

Original sponsor: Rules Committee by
request of the Governor

Offered: 5/26/78
Referred: Resources and
Finance

1 IN THE HOUSE

BY THE SPECIAL COMMITTEE ON THE
SALE OF ROYALTY OIL AND GAS

2 SENATE CS FOR HOUSE CONCURRENT RESOLUTION NO. 112

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 Approving the sale of royalty oil to

6 Alaska Petrochemical Company.

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

8 WHEREAS the State of Alaska has the right under AS 38.05.180 and its oil
9 and gas leases to take its royalty of crude oil production removed or sold
10 from these leases either in value (money) or in kind (oil); and

11 WHEREAS the legislature has, by enactment of AS 38.06 and AS 38.05.182,
12 established a policy favoring the taking of that royalty in kind (referred to
13 as "royalty oil"); and

14 WHEREAS, under his statutory authority as set out in AS 38.05 and 38.06,
15 the commissioner of natural resources has negotiated an agreement entitled
16 "AGREEMENT FOR THE SALE AND PURCHASE OF STATE ROYALTY OIL" ("Agreement") for
17 the sale and purchase of royalty oil with Alaska Petrochemical Company; and

18 WHEREAS, under its duties and powers as set out in AS 38.06, the Alaska
19 Royalty Oil and Gas Development Advisory Board has considered and, on
20 February 22, 1978, approved the Agreement; and

21 WHEREAS the commissioner of natural resources has fulfilled the statu-
22 tory prerequisites necessary to selling the royalty oil which is the subject
23 of the Agreement and has obtained approvals from the Alaska Royalty Oil and
24 Gas Development Advisory Board, to the extent required under AS 38.05 and
25 38.06; and

26 WHEREAS the Agreement contains a provision stating that it takes effect
27 on the date on which it has been approved by a concurrent resolution of a
28 majority of each house of the Tenth Alaska State Legislature; and

29 WHEREAS, under AS 38.06.055(a), no sale of royalty oil may be made by

1 the commissioner of natural resources without the prior approval of the
2 legislature by a concurrent resolution concurred in by a majority of the
3 members of each house; and

4 WHEREAS the commissioner of natural resources submitted the Agreement to
5 the legislature for consideration and approval; and

6 WHEREAS the legislature has reviewed and evaluated the Agreement, and
7 has conducted public hearings and otherwise received background information,
8 expert advice, and expressions of public opinion sufficient to make a
9 reasoned determination with respect to the Agreement; and

10 WHEREAS the commissioner of natural resources and Alaska Petrochemical
11 Company have negotiated certain amendments to the Agreement, dated May 17,
12 1978; and

13 WHEREAS the Royalty Oil and Gas Development Advisory Board has con-
14 sidered and, on May 19, 1978, approved those amendments; and

15 WHEREAS the legislature finds the Agreement, as amended, to be in the
16 best interest of the State of Alaska and its citizens, and further finds that
17 the Agreement, as amended, is in compliance with all applicable constitu-
18 tional directives and requirements of law;

19 BE IT RESOLVED by the Alaska State Legislature that the agreement en-
20 titled "AGREEMENT FOR THE SALE AND PURCHASE OF STATE ROYALTY OIL," as
21 amended, between the State of Alaska, acting through its commissioner of
22 natural resources, and Alaska Petrochemical Company, is hereby approved.

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