

CS FOR HOUSE BILL NO. 380(FIN)(title am)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTIETH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Amended: 4/7/98

Offered: 3/30/98

Sponsor(s): REPRESENTATIVES HODGINS, Kohring, Rokeberg

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to a temporary reduction of royalty on oil and gas produced**
2 **for sale from certain fields described as being located within the Cook Inlet**
3 **sedimentary basin, as having been discovered before January 1, 1988, and as**
4 **having been undeveloped or shut in from at least January 1, 1988, through**
5 **December 31, 1997."**

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

7 *** Section 1.** AS 38.05.180(f) is amended by adding a new paragraph to read:

8 (5) notwithstanding and in lieu of a requirement in the leasing method
9 chosen of a minimum fixed royalty share, or the royalty provision of a lease, for leases
10 unitized as described in (p) of this section, leases subject to an agreement described
11 in (s) or (t) of this section, or interests unitized under AS 31.05, the lessee of all or
12 part of an oil or gas field identified in this section shall, provided production for sale
13 begins before January 1, 2004, pay a royalty of five percent on the first 25,000,000

1 barrels of oil and the first 35,000,000,000 cubic feet of gas produced for sale from that
2 oil or gas field that occurs in the 10 years following the date on which the production
3 for sale commences; the fields eligible for royalty reduction under this paragraph, all
4 of which are located within the Cook Inlet sedimentary basin, were discovered before
5 January 1, 1988, and have been undeveloped or shut in from at least January 1, 1988,
6 through December 31, 1997, are:

7 (A) Falls Creek;

8 (B) Nicolai Creek;

9 (C) North Fork;

10 (D) Point Starichkof;

11 (E) Redoubt Shoal; and

12 (F) West Foreland.