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Ferguson and Sackett

Offered: 4/27/79
For Today's Calendar

1 IN THE SENATE

BY THE RULES COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 192

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 and exploration of
7 state land for oil and gas development; and providing
8 for an effective date."

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

10 * Section 1. FINDINGS. The legislature finds that AS 38.05.180(b) as
11 re-enacted in 1978 requires the commissioner of natural resources to annually
12 prepare and submit to the legislature, between the first and 15th day of each
13 regular legislative session, a proposed oil and gas leasing program, and that
14 in the same Act, the legislature enacted a transitional provision allowing
15 submission of the program on the 15th legislative day for the first year of
16 the Act's operation (sec. 7, ch. 155 SLA 1978). Formal submission of the
17 first proposed leasing program occurred on the 17th legislative day of the
18 first session of the Eleventh Legislature. The legislature further finds
19 that no prejudice to the intent of the Act requiring submission on a day
20 certain was occasioned by this minor variation from the time prescribed. The
21 legislature further finds that strict adherence to the time requirement would
22 impede the purpose of the Act and that waiver of the technical lack of time-
23 liness is in the public interest.

24 * Sec. 2. Section 7, ch. 155, SLA 1978 is amended to read:

25 Sec. 7. TRANSITIONAL PROVISIONS. By the 20th [15TH] day of the
26 First Session of the Eleventh Legislature the commissioner of natural
27 resources shall submit a proposed oil and gas leasing program to the
28 legislature in accordance with AS 38.05.180(b), except that the proposed
29 program shall cover all areas to be leased in 1979 through 1983. No

1 lease, except as authorized under AS 38.05.180(d), shall be issued
2 during 1979, 1980, or 1981 unless the land to be leased was included in
3 this proposed leasing program.

4 * Sec. 3. AS 38.05.180(f)(3) is amended to read:

5 (3) a fixed cash bonus with a royalty share reserved to the
6 state as the bid variable but no less than 12 1/2 per cent in amount or
7 value of the production removed or sold from the lease [; ROYALTY SHARE
8 AS A BID VARIABLE SHALL BE USED ONLY WHEN THE COMMISSIONER DETERMINES
9 THERE IS EVIDENCE THAT UNLEASED ACREAGE IS SUBJECT TO DRAINAGE BY OFF-
10 SETTING WELLS];

11 * Sec. 4. AS 38.05.180(f) is amended by adding new paragraphs to read:

12 (6) a cash bonus bid with a fixed royalty share reserved to
13 the state based on a sliding scale according to the volume of production
14 or other factor but in no event less than 12 1/2 per cent in amount or
15 value of the production removed or sold from the lease;

16 (7) a fixed cash bonus with a royalty share reserved to the
17 state based on a sliding scale according to the volume of production or
18 other factor but not less than 12 1/2 per cent in amount or value of the
19 production removed or sold from the lease.

20 * Sec. 5. Section 2 of this Act is retroactive to January 1, 1979.

21 * Sec. 6. This Act takes effect immediately in accordance with AS 01.10.-

22 070(c).

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