

- (1) Low-boiling, saturated hydrocarbons have a narcotic effect on a wide variety of animals. In lower animals at low concentra-

*Recd*  
*11/6/73*



EFFECTS OF OIL ON MARINE ECOSYSTEMS:  
A REVIEW FOR ADMINISTRATORS AND POLICY MAKERS

By

Dale R. Evans

National Marine Fisheries Service  
Alaska Region  
Juneau, AK 99801

and

Stanley D. Rice

National Marine Fisheries Service  
Auke Bay Fisheries Laboratory  
Auke Bay, AK 99821

*July 74*

Fishery Bulletin, U.S.

(5)

## Kachemak Bay - A Biological Perspective

Historical fisheries harvest data, together with the information obtained through oceanographic and biological investigations performed by the Alaska Department of Fish and Game, National Marine Fisheries Service (NMFS) and the University of Alaska, show that Kachemak Bay is one of the most productive marine environments of the Gulf of Alaska and probably of northeast Pacific. To this effect, the entire Kachemak Bay must be considered as a critical marine habitat.

In addition to king, tanner, and dungeness crab, several species of shrimp, herring, halibut, and five species of salmon are harvested from and nearby Kachemak Bay.

In 1973 there was a total salmon harvest in the Kachemak Bay area of 126,407 fish. The king crab catch for 1973 was 2.1 million pounds, tanner crab 3.8 million pounds, shrimp 5.0 million pounds, and dungeness crab 300,000 pounds. There were also 407,500 pounds of herring taken in 1973 in the Kachemak Bay area. The estimated value of these catches of salmon to fishermen was \$200,000; first wholesale value was \$400,000. The king crab value to fishermen was 1.7 million dollars; first wholesale value being 3.3 million dollars. Tanner crab value to fishermen was \$700,000; first wholesale value 1.7 million dollars. Shrimp value to fishermen was \$400,000; first wholesale 1.5 million dollars. Dungeness crab value to fishermen was \$200,000; first wholesale value \$400,000. Herring value to fishermen was \$30,000; first whole sale value \$60,000. The total value of the 1973 Kachemak Bay commercial fisheries harvest, as mentioned earlier, was 3.2 million dollars to fishermen and 7.3 million dollars first wholesale value.

In addition to supporting a valuable commercial fishery, Kachemak Bay also supports considerable recreational and subsistence fisheries, not to

# PROPOSED 1972-73 COOK INLET OIL AND GAS LEASE SALE AREAS

Competitive lands available for leasing in the area under consideration. The seabed and subsoil in other areas in Cook Inlet are claimed by the state, but are presently under litigation with the United States.

NOTE: Small isolated areas may be available which are not shown, but will be considered if nominated.

MAP CURRENT TO APRIL, 1972.

DDM 42617 (LRI)

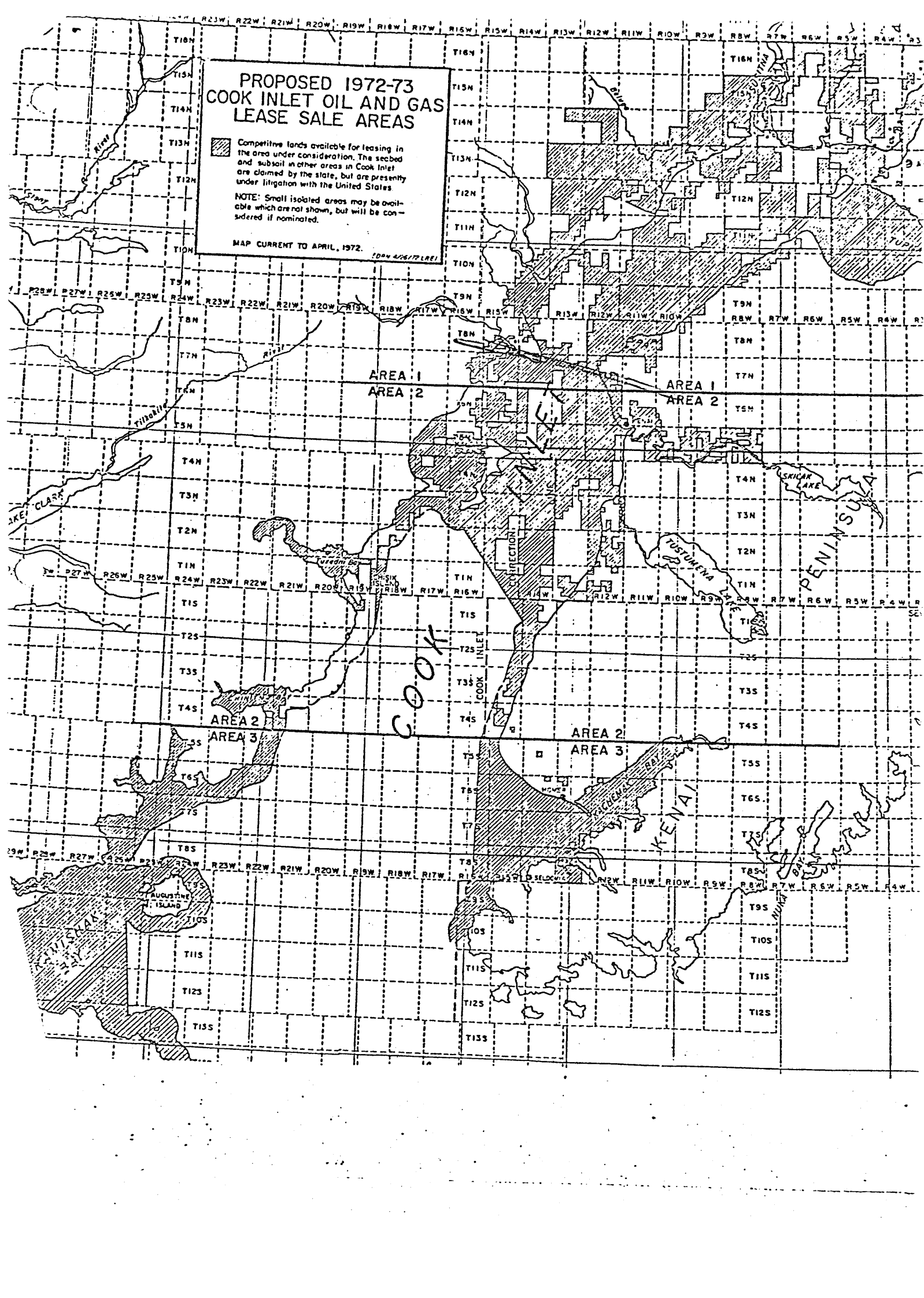


Table 2.--Autotomy of limbs resulting from exposure of recently molted juvenile male tanner crabs to different concentrations of crude oil for 48 and 24 h.

Concentration of oil (ml/liter)	48-h exposure (29-30 March)				24-h exposure (11 April)			
	Crabs alive		Average number of limbs lost per crab		Crabs alive		Average number of limbs lost per crab	
	Number	Percent	Alive	Dead	Number	Percent	Alive	Dead
0.00	8	100	0.0	0.0	11	100	0.0	0.0
0.32	7	58	0.0	0.6	9	82	0.1	0.0
0.56	6	50	1.1	3.0	7	64	3.3	5.5
1.00	1	8	9.0	4.7	2	18	3.5	5.1
				5.0				4.8

(K... ..)

## Figure Legend

Figure 1.--Molting success of tanner crabs that survived 48-h exposure to various concentrations of Prudhoe Bay crude oil. Three successive trials were conducted. The numbers on top of each bar are numbers of crabs surviving the 48-h exposure and then held to observe their molting success. The curve represents the unweighted mean of the three trials at each concentration.