

1 IN THE HOUSE

BY KERTTULA

2 HOUSE BILL NO. 13

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to extension of term for certain oil  
7 and gas leases."

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 com-  
14 missioner 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 secondary recovery program. An extension of lease term  
18 shall be limited to those lands underlain by a producing oil or gas  
19 formation.

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

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

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