

(LIMITED RUN SHOWING ALL ADDITIONAL SPONSORSHIPS)

CS FOR HOUSE BILL NO. 349(RES) am S (efd add S)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - SECOND SESSION

BY THE HOUSE RESOURCES COMMITTEE

Amended: 5/18/22

Offered: 5/2/22

Sponsor(s): REPRESENTATIVES RAUSCHER, McCarty, McKay, McCabe, Nelson, Schrage, Prax,
Kaufman, Rasmussen, Drummond, Johnson**A BILL****FOR AN ACT ENTITLED**

1 "An Act relating to the establishment of oil and gas drilling units, spacing, and patterns;
2 providing for the transfer of and addition of names to a personal use cabin permit for a
3 cabin on state land; and providing for an effective date."

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

5 * **Section 1.** AS 31.05.100(a) is amended to read:

6 (a) For the prevention of waste, to protect and enforce [THE] correlative rights
7 [OF LESSEES IN A POOL], and to avoid the augmenting and accumulation of risks
8 arising from the drilling of an excessive number of wells, or the reduced recovery **that**
9 [WHICH] might result from too small a number of wells, the commission **may**
10 [SHALL, AFTER A HEARING,] establish a drilling unit or units for each pool. The
11 establishment of a unit for gas shall be limited to the production of gas.

12 * **Sec. 2.** AS 31.05.100(b) is amended to read:

13 (b) Each well permitted to be drilled on a drilling unit shall be drilled under
14 the rules and regulations and in accordance with the spacing pattern as the commission

1 prescribes for the pool in which the well is located. Exceptions to the rules and
 2 spacing pattern may be granted where it is shown [, AFTER NOTICE AND
 3 HEARING,] that the unit is partly outside the pool, or **that** for some other reason a
 4 well [SO] located on the unit would be nonproductive, or topographical conditions
 5 [ARE SUCH AS TO] make the drilling at [SUCH] a location unduly burdensome. If
 6 an exception is granted, the commission shall take [SUCH] action **to** [AS WILL]
 7 offset any advantage **that** [WHICH] the person securing the exception may have over
 8 other producers **because** [BY REASON] of the drilling of the well as an exception,
 9 and so that drainage from developed units to the tract with respect to which the
 10 exception is granted will be prevented or minimized, and the producer of the well
 11 drilled as an exception will be allowed to produce **not** [NO] more than a just and
 12 equitable share of the oil and gas in the pool.

13 * **Sec. 3.** AS 31.05.100 is amended by adding a new subsection to read:

14 (f) The commission may adopt well spacing regulations to protect correlative
 15 rights.

16 * **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to
 17 read:

18 **CONVEYANCE OF STATE LAND TO THE CITY AND BOROUGH OF JUNEAU.**

19 The Department of Natural Resources shall, without cost, convey all rights, titles, and
 20 interests to the following parcels of land situated within United States Survey No. 7 Townsite
 21 of Juneau and Alaska Tidelands Survey No. 3, Juneau Recording District, First Judicial
 22 District, Juneau, Alaska, containing 3.55 acres of land, more or less, to the City and Borough
 23 of Juneau, subject to the reservations described in AS 38.05.125 and the provisions of
 24 AS 38.05.127:

25 (1) All of Tract A, Downtown Transportation Center Plat, recorded at Plat No.
 26 2009-11, Juneau Recording District;

27 (2) Lots 7 and 8, Block 1, United States Survey No. 7, Townsite of Juneau;

28 (3) Lots, 1, 2, 3, 6, 7, and 8, Block 6, United States Survey No. 7, Townsite of
 29 Juneau, excluding the following particularly described parcel:

30 Beginning at the west corner of Lot 8; thence South 41 degrees 17
 31 minutes East along the southwest line of Lot 8, a distance of 14.13 feet; thence northerly a

1 distance of 20.0 feet, more or less, to a point on the northwest line of Lot 8, said point being
 2 North 48 degrees 43 minutes East a distance of 14.13 feet from the point of beginning; thence
 3 South 48 degrees 43 minutes West, along the northwest line of Lot 8, a distance of 14.13 feet
 4 to the point of beginning;

5 (4) Lots 3, 4, 5, and 6, Block D, United States Survey No. 7, Townsite of
 6 Juneau, and the following particularly described parcel:

7 Beginning at the north corner of Lot 5; thence South 48 degrees 43
 8 minutes West, on the northwest lot line a distance of 50.0 feet to the west corner of Lot 5;
 9 thence North 41 degrees 17 minutes West a distance of 20.0 feet; thence North 48 degrees 43
 10 minutes East a distance of 61.58 feet; thence South 36 degrees 44 minutes East a distance of
 11 120.78 feet; thence South 48 degrees 43 minutes West a distance of 2.0 feet to the east corner
 12 of Lot 5; thence North 41 degrees 17 minutes West, along the northwest lot line, a distance of
 13 100.40 feet to the point of beginning; excluding the southwest 8.94 feet of Lot 6, Block D;

14 (5) Lots 2, 3, 4, 5, 6, and 7, Block E, United States Survey No. 7, Townsite of
 15 Juneau, excluding the following particularly described parcels:

16 (A) Beginning at the west corner of Lot 2; thence North 48 degrees 43
 17 minutes East along the northwest line of Lot 2, a distance of 18.06 feet; thence South
 18 82 degrees 25 minutes 10 seconds East a distance of 149.86 feet to a point on the
 19 southeast line of said Lot 4; thence South 48 degrees 43 minutes West a distance of
 20 17.83 feet to the most southerly corner of Lot 4; thence North 76 degrees 36 minutes
 21 West a distance of 40.30 feet to an angle point on the south line of Lot 3, said point
 22 being Corner 10 of Alaska Tidelands Survey No. 3; thence North 84 degrees 38
 23 minutes West a distance of 110.0 feet to the point of beginning;

24 (B) Beginning at the south corner of Lot 7; thence North 52 degrees 42
 25 minutes West along the southwest line of Lot 7 a distance of 66.90 feet, the line being
 26 coincident with the boundary line between United States Survey No. 7 and Alaska
 27 Tideland Survey No. 3; thence North 43 degrees 23 minutes East a distance of 7.87
 28 feet; thence South 52 degrees 42 minutes East a distance of 50.40 feet to the southeast
 29 line of Lot 7; thence South 48 degrees 43 minutes West along the lot line a distance of
 30 18.06 feet to the point of beginning.

31 **** Sec. 5.** The uncoded law of the State of Alaska is amended by adding a new section to

1 read:

2 TRANSFER OF PERMIT FOR PERSONAL USE CABIN ON STATE LAND. (a)
 3 Notwithstanding regulations adopted by the Department of Natural Resources in 1984 and
 4 amendments to those regulations adopted by that department in 1993, 2001, and 2018 under
 5 the authority of AS 38.04.035, 38.04.900, AS 38.05.020, AS 41.21.020, and AS 44.37.011 as
 6 those provisions read on the date those regulations were adopted, that state that a personal use
 7 cabin permit is not transferable or assignable and is valid only during the lifetime of the
 8 original holder of the permit, the department shall,

9 (1) at the request of an original permit holder,

10 (A) transfer the permit holder's permit to an immediate family member
 11 of the permit holder; or

12 (B) add an immediate family member of the permit holder as an
 13 additional permittee with a right of survivorship in the permit; and

14 (2) if the original permit holder of a permit that has not been transferred or
 15 assigned dies before the age provided by the National Center for Health Statistics as the
 16 average life expectancy of a person residing in the state at the time of the permit holder's
 17 birth, allow an immediate family member of the deceased permit holder to assume the
 18 privileges of the permit for a period equal to the difference between the original permit
 19 holder's age at death and the life expectancy determined under this paragraph.

20 (b) Notwithstanding the regulations that state that a personal use cabin permit is not
 21 transferable or assignable and is valid only during the lifetime of the original holder, an
 22 immediate family member of an original personal use cabin permit holder or deceased
 23 personal use cabin permit holder may assume the privileges of a permit under (a) of this
 24 section only if the person is qualified under regulations adopted by the Department of Natural
 25 Resources.

26 (c) For an immediate family member of a personal use cabin permit holder

27 (1) to be added to or transferred a permit under (a)(1) of this section, the
 28 original permit holder must submit the immediate family member's name to the Department
 29 of Natural Resources;

30 (2) to assume the privileges of a permit under (a)(2) of this section, the
 31 immediate family member must apply to the Department of Natural Resources within 30 days

1 after the permit holder's death.

2 (d) Once the original permit holder has died, a personal use cabin permit that an
3 immediate family member has been transferred, or had the individual's name added to, under
4 (a)(1) of this section is valid only during the lifetime of the immediate family member.

5 (e) The Department of Natural Resources shall adopt regulations to implement this
6 section.

7 (f) In this section, "personal use cabin permit" means a permit issued by the
8 Department of Natural Resources under regulations adopted by the department in 1984 and
9 amendments to those regulations that were adopted in 1993, 2001, and 2018 to an individual
10 to use an existing cabin that was placed on state land before August 1, 1984.

11 * **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to
12 read:

13 PERSONAL USE CABIN PERMITS THAT EXPIRED ON OR AFTER JANUARY
14 1, 2020, AND BEFORE THE EFFECTIVE DATE OF THIS ACT. (a) The Department of
15 Natural Resources shall allow an immediate family member of the holder of a personal use
16 cabin permit that allowed the holder to use an existing cabin that was placed on state land that
17 was issued by the Department of Natural Resources under regulations adopted by the
18 department in 1984 and amendments to those regulations that were adopted in 1993, 2001,
19 and 2018 that expired on or after January 1, 2020, and before the effective date of this Act,
20 because of the death of the original permit holder, to assume the former privileges of the
21 expired permit as provided under sec. 4(a)(2) of this Act as though the permit had not expired.

22 (b) Notwithstanding sec. 4(c)(2) of this Act, for an immediate family member of a
23 personal use cabin permit holder to assume the former privileges of an expired permit under
24 (a) of this section, the immediate family member must apply to the Department of Natural
25 Resources within 60 days after the effective date of this section.

26 (c) In calculating the period for which an immediate family member may assume the
27 former privileges of an expired permit under (a) of this section, the Department of Natural
28 Resources shall count the period after January 1, 2020, that the original permit holder was
29 deceased against the period the family member may assume the former privileges of the
30 expired permit.

31 * **Sec. 7.** Sections 4 and 5 of this Act take effect immediately under AS 01.10.070(c).