

Introduced: 3/30/76
Referred: Resources and
Finance

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 *HCS CS* SENATE BILL NO. 720 *am H re-en.*

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 reacquisition of oil and gas
7 leasehold interests in Kachemak Bay; and providing for
8 an effective date."

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

10 * Section 1. AS 38.05 is amended by adding a new section to read:

11 Sec. 38.05.184. LIMITATION ON OIL AND GAS LEASES IN CERTAIN AREAS,
12 AND REACQUISITION OF LEASES. (a) No additional oil or gas leases may
13 be issued by the Department of Natural Resources or any other state
14 agency for the exploration for or the development or production of oil
15 and gas on state-owned land and waters seaward of the mean higher high
16 water line, beginning at Anchor Point; then around the perimeter of
17 Kachemak Bay, to Point Pogibshi; then west to the three mile limit of
18 state land and waters; then north to a point three miles west of Anchor
19 Point; then east to the mean higher high water line of Anchor Point, the
20 point of beginning.

21 (b) The commissioner of natural resources may enter into negotia-
22 tions to reacquire by purchase in the name of the state, title to or
23 accountable interests in oil or gas leases within the boundaries de-
24 scribed in (a) of this section which were issued before the effective
25 date of this Act.

26 (c) In lieu of cash payment for a negotiated purchase of a
27 leasehold interest, the commissioner shall authorize a credit of the
28 purchase price plus interest at the rate prescribed by AS 09.30.070 to
29 be granted the seller to be applied against future lease bonus or rental

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1 payments, permit fees, royalties, or oil and gas taxes which may become
2 owing on new production from other leases or property on state land held
3 by the seller for oil and gas development. The commissioner may also
4 negotiate to reimburse in like manner by credit provision, the full
5 bonus paid by the lessee to the state plus an amount not to exceed 20
6 per cent of the bonus to compensate the lessee for expenses and other
7 costs incurred by the lessee.

8 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
9 070(c).

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