

## HOUSE BILL NO. 428

IN THE LEGISLATURE OF THE STATE OF ALASKA  
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE SPECIAL COMMITTEE ON OIL AND GAS

Introduced: 2/2/94

Referred: Resources, Finance

## A BILL

## FOR AN ACT ENTITLED

1 "An Act relating to evidence of financial responsibility provided by persons who  
2 conduct oil operations; and providing for an effective date."

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

4 \* Section 1. AS 46.04.040(b) is amended to read:

5 (b) A person may not cause or permit the operation of a pipeline or an  
6 exploration or production facility in the state unless the person has furnished to the  
7 department, and the department has approved, proof of financial ability to respond in  
8 damages. Proof of financial responsibility required for

9 (1) a pipeline or an offshore exploration or production facility is  
10 \$50,000,000 per incident;

11 (2) [. PROOF OF FINANCIAL RESPONSIBILITY REQUIRED FOR]  
12 an onshore production facility is

13 (A) \$20,000,000 per incident if the facility produces over  
14 10,000 barrels per day of oil;

1                    (B) \$10,000,000 per incident if the facility produces over  
2                    5,000 barrels per day but not more than 10,000 barrels per day of oil;

3                    (C) \$5,000,000 per incident if the facility produces over  
4                    2,500 barrels per day but not more than 5,000 barrels per day of oil;

5                    (D) \$1,000,000 per incident if the facility produces 2,500  
6                    barrels per day or less of oil;

7                    (3) [. PROOF OF FINANCIAL RESPONSIBILITY REQUIRED FOR]

8                    an onshore exploration facility is \$1,000,000 [\$5,000,000] per incident.

9                    \* Sec. 2. Section 6, ch. 102, SLA 1992, is repealed.

10                  \* Sec. 3. If this Act takes effect after June 1, 1994, sec. 2 of this Act is retroactive to  
11 June 1, 1994.

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