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Referred: Resources, Senate Special Com. on  
Oil and Gas and Finance

6-1539A

BY SEN. UEHLING, Kelly, Sturgulewski

1 IN THE SENATE

2

SENATE BILL NO. 345

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the delay and cancellation of  
7 lease sales under the oil and gas leasing program,  
8 and to the powers of the commissioner of natural  
9 resources under that program; and providing for an  
10 effective date."

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

12 \* Section 1. FINDINGS AND PURPOSE. The legislature finds that the  
13 decision of the commissioner of natural resources to suspend temporarily  
14 oil and gas lease sales scheduled under the state's oil and gas leasing  
15 program during fiscal year 1990 is inconsistent with authority to delay and  
16 cancel sales granted by law. It is the purpose of this Act to revise  
17 procedures applicable to delay and cancellation of those oil and gas lease  
18 sales by eliminating all options for delay or cancellation of those sales  
19 except as explicitly provided by statute, to make the standards applicable  
20 to delay or cancellation of those sales more stringent, and to require  
21 gubernatorial review and approval of delays and cancellations of lease  
22 sales under the oil and gas lease program if the commissioner recommends  
23 elimination of all scheduled oil and gas lease sales during a period of 12  
24 consecutive months.

25 \* Sec. 2. AS 38.05.020 is amended by adding a new subsection to read:

26 (c) The limitations imposed by AS 38.05.180(c) exclusively  
27 govern the delay or cancellation of an oil or gas lease sale under the  
28 oil and gas leasing program. The commissioner may not use the grant  
29 of general authority made by this section to revise, amend, abolish,

1 postpone, suspend, defer, or otherwise alter an oil or gas lease sale  
2 scheduled under the oil and gas leasing program in a manner that is  
3 contrary to the procedures prescribed by AS 38.05.180(c).

4 \* Sec. 3. AS 38.05.180(c) is amended to read:

5 (c) A proposed oil and gas lease sale is subject to the follow-  
6 ing:

7 (1) except [EXCEPT] as provided in (d) and (w) of this  
8 section, a [AN OIL AND GAS] lease sale may not be held unless it was  
9 included in the proposed leasing programs submitted to the legislature  
10 during the two calendar years preceding the year in which the sale is  
11 held;

12 (2) a [. A] lease sale must [SHALL] be held during the  
13 calendar quarter for which it is scheduled in the proposed oil and gas  
14 leasing program but may be delayed by the commissioner for not more  
15 than 90 days after the last day of the calendar quarter for which it  
16 was scheduled if the commissioner determines that a delay is in the  
17 best interest of the state;

18 (3) a [. A] lease sale that [WHICH] is not held during the  
19 calendar quarter for which it was scheduled in the oil and gas leasing  
20 program, or in the following 90-day period authorized by (2) of this  
21 subsection, may be held only if rescheduled as provided in (b) of this  
22 section;

23 (4) a [. A] lease sale may not be held before the date it  
24 is scheduled in the proposed oil and gas leasing program;

25 (5) a lease sale may not be cancelled unless the commis-  
26 sioner determines that cancellation is in the best interest of the  
27 state and makes a written statement of the reasons for that determina-  
28 tion; the commissioner may not delegate the making of a determination  
29 or the preparation of a statement of reasons under this paragraph; and

1                   (6) the commissioner may not delay a scheduled lease sale  
2                   under (2) of this subsection or cancel a scheduled lease sale under  
3                   (5) of this subsection if that delay or cancellation would eliminate  
4                   all lease sales under the proposed oil and gas leasing program during  
5                   a period of 12 consecutive months without first securing the written  
6                   approval of the governor to the proposed delay or cancellation.

7                   \* Sec. 4. This Act takes effect immediately under AS 01.10.070(c).