

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR Wielecnowski

TO: CSSB 227(RES), Draft Version "I"

1 Page 1, line 12:

2 Delete "sec. 13"

3 Insert "sec. 14"

4

5 Page 2, line 3:

6 Delete "sec. 29"

7 Insert "sec. 32"

8

9 Page 2, following line 4:

10 Insert a new bill section to read:

11 **\*\* Sec. 2.** AS 31.05.030(n) is amended to read:

12 (n) Upon request of the commissioner of revenue, the commission shall  
13 determine the commencement of regular production from a lease or property for  
14 purposes of AS 43.55.160(f) and (g) and 43.55.165(n), [AND] (o), **and (t).**"

15

16 Renumber the following bill sections accordingly.

17

18 Page 48, line 11:

19 Delete "."

20 Insert ";

21 **(24) costs that otherwise qualify as a lease expenditure under this**  
22 **section, but are incurred by a producer to explore for, develop, or produce oil or**  
23 **gas from a lease or property that includes land north of 68 degrees North latitude**

1 **and that has not commenced regular production of oil or gas; the costs described**  
 2 **in this paragraph may be applied under (t) of this section.**

3 \* **Sec. 27.** AS 43.55.165(q) is amended to read:

4 (q) For purposes of (n)(2), [AND] (o), **and (t)** of this section, the Alaska Oil  
 5 and Gas Conservation Commission shall determine the commencement of regular  
 6 production.

7 \* **Sec. 28.** AS 43.55.165 is amended by adding a new subsection to read:

8 (t) A producer may accrue but may not apply a lease expenditure incurred by  
 9 the producer to explore for, develop, or produce oil or gas from a lease or property that  
 10 includes land north of 68 degrees North latitude and that has not commenced regular  
 11 production of oil or gas. A lease expenditure accrued under this subsection does not  
 12 create a carried-forward loss. A lease expenditure accrued under this subsection may  
 13 only be applied by a producer beginning in the year the lease or property commences  
 14 first regular production or in a later year."

15  
 16 Renumber the following bill sections accordingly.

17  
 18 Page 49, line 12:

19 Delete "sec. 3"

20 Insert "sec. 4"

21  
 22 Page 49, line 15:

23 Delete "sec. 12"

24 Insert "sec. 13"

25  
 26 Page 49, line 17:

27 Delete "sec. 22"

28 Insert "sec. 23"

29  
 30 Page 49, line 20:

31 Delete "sec. 15"

- 1           Insert "sec. 16"
- 2           Delete "sec. 16"
- 3           Insert "sec. 17"
- 4
- 5   Page 49, line 21:
- 6           Delete "sec. 18"
- 7           Insert "sec. 19"
- 8           Delete "sec. 20"
- 9           Insert "sec. 21"
- 10
- 11   Page 49, line 22:
- 12           Delete "sec. 21"
- 13           Insert "sec. 22"
- 14
- 15   Page 49, lines 22 - 23:
- 16           Delete "sec. 24"
- 17           Insert "sec. 25"
- 18
- 19   Page 49, line 24:
- 20           Delete "sec. 17"
- 21           Insert "sec. 18"
- 22
- 23   Page 49, line 25:
- 24           Delete "sec. 15"
- 25           Insert "sec. 16"
- 26
- 27   Page 49, line 29:
- 28           Delete "sec. 3" in both places
- 29           Insert "sec. 4" in both places
- 30
- 31   Page 50, line 2:

- 1 Delete "secs. 3 - 6"
- 2 Insert "secs. 4 - 7"
- 3
- 4 Page 50, line 9:
  - 5 Delete "secs. 3 - 6"
  - 6 Insert "secs. 4 - 7"
  - 7
- 8 Page 50, line 13:
  - 9 Delete "Sections 3 - 6, 30, and 31"
  - 10 Insert "Sections 4 - 7, 33, and 34"
  - 11
- 12 Page 50, line 15:
  - 13 Delete "Sections 3 - 6 and 30 - 32"
  - 14 Insert "Sections 4 - 7 and 33 - 35"
  - 15
- 16 Page 50, line 17:
  - 17 Delete "sec. 33"
  - 18 Insert "sec. 36"