

Offered: 5/8/85
Referred: Rules

Original sponsor: Rules/Governor

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 CS FOR SENATE BILL NO. 232 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - FIRST SESSION
5 A BILL

6 For an Act entitled: "An Act relating to minimum work commitments in oil
7 and gas leases; and providing for an effective date."

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

9 * Section 1. AS 38.05.180(h) is amended to read:

10 (h) The commissioner may include terms in any oil and gas lease
11 imposing a minimum work commitment on the lessee. These terms shall
12 be made public before the sale, and may include appropriate penalty
13 provisions to take effect in the event the lessee does not fulfill the
14 minimum work commitment. If [SHOULD] it is [BE] demonstrated that a
15 lease has been proven unproductive by actions of adjacent lease
16 holders, the commissioner may set aside a work commitment. If a mini-
17 imum work commitment is not fulfilled because conditions preventing
18 drilling or exploration were not reasonably foreseeable by the lessee
19 or were beyond the lessee's control, the commissioner may waive for
20 two years any term of the minimum work commitment.

21 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
22 10.070(c).