

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE MCKAY

TO: CSHB 50(RES), Draft Version "S"

Page 10, line 8:

Delete "satisfies the requirements of AS 38.05.705(b) and"

Page 10, line 24:

Delete "apply for"

Insert "acquire"

Page 10, line 28:

Delete "an applicant under (a) of this section if the applicant"

Insert "a lessee under AS 38.05.180 if the lessee"

Page 11, line 3:

Delete "the minimum"

Following "terms":

Insert "acceptable to the department as"

Page 11, line 7:

Delete "; and"

Insert "."

Page 11, lines 8 - 15:

Delete all material and insert:

"(d) Before a carbon storage lease issued under this section may be transferred

or assigned to an entity that is not the responsible party under the existing oil and gas lease under AS 38.05.180, the assuming party must provide financial assurance acceptable to the department that the obligations of the lease can be met.

(e) The department may adopt regulations that allow a lease issued under AS 38.05.180 to be transitioned to a lease under this section upon the receipt of a permit issued under AS 41.06.185."

Page 11, lines 25 - 26:

Delete "governing the joint management of a unit executed by two or more lessees"

Insert "by lessees with an interest in the unit, the state, and any other carbon storage lessor"

Page 12, following line 7:

Insert a new paragraph to read:

"(2) "enhanced oil or gas recovery" has the meaning in AS 41.06.210;"

Renumber the following paragraph accordingly.

Page 28, lines 25 - 27:

Delete all material and insert:

"(4) "enhanced oil or gas recovery" means the increased recovery of hydrocarbons, including oil and gas, from a common source of supply achieved by artificial means or by the application of energy extrinsic to the common source of supply, including pressuring, cycling, pressure maintenance or injection of a substance or form of energy, including injection of water, gas, carbon dioxide, or both gas and carbon dioxide, including immiscible and miscible floods, as long as the enhanced oil or gas recovery does not include injection of a substance or form of energy for the sole purpose of

(A) aiding in the lifting of fluids in the well; or

(B) stimulation of the reservoir at or near the well by mechanical, chemical, thermal, or explosive means;"