

AMENDMENT #5

OFFERED IN THE HOUSE
TO: CSHB 280 (RES)

BY REPRESENTATIVE HAWKER

Page 15, following line 9:

Insert a new subsection to read:

"(o) For the purposes of (m) and (n) of this section, a Cook Inlet well lease expenditure is a lease expenditure that is incurred in the Cook Inlet sedimentary basin that is

(1) directly related to a well. A lease expenditure is directly related to a well if

(A) during exploration and development, the lease expenditure is a qualified capital expenditure as that term is defined in (l) of this section;

(B) during production, the lease expenditure is an expenditure that is intended to increase, enhance or mitigate the decline of well production and directly related to the processes of operating a well and moving fluids to the assembly of valves, pipes, and fittings used to control the flow of oil and gas from the casinghead, but does not include the processes of gathering, separating, and processing well fluids downstream from that assembly;

(2) an overhead expenditure authorized under AS 43.55.165(a)(2) and calculated on the Cook Inlet well lease expenditures allowed under (1) of this section; or

(3) an expense for seismic work conducted within the boundaries of a production or exploration unit."