

Introduced: 4/29/89
Referred: Resources and
Finance

6-1349A

1 IN THE HOUSE

BY BROWN AND M.DAVIS

2

HOUSE BILL NO. 324

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 content of oil and gas
7 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(z) is amended to read:

10 (z) A lease [NO LEASES] may not be issued under this section
11 without the inclusion of the following language, and a lease issued
12 under this section shall, for all purposes, be construed as containing
13 the language required by this subsection:

14 (1) "The landowners' royalty share of the unit production
15 allocated to each separately owned tract shall be regarded as royalty
16 to be distributed to and among, or the proceeds of it paid to, the
17 landowners, free and clear of all unit expense and free of any lien
18 for it.";

19 (2) "A lease issued after the effective date of this Act is
20 cancelled if the lessee owns or controls oil that is discharged upon
21 land or into water of the state and the discharge exceeds 100,000
22 barrels." [LEASES ISSUED IN VIOLATION OF THIS SUBSECTION SHALL, FOR
23 ALL PURPOSES, BE CONSTRUED AS CONTAINING THE LANGUAGE REQUIRED BY THIS
24 SUBSECTION.]

25 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c)