

Introduced: 1/25/89  
Referred: Resources and  
Finance

6-0652A

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

HOUSE BILL NO. 118

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the oil and gas properties pro-  
7 duction tax."

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

9 \* Section 1. AS 43.55.013(b) is repealed and reenacted to read:

10 (b) The economic limit factor for oil production of a lease or  
11 property shall be computed according to the following formula:

12  $(1 - [PEL/TP]) \exp ([150,000/(TP/Days)] \exp [(460 \times WD)/PEL])$

13 where: PEL = the monthly production rate at the economic limit;

14 TP = the total production during the month for which the  
15 tax is to be paid;

16 WD = the total number of well days in the month for which  
17 the tax is to be paid;

18 Days = the number of days in the month for which the tax is  
19 to be paid; and

20 exp = exponent.

21 \* Sec. 2. AS 43.55.013(d) is repealed and reenacted to read:

22 (d) The monthly production rate at the economic limit for a  
23 lease or property is 300 barrels times the number of well days for the  
24 lease or property during the month for which the tax is to be paid.

25 \* Sec. 3. AS 43.55.013(e) and 43.55.013(f) are repealed.