

Introduced: 3/1/76  
Referred: Resources

BY THE RULES COMMITTEE BY  
REQUEST OF THE JOINT GAS  
PIPELINE COMMITTEE

1 IN THE SENATE

2 SENATE BILL NO. 687

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the leases of state land for oil  
7 and gas and the taking of royalty gas from them; and  
8 providing for an effective date."

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

10 \* Section 1. AS 38.05.181 is amended by adding a new subsection to read:

11 (t) Each lease issued by the state under this section shall con-  
12 tain a provision under which the state may elect to defer the receipt  
13 of its royalty on gas production, whether taken in kind or in value.  
14 The provision shall require the state to make that election only after  
15 six months prior notice to the producer, and to take its deferred  
16 royalty in equal monthly amounts over a period of time the duration of  
17 which is no less than one-third of the period over which the election  
18 to defer is operative. Should production be insufficient to satisfy  
19 the deferred royalty obligation over the time period designated by the  
20 state, all production of gas subsequent to the end of the designated  
21 period shall be assigned to the state until the deferred royalty obli-  
22 gation is extinguished.

23 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.  
24 070(c).

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