

Introduced: 2/6/79
Referred: Resources and
Finance

1 IN THE SENATE

BY SACKETT, COLLETTA AND STIMSON

2 SENATE BILL NO. 108

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the leasing of state land for oil
7 and gas development."

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

9 * Section 1. AS 38.05.180(b) is repealed and re-enacted to read:

10 (b) Before, December 31, 1979, and at least annually thereafter,
11 the commissioner shall assign all state land available for oil and gas
12 leasing and land under oil and gas lease to one of the following classi-
13 fications:

14 (1) high potential land consisting of land which has
15 attracted substantial petroleum industry interest, evidenced by inten-
16 sive geophysical exploration activity on the land or within three miles
17 of the land and by multiple nominations of the land for leasing for oil
18 or gas development;

19 (2) medium potential land consisting of land which has
20 attracted significant petroleum industry interest, evidenced by geo-
21 physical exploration activity on the land or within ten miles of the
22 land and by nomination of the land for leasing for oil and gas develop-
23 ment;

24 (3) low potential land consisting of land that has not been
25 subject to geophysical exploration activity within the preceding eight
26 years but which has been nominated for leasing, and which, in the
27 opinion of the commissioner, has geological characteristics which do not
28 rule out petroleum accumulation;

29 (4) no potential land consisting of land which, in the

1 opinion of the commissioner, has geological characteristics that
2 essentially rule out the possibility of petroleum accumulation.

3 * Sec. 2. AS 38.05.180(c) is repealed and re-enacted to read:

4 (c) During the first six months of 1980 and during each succeeding
5 six month period the commissioner shall offer for oil and gas lease at
6 least five per cent of the land assigned to each of classifications (1),
7 (2) and (3) described in (b) of this section. The commissioner shall
8 lease all offered land to the highest responsive bidder unless, after
9 public notice and hearing, the commissioner determines that fraud or
10 misrepresentation on the part of the high bidder has occurred. Land
11 offered which is not leased may be offered in subsequent six-month
12 periods, but may not be counted as part of the percentage of land re-
13 quired to be leased during a subsequent six-month period under this
14 subsection until five years have passed from the date that land was
15 first offered. If less than five per cent of the land in any of the
16 classifications in (b)(1), (2) and (3) of this section is available for
17 leasing when an offering is required under this subsection, then the
18 amount available shall be offered.

19 * Sec. 3. AS 38.05.180(e) is amended to read:

20 (e) The [SIMULTANEOUSLY WITH SUBMISSION OF THE LEASING PROGRAM
21 REQUIRED UNDER (b) OF THIS SECTION, THE] commissioner shall submit to
22 the legislature an annual [A] report containing the following:

23 (1) the schedule of all lease sales held during the preceding
24 calendar year, the bidding method or methods utilized, and an analysis
25 of the results of the bidding;

26 (2) a description of all land to be leased [LEASE SALES TO BE
27 HELD] during the current and next two succeeding calendar years and, if
28 determined, the bidding methods to be used;

29 (3) the reasons a particular bidding method has been

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* Sec. 4. Section 7, ch. 155 SLA 1978 is repealed.

* Sec. 5. AS 38.05.180(d) is repealed.