

HB

791

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU ALASKA 99811
907-465-3810

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 23, 1978

SUBJECT: HB 791 and HB 792

TO: The Honorable Al Osterback, Chairman
House Resources Committee

FROM: Richard G. Haggart
Research Analyst 

This memorandum is in response to yesterday's request from Ms. Diann Nelson of your staff that we prepare a summary analysis of HB 791 and HB 792 which are currently before your committee.

HB 791

This bill would amend AS 38.05.180(r) relating to oil and gas conservation agreements arising from issuance of state leases. Specifically, the bill would make it mandatory for any lease containing a cooperative or unit plan of development or operation to also include a provision giving the commissioner of Natural Resources authority to regulate (for purposes of accomplishing objectives of Alaska's general oil and gas conservation statute [AS 31.05]) the rates or quantities of oil or natural gas produced from such leases. The current statute makes inclusion of such production authority in a lease-related unit plan a matter of departmental discretion.

HB 792

HB 792 would amend AS 31.05.110(o) relating to the state's oil and gas conservation authority. Specifically, the proposed legislation would:

- Sec. 1. Remove the present requirement that at least 62.5% of the royalty owners approve any change or amendment in a unit operating agreement promulgated under AS 31.05.
- Sec. 2. Remove the present requirement that at least 62.5% of the royalty owners approve initial unit operating agreements promulgated under AS 31.05.

AGO 547806 +

In essence, HB 792 reserves all decisions regarding unit operating agreements to those leaseholders with an operating interest and the Department of Natural Resources--as opposed to the present system, under which all decisions pertaining to unit agreements or their modification must be ratified by at least 62.5% of the royalty owners.

RGH:jm

