

Offered: 5/11/85
Referred: Rules

Original sponsor: Rules/Governor

1 IN THE SENATE BY THE RULES COMMITTEE
2 HOUSE CS FOR CS FOR SENATE BILL NO. 232 (Rules)
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 hold-
16 ers, the commissioner may set aside a work commitment. The commis-
17 sioner may waive for two years any term of a minimum work commitment
18 if conditions preventing drilling or exploration were not reasonably
19 foreseeable by the lessee or were beyond the lessee's control or if
20 the lessee demonstrates through good faith efforts an intent and
21 ability to drill or develop the lease during the term of the waiver.
22 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
23 10.070(c).