

STATE OF ALASKA THE LEGISLATURE

1997

Source

SCS HJR 12(RES)

**Legislative
Resolve No.**

5



Urging the Secretary of the Interior to conduct competitive oil and gas lease sales within the National Petroleum Reserve in Alaska.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS, in 1923, President Warren G. Harding issued an Executive Order establishing Naval Petroleum Reserve No. 4 on the North Slope of Alaska to provide a potential supply of oil for the United States Navy; and

WHEREAS the Reserve encompasses 23,500,000 acres, with boundaries extending due south from Icy Cape to the drainage divide of the Brooks Range, then following the divide eastward to 156 degrees west longitude, then north to the Colville River, and following the Colville River downstream to its mouth; and

WHEREAS, between 1944 and 1976, the United States Navy drilled 45 shallow core-test holes and 43 test wells and acquired nearly 11,100 line miles of seismic reflection data, nearly 400 seismic reaction profiles, gravity data from more than 36,000 stations, and 12,000 flight line miles of seromagnetic data; and

WHEREAS the Naval Petroleum Reserves Production Act of 1976, P.L. 94-258, 90 Stat. 303, 42 U.S.C. 6501 et seq., redesignated Naval Petroleum Reserve No. 4 as the National Petroleum Reserve in Alaska and transferred responsibility for its administration to the Secretary

of the Interior; and

WHEREAS, between 1975 and 1982, the United States Geological Survey drilled 28 wells and acquired some 5,700 line miles of seismic survey and gravity data from more than 27,000 stations, which established several areas of oil and gas potential; and

WHEREAS discovery well Walakpa 1 showed a potentially economic gas reservoir, which was confirmed by Walakpa 2; and

WHEREAS an amendment to the Naval Petroleum Reserves Production Act made by the FY 1981 Department of the Interior Appropriations Act, P.L. 96-514, Title I, 94 Stat. 2964, directed the Secretary of the Interior to develop a fast-track oil and gas development initiative intended to lease up to 2,000,000 acres of the Reserve for oil and gas exploration; and

WHEREAS, under the 1981 authorization, between 1982 and 1984, the Department of the Interior conducted four competitive lease sales, receiving \$119,000,000 in bonus bids; and

WHEREAS the recently announced development of the Alpine oil and gas field in the Colville River Delta and potentially extending under the eastern extremities of the National Petroleum Reserve in Alaska has generated renewed interest in competitive oil and gas leasing in the Reserve; and

WHEREAS, since the last lease sale in the Reserve, significant progress has been made in the areas of seismic sequence analysis, amplitude analysis, geological modeling, and directional and long-reach drilling, and information has become available to potential bidders that supports the belief that the Reserve could contain economic quantities of oil and gas; and

WHEREAS bonus bids received from competitive oil and gas lease sales in the National Petroleum Reserve in Alaska and royalties generated from oil and gas production in it would be shared equally by the United States and the State of Alaska through prior agreement; and

WHEREAS, during the last two decades of oil production on the North Slope of Alaska, the industry has developed state-of-the-art technology that has demonstrated environmentally safe production with a minimum of adverse impact; and

WHEREAS exploration and development will be conducted in a manner consistent with the state's ongoing commitment to protecting the environment and utilizing its work force to the maximum extent possible; and

WHEREAS, the application of this advanced technology in the Reserve affords the opportunity to further demonstrate that oil exploration and production are being done in an

environmentally sensitive manner; and

WHEREAS oil production from Alaska's North Slope is declining; and

WHEREAS more than half of the oil consumed each day in the United States is imported from foreign countries; and

WHEREAS the discovery and development of commercial quantities of oil in the National Petroleum Reserve in Alaska would enhance domestic energy security and reduce dependence on foreign oil;

BE IT RESOLVED by the Alaska State Legislature that the Secretary of the Interior is urged to take immediate action to conduct competitive oil and gas lease sales within the National Petroleum Reserve in Alaska to allow for exploration and development of oil and gas resources; and be it

FURTHER RESOLVED that this statement of support for reestablishing competitive oil and gas leasing in the National Petroleum Reserve in Alaska does not in any way diminish the legislature's continued strong support for opening the coastal plain of the Arctic National Wildlife Refuge, Alaska, including the special study area identified in sec. 1002 of the Alaska National Interest Lands Conservation Act, P.L. 96-487, 94 Stat. 2371, to oil and gas exploration, development, and production.

COPIES of this resolution shall be sent to the Honorable Bruce Babbitt, Secretary of the Interior; to Deborah Williams, Special Assistant to the Secretary of the Interior for Alaska; to Cynthia Quarterman, Director of the Minerals Management Service; to Rance Wall, acting Alaska Regional Director of the Minerals Management Service; to Brooks Yeager, Deputy Assistant Secretary for Policy, Department of the Interior; to Tom Allen, Alaska State Director, Bureau of Land Management; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.