

1 IN THE SENATE

BY PALMER

2 SPONSOR SUBSTITUTE FOR SENATE BILL NO. 498

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act prohibiting the waste of natural gas."

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

8 \* Section 1. AS 31.05 is amended by adding a new section to read:

9 Sec. 31.05.115. GAS MEASUREMENT. All gas volumes produced shall  
10 be accounted for by metering or other method approved by the department  
11 and reported to the department by the well operator. Gas volumes  
12 delivered to a gas transportation facility shall be accounted for and  
13 reported to the department by the owner or operator of the gas trans-  
14 portation facility.

15 \* Sec. 2. AS 31.05.150(e) is amended to read:

16 (e) The commissioner of natural resources shall [MAY] impose a  
17 penalty payment on every 1,000 cubic feet of natural gas flared, vented  
18 or otherwise determined to be waste as defined in sec. 170(11) of this  
19 chapter. The penalty shall be the fair market value of the natural gas  
20 at the point of waste.

21 \* Sec. 3. AS 31.05.150 is amended by adding a new subsection to read:

22 (f) Beginning July 1, 1971, the commissioner of natural resources  
23 shall impose a penalty payment on every 1,000 cubic feet of natural  
24 gas flared, vented or otherwise determined to be waste as defined in  
25 this chapter. The penalty shall be imposed according to the following  
26 schedule:

27	Production flared, vented	
28	or wasted after	Penalty per MCF
29	July 1, 1971	1.18 cents

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July 1, 1973	2.36 cents
July 1, 1975	4.72 cents
July 1, 1977 and thereafter	7.08 cents