

**HOUSE BILL NO. 433**

**IN THE LEGISLATURE OF THE STATE OF ALASKA  
SEVENTEENTH LEGISLATURE - SECOND SESSION**

**BY REPRESENTATIVES BROWN, Ellis, Koponen, Boyer, Ulmer, Navarre, Gruenberg**

**Introduced: 1/29/92**

**Referred: House Special Committee on Oil and Gas, Resources**

**A BILL****FOR AN ACT ENTITLED**

1 "An Act relating to the waste of oil and gas and amending the powers and duties of the  
2 Alaska Oil and Gas Conservation Commission relating to determination of waste; and  
3 providing for an effective date."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 \* **Section 1.** AS 31.05.030(b) is amended to read:

6 (b) The commission shall investigate to determine whether or not waste exists, [OR] is  
7 imminent, or is likely to occur, or whether or not other facts exist which justify or require action  
8 by it. In determining whether waste exists, is imminent, or is likely to occur, the  
9 commission shall consider

10 (1) the economic value of the oil or gas that may be left behind in a reservoir;

11 (2) the cost of recovering those resources; and

12 (3) the public interest in achieving maximum recovery.

13 \* **Sec. 2.** AS 31.05.170(14) is amended to read:

14 (14) "waste" means, in addition to its ordinary meaning, "physical waste" and

1 includes

2 (A) the inefficient, excessive, or improper use of, or unnecessary  
3 dissipation of, reservoir energy; and the locating, spacing, drilling, equipping, operating,  
4 or producing of any oil or gas well in a manner that [WHICH] results or tends to result  
5 in reducing the quantity of oil or gas to be recovered from a pool in this state under  
6 operations conducted in accordance with good oil field engineering practices;

7 (B) the inefficient above-ground storage of oil; and the locating, spacing,  
8 drilling, equipping, operating, or producing of an oil or gas well in a manner causing, or  
9 tending to cause, unnecessary or excessive surface loss or destruction of oil or gas;

10 (C) producing oil or gas in a manner causing unnecessary water  
11 channeling or coning;

12 (D) the operation of an oil well with an inefficient gas-oil ratio;

13 (E) the drowning with water of a pool or part of a pool capable of  
14 producing oil or gas, except insofar as and to the extent authorized by the commission;

15 (F) underground waste;

16 (G) the creation of unnecessary fire hazards;

17 (H) the release, burning, or escape into the open air of gas, from a well  
18 producing oil or gas, except to the extent authorized by the commission;

19 (I) the use of gas for the manufacture of carbon black, except as provided  
20 in this chapter;

21 (J) the drilling of wells unnecessary to carry out the purpose or intent of  
22 this chapter;

23 (K) abandoning oil or gas in a reservoir if the oil or gas could be  
24 feasibly and economically recovered.

25 \* Sec. 3. This Act takes effect immediately under AS 01.10.070(c).