

BLM halts oil land lease sale

by Steve Pilkington

for the *Tundra Times*

The Bureau of Land Management has postponed a competitive lease sale of a 678-acre tract of oil and gas land on the North Slope of Alaska.

The decision to postpone the sale of the federal land was made after BLM's Department of Natural Resources decided the state was not going to gain title to 90 percent of the oil and gas rights from the sale of the land.

Earlier this year, the Department of the Interior, which controls the land to be sold, told the resources department that the state would get 90 percent of the rights to obtain the oil and gas involved in the sale, said Tom Hawkins, assistant commissioner for Natural Resources.

Hawkins said the 90 percent is guaranteed by the Mineral Leasing Act.

The permission to sell the land was then withdrawn because the attorney for the Interior Department told Natural Resources that it wouldn't be getting the 90 percent.

"We thought it would be better to modify that withdrawal and use it for the State of Alaska," said Hawkins.

The Department of Natural Resources is now seeking to gain complete title to the subsurface rights.

According to Hawkins, even if they do gain title to the oil and gas, drilling will have to be done from the edges of the tract because the Air Force is occupying the surface lands.

"Because the military has control of the surface, we couldn't directionally drill," he said.

The proposed sale involves a tract of land being used by the Air Force as a Distant Early Warning line site at Oliktok Point on the shore of the Arctic Ocean.