

CS FOR HOUSE BILL NO. 381(O&G)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE SPECIAL COMMITTEE ON OIL AND GAS

Offered: 4/17/96

Referred: Resources

Sponsor(s): REPRESENTATIVES GREEN, B.Davis

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to oil and gas conservation and recovery."

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

3 * **Section 1.** AS 31.05.030 is amended by adding a new subsection to read:

4 (i) The commission may modify a determination or action of the commissioner
5 of natural resources authorized by

6 (1) AS 38.05.180(p), (q), or (u); or

7 (2) another subsection of AS 38.05.180, excluding AS 38.05.180(j), if
8 the purpose of the determination or action is to prevent waste of oil or gas, to insure
9 a greater ultimate recovery of oil or gas, or to protect correlative rights of persons
10 owning interests in tracts of land affected.

11 * **Sec. 2.** AS 31.05 is amended by adding a new section to read:

12 Sec. 31.05.115. COMMISSION ORDER TO PREVAIL OVER CONTRARY
13 DETERMINATION OF COMMISSIONER OF NATURAL RESOURCES. An order
14 of the commission made under AS 31.05.100 - 31.05.110 or otherwise made under
15 AS 31.05 in order to prevent waste, to insure a greater ultimate recovery of oil or gas,

1 or to protect the correlative rights of persons owning interests in the tracts of land
2 affected prevails over a determination or action of the commissioner of natural
3 resources authorized by

4 (1) AS 38.05.180(p), (q), or (u); or

5 (2) another subsection of AS 38.05.180, excluding AS 38.05.180(j), if
6 the purpose of the determination or action is to prevent waste of oil or gas, to insure
7 a greater ultimate recovery of oil or gas, or to protect correlative rights of persons
8 owning interests in tracts of land affected.

9 * **Sec. 3.** AS 38.05.180(q) is amended to read:

10 (q) A plan authorized by (p) of this section, which includes land owned by the
11 state, may contain a provision vesting the commissioner, or a person, committee, or
12 state agency, with authority to modify from time to time the rate of prospecting and
13 development and the quantity and rate of production under the plan. All leases
14 operated under a plan approved or prescribed by the commissioner are excepted in
15 determining holdings or control under AS 38.05.140. The provisions of **(p) of this**
16 **section and this subsection** concerning cooperative or unit plans are in addition to and
17 do not affect AS 31.05, **but the provisions of (p) of this section and this subsection**
18 **may be modified by the Alaska Oil and Gas Conservation Commission by an**
19 **order entered under AS 31.05.100 - 31.05.110.**