

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) am H
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 a period not to exceed one two-year period any
18 term of a minimum work commitment if the commissioner makes a written
19 finding either that conditions preventing drilling or exploration were
20 beyond the lessee's reasonable ability to foresee or control or that
21 the lessee has demonstrated through good faith efforts an intent and
22 ability to drill or develop the lease during the term of the waiver.
23 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
24 10.070(c).