

# U.S. Appeal Could Delay Oil Leasing

JUNEAU — Governor William A. Egan said he has been notified the federal government plans to appeal a U.S. District Court decision last December which ruled the state owns submerged lands in lower Cook Inlet, adding that the action could delay oil leasing activity there several years.

Egan said he was notified by John C. Whitaker, acting Interior secretary, that Interior Department officials have recommended the U.S. Attorney General file an appeal.

In the historic decision last December in U.S. District Court in Anchorage, Judge James von der Heydt ruled that the state had established historic title to lower Cook Inlet and had exercised authority over the body of water for many years.

He ruled that the "sub-surface resources of lower Cook Inlet are vested exclusively in the state of Alaska."

Involved, according to various experts, are "untold millions" of wealth in oil resources. The suit between the state and federal governments have been in contention 5½ years at the time of von der Heydt's favorable ruling for the state.

"We were hopeful," Governor Egan said, "that the federal government would accept the federal District Court's ruling on this and not appeal. In that way, the state of Alaska could have proceeded with an oil lease sale in the general area involved, which is almost certain to encompass vast petroleum reserves.

"However, now that the federal government has served notice it will appeal the District Court ruling, it could be several years before any exploration and production activity can take place."

Egan said the state "will vigorously pursue during appeal proceedings the interests of the people in Alaska in accordance with the very forceful and logical conclusions reached by the federal District Court in Alaska."