

POLICIES AND PROCEDURES APPLICABLE  
TO THE TREASURY DIVISION,  
DEPARTMENT OF REVENUE,  
STATE OF ALASKA



APPENDIX ZI

**Disputed Oil and Gas Lease Bonus Funds - Historical Materials**

*The investment policy statement and related materials are preserved here for the purpose of maintaining institutional memory.*

1. Description and History

These funds exist as separately managed entities as a consequence of a dispute between the State of Alaska and the United States Government over the ownership of certain submerged land off the Arctic coast of Alaska. The disputed land was the subject of three oil and gas lease sales - one conducted jointly by the State of Alaska and the United States in December 1979 (the State-Federal Beaufort Sea Lease Sale) and two conducted solely by the United States in 1982 and 1984 (OCS sales 71 and 87).

The dispute was to be resolved in an original action adjudication between the United States and the State of Alaska before the United States Supreme Court (United States v. Alaska). The case was initiated in 1979 and tried to a Special Master appointed by the Court. The Special Master required an unusually long period of time to reach a suggested decision on the matter. The matter was finally placed before the entire Court for final resolution during the Court's 1996-1997 term.

The lease sale bonuses pertinent to the disputed lands were placed in escrow and invested pursuant to a series of agreements between the pertinent state and federal agencies. Excerpts from those agreements may be found in Appendix ZB, pages 63-71. The agreements excerpted are:

