

*Presented w/ Reso 98-01 1/15/98  
#1.*

**WASILLA CITY COUNCIL INFORMATION MEMORANDUM**

**IM No. 98-05**

**SUBJECT: RESOLUTION REGARDING AREAWIDE LEASING**

**PREPARED BY:** Kristie VanGorder, City Clerk *7/6* **DATE:** January 2, 1998

**FOR AGENDA OF:** January 12, 1998

**SUMMARY:**

Council Member Patrick has requested your consideration on the proposed resolution regarding the State of Alaska's Areawide Leasing Program.

**FISCAL IMPACT:**  No  Yes, amount requested: \$ Fund:

**RECOMMENDED ACTION:**

Present to the council for consideration. *Recommend adoption*



Reviewed by: SARAH PALIN, Mayor

Attachments: proposed resolution



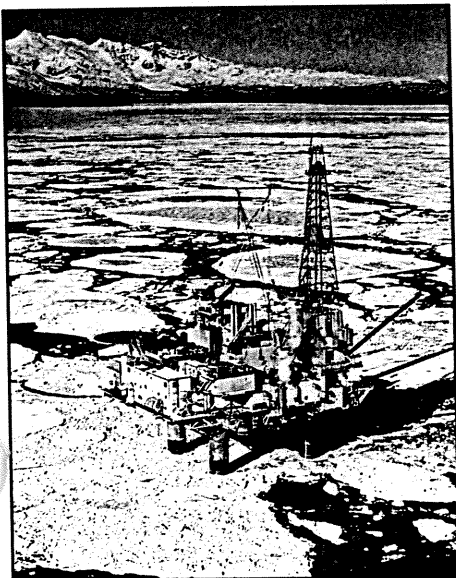
## Thoughts from the President by Allen Bingham

# Public hearings frequently dominated by opponents to resource development

### *Case-in-point: Cook Inlet lease sale*

Public hearings on resource development issues tend to attract those individuals that generally oppose development. Even the public comment record that agencies are so fond of using to demonstrate public support or opposition to a project or land plan is often dominated by non-development interests. Quite frankly, our opposition appears more motivated to attend public hearings or submit written comments than the average citizen supporting reasonable development of Alaska's natural resources.

A case in point is the Cook Inlet Areawide Oil and Gas Lease Sale issue. At stakeholder meetings last October,



Ice surrounds Cook Inlet oil platform.

those testifying against the sale outnumbered proponents by more than a 2-1 margin. Yet a recent poll by Dittman Research Corporation shows two-thirds of Southcentral Alaska residents support the Cook Inlet sale.

Areawide leasing was authorized in 1996 legislation sponsored by Rep. Norm Rokeberg. The legislation had strong bipartisan support and passed the Legislature with a unanimous vote. It was signed into law by Governor Knowles later that year.

The purpose of the survey was to assess local opinions and concerns about the sale. The Dittman poll showed Alaskans support areawide leasing because of its economic benefits and job opportunities. Sixty-five percent of those surveyed support the concept of areawide leasing, 14 percent were unsure and 22 percent were opposed.

The poll revealed that concerns of local residents fall into three main categories — property issues, lifestyle/safety effects and environmental considerations. By a two to one ratio, residents felt that an oil company would treat them fairly if it purchased oil and gas lease rights beneath their property. Eighty-six percent of the 605 people surveyed felt that local oil and gas development had been good for their communities.

Yet by attending the Anchorage hearing on the Cook Inlet sale, one would get the impression Alaskans do

*“Quite frankly, our opposition appears more motivated to attend public hearings or submit written comments than the average citizen supporting reasonable development of Alaska's natural resources.”*

not support oil development anywhere in the state and that nothing good has come to Alaska from oil and gas development. One would also get the impression Alaska is the primary cause behind global warming and should immediately cease development of all fossil fuels.

Unfortunately, our public hearing and comment process has come down to a numbers game. Some federal agencies sometimes use these numbers to justify their actions to block access or development opportunities on public lands. In Alaska, where more than 80 percent of the land mass is in public ownership, this is a serious concern for the industries that drive our economy.

RDC needs your help in responding to the action alerts it sends out on highly-contentious issues. I know our members are busy people who have little time to write comments on sometimes confusing issues, but please make the time to write. Whether it's the new management plan for the Chugach National Forest or BLM's call for comments on NPR-A, you can be assured the opposition will make its voice heard in the public process.

In other words, when given the opportunity, submit your comments to the public record and be willing to voice your concerns at a public hearing -- or forever hold your peace.

## STATE LEASE SALE

### DNR issues sale 85A-W announcement

The Alaska Department of Natural Resources division of oil and gas has issued a sale announcement for oil and gas lease sale 85A-W (Cook Inlet re-offer) and supplemented the best interest finding from sale 85A for sale 85A-W. The state has also dropped 22 tracts, some 87,465 acres, from the sale since the notice of intent to issue a final finding and decision was published in early October. Sale bids will be opened Feb. 24, 1998, in the Wilda Marston Theater in the Loussac public library in Anchorage.

Sale 85A-W, a re-offering of tracts which received no bids in sale 85A last year, includes 155 state-owned tracts with an area of approximately 757,880 acres onshore and offshore within the Kenai Peninsula Borough and the municipality of Anchorage.

In his decision to supplement the best interest finding, DNR Commissioner John Shively said changes to the sale's mitigation measures "are based on information and comments made known to (DNR) since completion of the Sale 85A best interest finding." He said he was supplementing mitigation measures "without deciding whether the information and comments are 'substantial new information'" under state law.

**Serving Alaska for over 25 years.**

QUALITY INTEGRITY PROGRESSIVE

UOSS

**UDELHOVEN**  
Oilfield System Services, Inc.

### Udelhoven Oilfield System Services, Inc.

- Mechanical and electrical inspection, revamp, functional check out, commissioning and as built programs
- Construction, industrial and modular fabrication
- HVAC, state certified plumbers
- Insulation
- Structural
- Welding
- Process piping

11401 Olive Lane  
Anchorage, AK 99515  
Phone 907-344-1577  
Fax 907-522-2541

P.O. Box 8349  
Nikiski, AK 99635  
Phone 907-776-5185  
Fax 907-776-8105

Pouch 340103  
Prudhoe Bay, AK 99734  
Phone 907-659-8093  
Fax 907-659-8489

**GEAR UP**

## LEASING INFORMATION

### Anchorage landman creates one-stop shopping for lease records

Hirsh's database tracks 38 years of state, federal lease sales

By Pat Healy  
PNA Land & Leasing Reporter

Doing business in Alaska is challenging for newcomers. It's a whole different ballgame compared to the Lower 48. Walking through the maze of regulatory agency records is a daunting task. Learning who the players are and where they're playing is another challenge. But there's a fellow who's been working in Alaska for 12 years who is making things easier for everybody. His name is Stu Hirsh and he has some impressive databases available through Hirsh Professional Land Service.

#### Data usually designed for the agency

Anybody who has ever gone into a regulatory agency to search the public records for oil and gas lease and lease sale information knows how much time and frustration this can bring. It seems each agency has its own way of doing things, each agency's data is formatted differently and much of the data available is not in a digital form. Data is designed for the benefit of the agency collecting and keeping it. It is not necessarily in a form or format which is beneficial for industry.

Learning the ropes is a time consuming trial and error process. A person is more or less on their own. Regulatory agencies are generally understaffed. Their overburdened staff is usually not available to spoon feed the public on how their system works. To make matters worse, "in the early 90s there was a backlog (of filing) at some points of over a year," Hirsh said describing the difficulty of searching public records for lease activity.

In an attempt to make his job as a landman easier, he began keeping his own databases of public information in his spare time: "I thought that if I designed a system which was landman friendly, I might even be able to make it commercial."

#### How much last time?

Hirsh has created a database containing a complete history of all competitive state and federal oil and gas sales in Alaska — starting with state sale No. 1 in 1959. The database contains sale results, sale tract legal descriptions, bidders and their bidding percentages, bid amounts (bonus, net profit share and royalty

share), lease burdens and bid systems.

Prior to a sale, Hirsh can generate a report which compares each tract being offered in the upcoming sale to all previous tracts offered in the sale area. If land in the sale tract was previously offered, the report then lists on a tract and section-by-section basis the sale number, sale date, lease burden and bid system. If a bid was submitted on a previously offered tract, the lease number, bidders, bidding percentages, lease burdens and bid systems are listed.

Going one information step further, basic well data is reported for any previous exploration well drilled on the tract being offered for sale. Hirsh's pre-sale reports are one-stop shopping for competitive lease sale information in Alaska.

#### How to track oil and gas lease activity

Hirsh has duplicated basic oil and gas lease information from the U.S. Bureau of Land Management, the state Department of Natural Resources, the U.S. Minerals Management Service and the University of Alaska and combined the data into a single uniformly formatted database.

Comprehensive hard copy and digital lease activity reports indicate the lease ownership and lease status changes. With a combined lease information and sale results database, Hirsh said data can be "sliced and diced" to meet just about any conceivable reporting requirement. A competitor's acreage position, for example, can be calculated either by company or on a geographic area basis.

Hirsh has been a landman for 22 years. He worked for Sohio and BP Exploration in San Francisco and Houston for 17 years; in the last 12 years he has been with BP Exploration (Alaska) Inc. in Anchorage. Although he continues to work for BP, Hirsh said the information in his databases comes from the public domain and was compiled in his spare time. A certified professional landman, Hirsh said he abides by a professional code of ethics regarding confidentiality.



Stu Hirsh

A single gear, however finely machined, can't get the project rolling. Western Geophysical has all the seismic gears in place — latest technology, worldwide resources, and the *total* commitment — to put your exploration and production programs into fast forward.



Western Geophysical

Anchorage  
351 East International Airport Road, Anchorage, Alaska 99518  
Tel 907-563-3511 • Fax 907-563-5936

Houston  
10001 Richmond Avenue, Houston, Texas 77042-4299  
Tel 713-963-2500 • Fax 713-963-2030