

**SENATE CS FOR CS FOR HOUSE BILL NO. 46(RES)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY THE SENATE RESOURCES COMMITTEE

Offered: 3/27/97  
Referred: Finance

Sponsor(s): REPRESENTATIVES KELLY AND THERRIault, James

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to mining; and providing for an effective date."

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

3 \* **Section 1.** AS 27.21.100(b) is amended to read:

4 (b) Copies of records, permits, inspection materials, **data obtained under**  
5 **AS 27.21.120**, or other information obtained under this chapter by the commissioner  
6 relating to a surface coal mining and reclamation operation, other than information that  
7 is confidential under (c) of this section, must be made immediately and conveniently  
8 available to the public at the district office of the department closest to the location of  
9 the surface coal mining and reclamation operation.

10 \* **Sec. 2.** AS 27.21.120 is amended to read:

11 **Sec. 27.21.120. Small operator assistance. (a) The provisions of this**  
12 **section apply when** [IF] the commissioner finds that the probable total annual  
13 production of all of the surface coal mining operations of an applicant or, if the  
14 applicant is a subsidiary of another corporation, [OF] the applicant's parent corporation  
15 and its subsidiaries [,] will not exceed **300,000** [100,000] tons.

1           **(b) At** [, THE COMMISSIONER SHALL, AT] the written request of **an**  
 2 [THE] applicant, **the commissioner shall**

3                   **(1) determine, for each applicant or applicant's parent corporation**  
 4 **and subsidiaries, as appropriate, the data that may be necessary in order to**

5                           **(A) evaluate the probable hydrologic consequences of the**  
 6 **applicant's surface mining and reclamation operations in the proposed**  
 7 **permit area and adjacent areas;**

8                           **(B) evaluate the results of test borings on core samplings for**  
 9 **the proposed permit area;**

10                           **(C) develop cross-section maps and plans, if required;**

11                           **(D) fulfill archeological and historic information required by**  
 12 **AS 44.37.040(3);**

13                           **(E) fulfill all requirements that are imposed on the applicant**  
 14 **or the applicant's parent corporation and subsidiaries if, under a**  
 15 **regulation adopted under authority of this chapter, the applicant or**  
 16 **applicant's parent corporation is required to complete a preblasting survey**  
 17 **of nearby dwellings or structures and to prepare a report of the survey;**  
 18 **and**

19                           **(F) fulfill requirements applicable to collecting site-specific**  
 20 **resources information, producing protection and enhancement plans for**  
 21 **fish and wildlife habitats and for subsistence uses of the permit area and**  
 22 **adjacent areas, and preparing information and plans for any other**  
 23 **environmental values; and**

24                   **(2) to the maximum extent possible with money appropriated,**  
 25 engage, at no cost to the applicant, a **qualified** laboratory to **collect, analyze, and**  
 26 **report the results of the data for the tasks set out in (1)(A) - (F) of this subsection**  
 27 [PREPARE A DETERMINATION OF PROBABLE HYDROLOGIC  
 28 CONSEQUENCES OF THE APPLICANT'S PROPOSED OPERATION AND A  
 29 STATEMENT OF TEST BORING OR CORE SAMPLINGS IF THESE ARE  
 30 REQUIRED BY REGULATIONS ADOPTED UNDER AS 27.21.110].

31 \* **Sec. 3.** AS 27.21.120 is amended by adding a new subsection to read:

(c) The collection and analysis of data under (b)(2) of this section may proceed concurrently with the applicant's development of a reclamation plan.

\* **Sec. 4.** AS 27.30.020 is amended to read:

**Sec. 27.30.020. Procedure for requesting and taking the credit.** To obtain the credit authorized by this chapter,

(1) a person shall submit a request for the credit as follows:

(A) the person **may** [SHALL] submit a request and a statement of expenditures

**(i) whenever the amount of credit certified in the request totals at least \$250,000 and the period covered is at least one year; or**

**(ii) when the person is ready to take the entire balance of the credit, regardless of the total amount of the credit** [FOR THE PREVIOUS CALENDAR YEAR NOT LATER THAN 60 DAYS AFTER THE CLOSE OF THAT CALENDAR YEAR];

(B) the request must **be on a form provided by the department and**

(i) describe the work accomplished during **each** [THE PREVIOUS] year **of the period covered by the request**, the number of employees, and the names and number of consultants; [AND]

(ii) provide a detailed list or ledger of expenditures of the accomplishments described in (i) of this subparagraph and a list of exploration activity data that [IN THE FUTURE] will be **provided** [MADE AVAILABLE] to the **department** [COMMISSIONER UNDER (2)(a) OF THIS SECTION]; **and**

**(iii) provide a statement by a certified public accountant that expenditures are supported by receipts for all activities eligible for the credit under AS 27.30.010(a) for each calendar year that these expenditures for a single mining operation equal or exceed \$40,000;**

(C) the person submitting the request is not required to transmit

1 copies of receipts with the request, but the statement of expenditures is subject  
2 to audit in the discretion of the commissioner;

3 (D) if the commissioner determines to audit the statement of  
4 expenditures, the commissioner may require the person submitting the request  
5 to justify claims of expenditures with receipts and other reliable information;

6 (E) the commissioner shall respond to the request **within six**  
7 **months of the date of submission of the request** [BY SEPTEMBER 30] by  
8 certifying or not certifying the person's expenditures; if the commissioner

9 (i) does not certify **all of the** expenditures, the  
10 commissioner shall state the reasons for denial of certification **of the**  
11 **expenditures not certified** and give the person making the request an  
12 opportunity to correct any problems or to provide additional  
13 information;

14 (ii) certifies expenditures, the commissioner shall specify  
15 the exploration activity data requirements [FOR THAT YEAR] that  
16 must be presented to the department at the time of the taking of the  
17 credit;

18 (F) if the commissioner neither certifies nor denies certification  
19 of expenditures **within six months of the date of submission of the request**  
20 [BY SEPTEMBER 30], the expenditures are certified as submitted;

21 (2) the person whose expenditures have been certified under (1) of this  
22 subsection may thereafter request the taking of the credit for the certified expenditures  
23 as follows:

24 (A) the person shall deliver to the commissioner the exploration  
25 activity data identified by the commissioner under (1)(E)(ii) of this section [,  
26 and shall request the commissioner's approval of the taking of the credit;

27 (B) the commissioner shall approve or disapprove the taking of  
28 the credit within **60 days** [SIX MONTHS] after receipt of the request for  
29 taking of the credit; if the

30 (i) exploration activity data complies with the  
31 requirements identified by the commissioner under (1)(E)(ii) of this

1 section, the commissioner shall approve the taking of the credit **and**  
 2 **shall, within 30 days, notify the Department of Revenue that the**  
 3 **taking of the credit has been approved;**

4 (ii) request is disapproved, the commissioner shall state  
 5 the reasons for disapproval and offer the person seeking to take the  
 6 credit an opportunity to correct any problems or to provide additional  
 7 exploration activity data or other information;

8 (C) if the commissioner neither approves nor disapproves the  
 9 request to take the credit within **60 days** [SIX MONTHS] after submission of  
 10 the request, the taking of the credit is approved; **the commissioner shall,**  
 11 **within 30 days, notify the Department of Revenue that the taking of the**  
 12 **credit has been approved under this subparagraph.**

13 \* **Sec. 5.** AS 27.30 is amended by adding a new section to read:

14 **Sec. 27.30.025 Conditional certification.** (a) A person may submit a request  
 15 for conditional certification for the credit when

16 (1) the person has conducted or intends to conduct exploration activities  
 17 using an innovative technique;

18 (2) there exists a substantial question regarding the nature of the  
 19 exploration data that will be delivered to the department; or

20 (3) the person contemplates assigning a credit under AS 27.30.060 and  
 21 there exists a substantial question regarding whether the expenditures will be certified.

22 (b) A person shall submit a request for conditional certification on a form  
 23 provided by the department.

24 (c) The commissioner shall respond to the request within six months from the  
 25 date of the submission of the request for conditional certification by issuing a letter  
 26 stating that

27 (1) under the specific facts and circumstances proposed by the person,  
 28 the proposed expenditures and data appear eligible for a credit;

29 (2) there is not adequate information to determine whether the proposed  
 30 expenditures and data appear to be eligible for a credit; or

31 (3) the expenditures and data as presented do not appear to be eligible

1 for a credit.

2 (d) Approval of conditional certification under (c)(1) of this section does not  
3 relieve a person from obtaining certification of the credit under AS 27.30.020.

4 \* **Sec. 6.** AS 27.30.030(c) is amended to read:

5 (c) The person may not apply the credit under this section if the application[,  
6 WHEN ADDED TO CREDITS PREVIOUSLY APPLIED UNDER THIS SECTION,]  
7 would exceed the total amount of the credits approved under AS 27.30.020(2).

8 \* **Sec. 7.** AS 27.30 is amended by adding a new section to read:

9 **Sec. 27.30.095. Fees.** The commissioner may charge a fee for the direct costs  
10 incurred by the department and the Department of Revenue for evaluating or auditing  
11 an application to certify the credit authorized under AS 27.30.010, including the cost  
12 of contractors selected by the commissioner to assist in the evaluation or audit. The  
13 fee may not exceed

14 (1) \$500 for each application covering one or more years if the amount  
15 claimed in the application is \$1,000,000 or less;

16 (2) \$1,000 for each application covering one or more years if the  
17 amount claimed is more than \$1,000,000.

18 \* **Sec. 8.** AS 38.05.035(e)(5) is amended to read:

19 (5) public notice requirements relating to the sale, lease, or other  
20 disposal of available land or an interest in land for oil and gas proposed to be  
21 scheduled in the five-year oil and gas leasing program under AS 38.05.180(b), except  
22 for a sale under (6)(F) [(6)(G)] of this subsection, are as follows:

23 (A) before a public hearing, if held, or in any case not less than  
24 180 days before the sale, lease, or other disposal of available land or an interest  
25 in land, the director shall make available to the public a preliminary written  
26 finding that states the scope of the review established under (1)(A) of this  
27 subsection and includes the applicable statutes and regulations, the material  
28 facts and issues in accordance with (1)(B) of this subsection, and information  
29 required by (g) of this section, upon which the determination that the sale,  
30 lease, or other disposal will serve the best interests of the state will be based;  
31 the director shall provide opportunity for public comment on the preliminary

1 written finding for a period of not less than 60 days;

2 (B) after the public comment period for the preliminary written  
3 finding and not less than 90 days before the sale, lease, or other disposal of  
4 available land or an interest in land for oil and gas, the director shall make  
5 available to the public a final written finding that states the scope of the review  
6 established under (1)(A) of this subsection and includes the applicable statutes  
7 and regulations, the material facts and issues in accordance with (1) of this  
8 subsection, and information required by (g) of this section, upon which the  
9 determination that the sale, lease, or other disposal will serve the best interests  
10 of the state is based;

11 \* **Sec. 9.** AS 38.05.035(e)(6) is amended to read:

12 (6) before a public hearing, if held, or in any case not less than 21 days  
13 before the sale, lease, or other disposal of available land, property, resources, or  
14 interests in them other than a sale, lease, or other disposal of available land or an  
15 interest in land for oil and gas under (5) of this subsection, the director shall make  
16 available to the public a written finding that, in accordance with (1) of this subsection,  
17 sets out the material facts and applicable statutes and regulations and any other  
18 information required by statute or regulation to be considered upon which the  
19 determination that the sale, lease, or other disposal will best serve the interests of the  
20 state was based; however, a written finding is not required before the approval of

21 (A) a contract for a negotiated sale authorized under  
22 AS 38.05.115;

23 (B) a lease of land for a shore fishery site under AS 38.05.082;

24 (C) a permit or other authorization revocable by the  
25 commissioner;

26 (D) a mineral claim located under AS 38.05.195;

27 (E) a mineral lease issued under AS 38.05.205;

28 (F) [A PRODUCTION LICENSE ISSUED UNDER  
29 AS 38.05.207; OR

30 (G)] an exempt oil and gas lease sale under AS 38.05.180(d) of  
31 acreage subject to a best interest finding issued within the previous 10 years or

1 a reoffer oil and gas lease sale under AS 38.05.180(w) of acreage subject to a  
 2 best interest finding issued within the previous 10 years, unless the  
 3 commissioner determines that substantial new information has become available  
 4 that justifies a supplement to the most recent best interest finding for the  
 5 exempt oil and gas lease sale acreage and for the reoffer oil and gas lease sale  
 6 acreage; however, for each oil and gas lease sale described in this  
 7 subparagraph, the director shall call for comments from the public; the  
 8 director's call for public comments must provide opportunity for public  
 9 comment for a period of not less than 30 days; if the director determines that  
 10 a supplement to the most recent best interest finding for the acreage is required  
 11 under this subparagraph,

12 (i) the director shall issue the supplement to the best  
 13 interest finding not later than 90 days before the sale;

14 (ii) not later than 45 days before the sale, the director  
 15 shall issue a notice describing the interests to be offered, the location  
 16 and time of the sale, and the terms and conditions of the sale; and

17 (iii) the supplement has the status of a final written best  
 18 interest finding for purposes of (i) and (l) of this section;

19 (G) [(H)] a shallow gas lease authorized under AS 38.05.177  
 20 in an area for which leasing is authorized under AS 38.05.177;

21 (H) a surface use lease under AS 38.05.255;

22 \* **Sec. 10.** AS 38.05.180(d) is amended to read:

23 (d) The commissioner

24 (1) may annually offer oil and gas leases of the acreage described in  
 25 AS 38.05.035(e)(6)(F) [AS 38.05.035(e)(6)(G)];

26 (2) may issue oil and gas leases in an area that has not been included  
 27 in a leasing program prepared, in accordance with (b) of this section, if the land to be  
 28 leased

29 (A) was previously subject to a valid state or federal oil and gas  
 30 lease;

31 (B) is contiguous to land already under state, federal, or private



1 lease and the commissioner makes a written finding, after hearing, that leasing  
2 of the land would result in a substantial probability of early evaluation and  
3 development of the land to be leased;

4 (C) is adjacent to land owned or controlled by another party on  
5 which a discovery of commercial quantities of oil or gas has been made, and  
6 the commissioner finds, after hearing, that there is a reasonable probability that  
7 the land to be leased contains oil or gas in communication with the oil or gas  
8 discovered on the land of the other party;

9 (D) is adjacent to land included in the federal five-year Outer  
10 Continental Shelf leasing program under 43 U.S.C. 1344, and the commissioner  
11 makes a written finding, after hearing, that coordinated or simultaneous leasing  
12 with the federal government is in the public interest; or

13 (E) is the subject of an oil and gas exploration license issued  
14 under AS 38.05.131 - 38.05.134.

15 \* **Sec. 11.** AS 38.05.185(a) is amended to read:

16 (a) The acquisition and continuance of rights in and to deposits on state land  
17 of minerals, which on January 3, 1959, were subject to location under the mining laws  
18 of the United States, shall be governed by AS 38.05.185 - 38.05.275. Nothing in  
19 AS 38.05.185 - 38.05.275 affects the law pertaining to the acquisition of rights to  
20 mineral deposits owned by any other person or government. The director, with the  
21 approval of the commissioner, shall determine that land from which mineral deposits  
22 may be mined only under lease, and, subject to the limitations of AS 38.05.300, that  
23 land that shall be closed to **location under AS 38.05.185 - 38.05.275** [MINING].  
24 State land may not be closed to [MINING OR MINERAL] location **under**  
25 **AS 38.05.185 - 38.05.275** except as provided in AS 38.05.300 and unless the  
26 commissioner makes a finding that mining would be incompatible with significant  
27 surface uses on the state land. State land may not be restricted to mining under lease  
28 unless the commissioner determines that potential use conflicts on the state land  
29 require that mining be allowed only under written leases issued under AS 38.05.205  
30 or the commissioner has determined that the land was mineral in character at the time  
31 of state selection. The determinations required under this subsection shall be made in

1 compliance with land classification orders and land use plans developed under  
2 AS 38.05.300.

3 \* **Sec. 12.** AS 38.05.190(a) is amended to read:

4 (a) The right to acquire exploration and mining rights under AS 38.05.185 -  
5 38.05.275 may be acquired or held only by

6 (1) citizens of the United States at least 18 years of age;

7 (2) legal guardians or trustees of citizens of the United States under 18  
8 years of age on behalf of the citizens;

9 (3) persons at least 18 years of age who have declared their intention  
10 to become citizens of the United States;

11 (4) aliens at least 18 years of age if the laws of their country grant like  
12 privileges to citizens of the United States;

13 (5) corporations organized under the laws of the United States or of any  
14 state or territory of the United States and qualified to do business in this state [,  
15 EXCEPT THAT IF MORE THAN 50 PERCENT OF THE STOCK OF A  
16 CORPORATION IS OWNED OR CONTROLLED BY ALIENS WHO ARE NOT  
17 QUALIFIED, THE CORPORATION IS NOT QUALIFIED TO ACQUIRE OR HOLD  
18 THE RIGHTS];

19 (6) associations of persons described in (1) - (5) of this subsection.

20 \* **Sec. 13.** AS 38.05.211(d) is repealed and reenacted to read:

21 (d) The rental amount established under this section shall be revised by the  
22 commissioner as provided in this section based on changes in the Consumer Price  
23 Index for all urban consumers, Anchorage Metropolitan Area (Semi-Annual Average)  
24 compiled by the Bureau of Labor Statistics, United States Department of Labor, as  
25 revised, rebased, or replaced by that bureau. The reference base index is the index for  
26 January - June 1989, as revised or rebased by that bureau. The rental amount shall be  
27 increased or decreased, as appropriate, by an amount equal to the change in the index  
28 described in this subsection rounded to the nearest whole \$5 unit. The commissioner  
29 shall calculate the change in the rental amount each 10 years and, if the rental amount  
30 must be revised, shall adopt a regulation establishing the revised rental amount. A  
31 revised rental amount applies to a rental payment if the regulation establishing the

1 revised rental amount took effect at least 90 days before the date the rental payment  
2 is due.

3 \* **Sec. 14.** AS 38.05.255 is amended to read:

4 **Sec. 38.05.255. Surface use of land or water.** Surface uses of land or water  
5 included within **a** mining **property** [PROPERTIES] by **the** owners, **lessees, or**  
6 **operators** [OF THOSE PROPERTIES] shall be limited to those necessary for the  
7 prospecting for, extraction of, or basic processing of **minerals** [MINERAL  
8 DEPOSITS] and shall be subject to reasonable concurrent uses. **Leases** [PERMITS]  
9 for millsites, [AND] tailings disposal, **and other mine related facilities** may be **issued**  
10 [GRANTED] by the director. The **leases** [PERMITS] shall be conditioned upon  
11 payment of a reasonable **annual rent** [CHARGE] for the **lease** [USE] and **restricted**  
12 **to uses approved by the director** [CONTINUANCE OF THE LIMITED USE].  
13 Timber from land open to mining without lease, except timberland, may be used by  
14 a mining claimant or prospecting site locator for the mining or development of the  
15 location or adjacent claims under common ownership. On other land, timber may be  
16 acquired as provided in this chapter. Use of water shall be made in accordance with  
17 AS 46.15.

18 \* **Sec. 15.** AS 38.05.255 is amended by adding a new subsection to read:

19 (b) A lease issued under this section is exempt from the provisions of  
20 AS 38.05.075 - 38.05.080.

21 \* **Sec. 16.** AS 38.05.265 is amended to read:

22 **Sec. 38.05.265. Abandonment.** Failure to properly record a certificate of  
23 location or a statement of annual labor, [FILE WITH THE DIRECTOR WITHIN THE  
24 TIME PRESCRIBED A LEASE APPLICATION,] pay any required annual rental, pay  
25 any required production royalty, or keep location boundaries clearly marked as  
26 required by AS 38.05.185 - 38.05.200, 38.05.207 - 38.05.245, 38.05.252 - 38.05.275,  
27 [AS 38.05.185 - 38.05.275] and by regulations adopted under these sections constitutes  
28 abandonment of all rights acquired under the mining claim, leasehold location,  
29 [LEASE,] or site involved, and the claim, location, [LEASE,] or site is subject to  
30 relocation by others. A locator or claimant of an abandoned location or a successor  
31 in interest may not relocate the location until one year after abandonment. A statement

1 of annual labor that does not accurately set out the essential facts is void and of no  
 2 effect. If an annual rental or a royalty payment is deficient but is otherwise timely  
 3 paid, abandonment does not result if full payment is made within

4 (1) the period prescribed by a deficiency notice from the commissioner;  
 5 or

6 (2) 30 days after a final judgment establishing the amount due if the  
 7 deficiency amount due was contested.

8 \* **Sec. 17.** AS 38.05.945(a) is amended to read:

9 (a) This section establishes the requirements for notice given by the department  
 10 for the following actions:

11 (1) classification or reclassification of state land under AS 38.05.300  
 12 and the closing of land to mineral leasing or entry under AS 38.05.185;

13 (2) zoning of land under applicable law;

14 (3) issuance of a

15 (A) preliminary written finding under AS 38.05.035(e)(5)(A)  
 16 regarding the sale, lease, or disposal of an interest in state land or resources for  
 17 oil and gas subject to AS 38.05.180(b);

18 (B) final written finding under AS 38.05.035(e)(5)(B) regarding  
 19 the sale, lease, or disposal of an interest in state land or resources for oil and  
 20 gas subject to AS 38.05.180(b);

21 (C) written finding for the sale, lease, or disposal of an interest  
 22 in state land or resources under AS 38.05.035(e)(6), except an oil or gas lease  
 23 sale described in AS 38.05.035(e)(6)(F) [AS 38.05.035(e)(6)(G)] for which the  
 24 director must provide opportunity for public comment under the provisions of  
 25 that subparagraph;

26 (4) a competitive disposal of an interest in state land or resources after  
 27 final decision under AS 38.05.035(e);

28 (5) a public hearing under AS 38.05.856(b);

29 (6) a preliminary finding under AS 38.05.035(e) and 38.05.855(c)  
 30 concerning sites for aquatic farms and related hatcheries;

31 (7) a decision under AS 38.05.132 - 38.05.134 regarding the sale, lease,

1 or disposal of an interest in state land or resources.

2 \* **Sec. 18.** AS 41.23 is amended by adding a new section to read:

3 **Sec. 41.23.630. Petersville Recreational Mining Area.** (a) The purpose of  
4 this section is to establish the area described in (f) of this section as the Petersville  
5 Recreational Mining Area. The Petersville Recreational Mining Area is established to  
6 provide for a public recreational mining area to permit public recreational activities and  
7 to allow other multiple-use activities to continue as long as the activities do not detract  
8 from the primary purpose for the establishment of the Petersville Recreational Mining  
9 Area.

10 (b) The commissioner is responsible for the management of the surface and  
11 subsurface estate within the Petersville Recreational Mining Area necessary to carry  
12 out the purposes of this section. The commissioner shall adopt and may revise a  
13 management plan and shall adopt regulations for the management, use, and  
14 development of the Petersville Recreational Mining Area. The management plan,  
15 including any revisions, and regulations adopted by the commissioner shall be  
16 developed in consultation with the commissioner of fish and game and the  
17 commissioner of transportation and public facilities. The management plan and  
18 regulations must address, but not be limited to,

19 (1) the methods of mining permitted within the Petersville Recreational  
20 Mining Area;

21 (2) the types of mining equipment that may be used within the  
22 Petersville Recreational Mining Area;

23 (3) the protection of habitat within the Petersville Recreational Mining  
24 Area; and

25 (4) other restrictions consistent with the purposes stated in this section.

26 (c) Except as provided in this subsection, the Petersville Recreational Mining  
27 Area is open to recreational mining under this section. The commissioner of fish and  
28 game is responsible for the management of the fish and game resources and the public  
29 use of fish and wildlife resources within the Petersville Recreational Mining Area  
30 consistent with the purposes stated in this section. The commissioner of fish and game  
31 shall issue a general permit to the public authorizing recreational mining activities

1 subject to seasonal restrictions on the mining activities within specified waterbody  
2 areas necessary to maintain fishery resources within the Petersville Recreational  
3 Mining Area.

4 (d) The Petersville Recreational Mining Area is closed to mineral entry under  
5 AS 38.05.185 - 38.05.275.

6 (e) The commissioner shall permit the construction and realignment of the  
7 Petersville Road within the Petersville Recreational Mining Area as is determined  
8 necessary by the commissioner of transportation and public facilities.

9 (f) The vacant and unappropriated state-owned land and water and the state  
10 land and water acquired in the future that lie within the following described mining  
11 claims described in United States Mineral Survey No. 2384 are reserved from all uses  
12 incompatible with the purposes of this section and are assigned to the department for  
13 control and management as the Petersville Recreational Mining Area:

14 (1) Township 28 North, Range 8 West, Seward Meridian

15 Sections 6 - 8: Daisy No. 2; Hidden Treasure No. 1; Hidden  
16 Treasure No. 2; Flora No. 1; Flora No. 2; Moose No. 1; Beaver  
17 No. 1; Alexander No. 1; Alexander No. 2; Lost Shovel No. 1;  
18 Lost Shovel No. 2; Peters Creek No. 8; Peters Creek No. 9;  
19 Peters Creek No. 10; Peters Creek No. 11;

20 Sections 21 and 28: Alder No. 1; Alder No. 2; Cottonwood  
21 No. 3; Cottonwood No. 4; Seattle No. 1; Seattle No. 2; Contact  
22 No. 1; Contact Claim No. 2; Willow Claim; Korter Bench.

23 (2) Township 28 North, Range 9 West, Seward Meridian

24 Section 1: Daisy No. 2; Hidden Treasure No. 1.

25 \* **Sec. 19.** AS 38.05.207 and 38.05.945(g) are repealed.

26 \* **Sec. 20.** TRANSITIONAL PROVISIONS: REGULATIONS. Notwithstanding sec. 21  
27 of this Act, the Department of Natural Resources may proceed to adopt regulations necessary  
28 to implement the changes made by this Act. The regulations take effect under AS 44.62  
29 (Administrative Procedure Act), but not before July 1, 1997.

30 \* **Sec. 21.** Except for secs. 18 and 20 of this Act, this Act takes effect July 1, 1997.

31 \* **Sec. 22.** Sections 18 and 20 of this Act take effect immediately under AS 01.10.070(c).