

1 IN THE SENATE

BY PALMER

2 SENATE BILL NO. 499

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act pertaining to unitization of oil and gas
7 pools."

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

9 * Section 1. AS 38.05.180(d) is amended to read:

10 (d) The commissioner may provide for extension of the term of a
11 lease whether competitive or noncompetitive, if all [OR PART] of the
12 lease is included in an approved unit plan or program of secondary
13 recovery operation to bring about or restore production. The commis-
14 sioner may also provide for extension of the term of any portion of
15 a competitive or noncompetitive lease comprising one or more legal
16 subdivisions, if that portion of the lease is included in an approved
17 unit plan or program of secondary recovery. An extension of lease term
18 shall be limited to those lands underlaid by a single pool.

19 * Sec. 2. AS 38.05.180(m) is amended to read:

20 (m) To conserve the natural resources of all or a part of an oil
21 or gas pool, field, or like area, (whether or not the part is then
22 subject to a cooperative or unit plan of development or operation),
23 lessees and their representatives may unite with each other, or jointly
24 or separately with others, in collectively adopting or operating under
25 a cooperative or a unit plan of development or operation of the pool,
26 field, or like area, or a part of it, whenever determined and certified
27 by the commissioner to be necessary or advisable in the public interest.
28 The commissioner may, with the consent of the holders of leases
29 involved, establish, alter, change, or revoke drilling, producing,

1 rental minimum royalty, and royalty requirements of the leases (subject
2 to the provisions of (d) of this section) and make regulations with
3 reference to the leases, with like consent on the part of the lessees,
4 in connection with the institution and operation of a cooperative or
5 unit plan as he determines necessary or proper to secure the proper
6 protection of the public interest. The commissioner may provide that
7 oil and gas leases issued under this section shall contain a provision
8 requiring the lessee to operate under a reasonable cooperative or unit
9 plan, and he may prescribe a plan under which the lessee shall operate.
10 The plan shall adequately protect all parties in interest, including
11 the state.
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