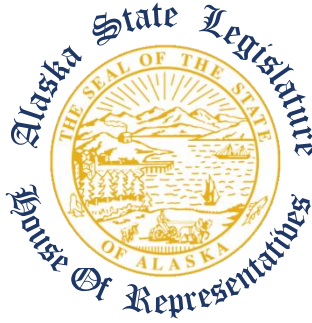


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House Bill 349

Sponsor Statement

“An Act relating to the establishment of oil and gas drilling units, spacing, and patterns.”

HB 349 was written because the way we search for and produce oil in the 21st century, has changed since the 1950's. During that time, policymakers were worried that oil companies might drill too many vertical wells that were spaced too tightly together, resulting in oil left in the ground that could no longer be recovered. Try googling Spindletop images.

Today, no one is spending millions of dollars to drill unnecessary wells in Alaska. In the decades since the early days of the industry, advancements in drilling technology allows wells to be directionally drilled underground, sometimes with multiple lateral wells from a single motherbore or parent well. Holes can be a few thousand feet deep, yet tens of thousands of feet long to recover greater amounts of oil and gas.

Unfortunately, our outdated statutes have not kept up with the advancements in the oil and gas industry. The statutes being amended by this legislation were originally designed to provide oversight by involving another step, to provide assurance that perforations into the ground were not going to be too close, jeopardizing substructure integrity of the field or zone. This extra oversight is no longer necessary, slows down development and costs the state time and money. HB 349 eliminates needless regulatory red tape, as drilling and production processes have fundamentally changed since the statute was written.

For additional questions, please contact Ryan McKee in my office at 907-465-4859.