



LAWS OF ALASKA

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Source

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Chapter No.

158

AN ACT

Establishing the Alaska Oil and Gas Conservation Commission; and providing for an effective date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 31.05 is amended by adding new sections to read:

CHAPTER 5. ALASKA OIL AND GAS CONSERVATION ACT.

Sec. 31.05.005. ALASKA OIL AND GAS CONSERVATION COMMISSION CREATED. (a) There is created as an independent quasi-judicial agency of the state the Alaska Oil and Gas Conservation Commission, composed of three commissioners appointed by the governor and confirmed by the legislature in joint session.

(b) The governor shall designate one member of the commission as chairman of the commission. This member shall serve as chairman for a term of four years, but may be appointed for successive terms.

Sec. 31.05.007. TERM OF OFFICE; VACANCY; REMOVAL.

(a) The term of office of each member is six years. The governor shall designate who among his initial appointees shall serve respectively for terms of two years, four years and six years. A commissioner, upon the expiration of his term, shall continue to hold office until his successor is appointed and qualified.

(b) A vacancy arising in the office of a commissioner shall be filled by appointment by the governor and confirmed by the legislature in joint session, and an appointee selected to fill a vacancy shall hold office for the balance of the full term for which his predecessor on the commission was appointed.

(c) A vacancy in the commission does not impair the authority of a quorum of commissioners to exercise all the powers and perform all the duties of the commission.

(d) The governor may remove a commissioner from office for cause including but not limited to incompetence, neglect of duty or misconduct in office. A commissioner, to be removed for cause, shall be given a copy of the charges against him and afforded an opportunity to be publicly heard in person or by counsel in his own defense upon not less than 10 days notice. If a commissioner is removed for cause, the governor shall file with the lieutenant governor a complete statement of all charges made against the commissioner and his finding based on the charges, together with a complete record of the proceedings.

Sec. 31.05.009. QUALIFICATIONS OF MEMBERS. Members shall be qualified as follows: one member shall be a licensed professional engineer with educational and professional background in the field of petroleum engineering; one member shall be a geologist with educational and professional background in the field of petroleum geology; one member need not be trained and experienced in the fields of petroleum engineering or petroleum geology.

Sec. 31.05.011. QUORUM. Two members of the commission constitute a quorum for the transaction of business, for the performance of a duty, or for the exercise of a power of the commission.

Sec. 31.05.013. OATH OF OFFICE. Each commissioner, before entering upon the duties of his office, shall take and subscribe to the oath prescribed for principal officers of the state.

Sec. 31.05.015. COMPENSATION OF MEMBERS OF THE COMMISSION. Members of the commission are in the exempt service and shall receive an annual salary.

Sec. 31.05.017. PRINCIPAL OFFICE; SEAL. (a) The commission shall establish a principal office and branch offices necessary to discharge its business efficiently. For the convenience of the public or of parties to a proceeding the commission may hold meetings, hearings or other proceedings at other locations.

(b) The commission shall have an official seal.

Sec. 31.05.021. LEGAL COUNSEL. (a) The Department of Law shall provide full-time legal counsel to the commission. The legal counsel provided by the Department of Law is subject to the approval of the commission.

(b) The commission may, subject to the approval of the attorney general, contract for the services of additional specialized legal counsel or legal consultants.

Sec. 31.05.023. COMMISSION STAFF. (a) The commission shall employ such staff as it considers necessary to carry out its responsibilities.

(b) The professional staff of the commission and the personal secretary of each commissioner are in the exempt

service under AS 39.25.110.

(c) The secretarial and clerical staff of the commission, except the personal secretary of each commissioner, are in the classified service.

(d) In addition to its staff of regular employees, the commission may contract for and engage the services of consultants and experts the commission considers necessary.

Sec. 31.05.025. CONFLICT OF INTEREST. (a) Members and employees of the commission, except clerical and secretarial staff, are subject to AS 39.50.

(b) A member of the commission shall disqualify himself from voting upon any matter before the commission in which he has a conflict of interest.

Sec. 31.05.026. RELATIONSHIP TO DEPARTMENT OF NATURAL RESOURCES. (a) The department shall have standing before the commission to raise all issues relating to state-owned land without regard to the type of proprietary interest held by the state in that land.

(b) With respect to federal land from which the state or any subdivision of the state is entitled under federal law to receive a share of the federal royalty interest, the department shall have the same standing before the commission as if it were the holder of the equivalent royalty interest.

(c) When both the department and the commission have the authority to require, and do require, the submission of substantially the same information from persons subject to this chapter, the commission, in order to alleviate the administrative burdens placed on those persons, may by regulation enter into an agreement with the department whereby either the commission or the department shall have the responsibility to collect the information lawfully required by both.

(d) For budget and audit procedures and considerations, the commission shall have the same standing as any other major state agency. Whenever practicable the commission may enter into state interagency agreements concerning administrative, employee relations, and fiscal duties.

(e) The department shall have the same standing (no more or less) before the commission as granted by law to any other proprietary interest.

Sec. 31.05.027. APPLICATION. The authority of the commission applies to all land in the state lawfully subject to its police powers. It applies to land of the United States or to land subject to the jurisdiction of the United States only to the extent that control and supervision of conservation of oil and gas and prevention of waste by the United States on its land fails to carry out the intent and purposes of this chapter, and otherwise applies to federal land so far as an officer of the United States having jurisdiction, or his authorized representative, shall approve any of the provisions of this chapter or orders of the commission which affect land. The

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authority of the commission further applies to all land included in a voluntary cooperative or unit plan of development or operation entered into in accordance with AS 38.05.-180(m).

* Sec. 2. AS 39.50.200(9) is amended by adding a new subparagraph to read:

(NN) Alaska Oil and Gas Conservation Commission (AS 31.05).

* Sec. 3. AS 43.55.020(e) is amended to read:

(e) Gas produced in excess of that needed for safety purposes, except gas used in the operation of a lease or property in drilling for or producing oil or gas, or for repressuring, is considered, for the purpose of this chapter and in the amount used, as gas produced from a lease or property. Gas flared beyond the amount authorized for safety by the Alaska Oil and Gas Conservation Commission under AS 31.05 is considered as gas produced, except that it is subject to a penalty equal to the tax computed under sec. 16 of this chapter as adjusted by sec. 12 of this chapter per thousand cubic feet of gas for the month in which the gas was flared.

* Sec. 4. AS 31.05.010 is repealed.

* Sec. 5. All references in AS 31.05 to department or Department of Natural Resources except in AS 31.05.026 shall be read as Alaska Oil and Gas Conservation Commission in order to implement this Act.

* Sec. 6. After the effective date of this Act, all orders, regulations, and other rulings of the division of oil and gas shall remain in effect until expressly revoked or modified by the commission.

* Sec. 7. If the director, chief petroleum geologist, or chief petroleum engineer in the division of oil and gas is appointed to the Alaska Oil and Gas Conservation Commission, the legislature intends that the appointee shall continue to exercise his previous responsibilities, and that the position vacated by any such individual may not be filled without specific legislative approval.

* Sec. 8. This Act takes effect January 1, 1979.