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371



# Alaska State Legislature

HOUSE OF REPRESENTATIVES  
COMMITTEE ON RESOURCES

JOHN RINGSTAD, CO-CHAIRMAN  
RICHARD SHULTZ, CO-CHAIRMAN  
POUCH V  
JUNEAU, ALASKA 99801  
(907) 465-3715

## MEMORANDUM

TO: House Resources Committee members

From: Committee staff

Date: April 11, 1984

Re: HCSCSB 371 (Res.)

\*\*\*\*\*

There are four amendments that have been incorporated into the new CS.

1. The first amendment clarifies the bill to make sure that joint ventures between corporations for the purposes of developing mining claims are permitted. ( page 2, line 19, (1) - (4) is changed to (1) - (6) to include corporations. )
2. The second amendment will reduce the rental fee due on the second anniversary from \$6 per acre to \$3 per acre.
3. The third will increase the term of lease to 20 years instead of 10 years to provide additional security for financing and development of mining leases. ( page 7, line 28 )
4. The fourth will add language back in that was taken out in Senate Resources to provide a remedy when mining claims are staked in error, that is if a miner uses federal staking methods on state land he will now be able to correct the error without being penalized. ( page 9, lines 10 & 22-26 )

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

POUCH M  
JUNEAU, ALASKA 99811  
PHONE: 907-465-2400

February 17, 1984

The Honorable Bettye Fahrenkamp  
Chairperson  
Senate Resources Committee  
Pouch V  
Juneau, AK 99811

Dear Senator Fahrenkamp:

The Department of Natural Resources appreciates the opportunity to comment on the amendments to SB 371 that were proposed on behalf of the Alaska Miners Association last week. The proposed amendments would substantially weaken statutory requirements imposed by the Legislature only two years ago, at the request of the Department of Natural Resources. The 1982 amendments struck a fair balance between offshore prospecting permit applicants' desires for exclusive, long-term exploration rights over large acreages, and the department's mandate for diligent development of the State's mineral resources.

Perhaps the following background information on the offshore mining program will be useful to your committee's deliberations. There have been two previous revisions to AS 38.05.250. The 1961 version was quite restrictive: Prospecting permits were issued for only two years with a possible two-year extension, and the amount of land each person could hold was limited to 5,120 acres. In 1966 the statute was greatly liberalized, with the term of a prospecting permit increased to ten years, the acreage limit dropped entirely, and no rental due until two years after the prospecting permit's issuance. Approximately 8,000 offshore prospecting permits were issued in all, but only eight were converted to lease after discoveries of workable mineral deposits, and only one ever went into commercial production. Although diligent exploration took place on some of the prospecting permits, up to 80% of them were relinquished at the end of their second year when the first rental payment fell due. The generous terms of the 1966 statute may have drawn many people into the program who were not ready to undertake mineral exploration.

When the disposal and public notice laws were rewritten after the Supreme Court decision on the Kachemak Bay oil and gas lease sale, the program had to be suspended. In preparation for reopening under the new, much more expensive and time-consuming disposal procedures, the department asked the Legislature to consider tightening the terms of AS 38.05.250 somewhat to stress diligence and ensure that permits would not be issued only to result in large acreages being held for speculation. It responded in 1982 by reducing the duration of prospecting permits to

February 17, 1984

seven years, setting the primary term of the lease at ten years (with extension upon production), requiring rent to be paid at the end of each year (with the permittee's or lessee's expenses credited against the rental), and limiting permittees to 100,000 acres each and lessees to 46,080 acres. The department considered these statutory revisions to be a workable compromise between the two previous extremes and promptly amended its regulations to implement them. A large disposal under these new procedures is currently underway in Cook Inlet.

Making further substantive amendments at this time could seriously disrupt the Cook Inlet disposal. If you decide to proceed with such amendments, we would ask that the effective date be deferred until the first of January, 1985. As an example of the difficulties that would arise if the statute were amended in the midst of the disposal, prospecting permit forms must be drafted and printed within the next several weeks (permit issuance is to begin May 15, with another round beginning in early fall). Permit duration must be known with certainty before the forms are printed. And well before May 15, applicants must fill out qualification statements, including an official statement of conformance with acreage limitations. Thus, the acreage limits must also remain stable throughout the Cook Inlet disposal to avoid confusion. In addition, if the statute is amended we would need time to amend our regulations accordingly.

Increasing the prospecting permit acreage limit to 300,000 acres is of particular concern. If that change took place without a delayed effective date, by November of this year it would result in 120 tracts in Cook Inlet - representing three-fourths of all prospecting permits statewide - being held by an outside corporation. There could be public concern about concentrating exclusive exploration rights under one company's control.

Other specific concerns are outlined below:

Proposed amendment 1  
(Change term of prospecting permit from 7 to 10 years).

In our view, seven years is a sufficiently long time for a diligent applicant to discover workable deposits on an offshore tract.

Proposed amendment 2  
(Change rental from \$3 per year from issuance to \$3 for the first 2 years, then \$3 per year thereafter).

Concern that delays in obtaining necessary federal permits might effectively prohibit performance of labor in lieu of the payment of the \$3 per acre annual rental in the first year of a permit's term is valid. However, the diligence requirement for an offshore prospecting permit should not be lessened during the initial years. We suggest a compromise of \$6 per acre for the first two years, payable at the end of the second year, and then \$3 per acre per year thereafter.

February 17, 1984

Proposed amendment 3  
(Change acreage  
limitation for OPPs  
from 100,000 acres to  
300,000 acres and for  
leases from 46,080 to  
100,000).

We are not aware of an actual need for  
this amendment. See also above.

Proposed amendment 4  
(Change term of lease  
from 10 to 20 years).

The term of an offshore mining lease in  
the present statute is "for a period of up  
to 10 years, and for so long as there is  
production in paying quantities from the  
leased area." This language obligates a  
lessee to initiate production within 10  
years of issuance of his lease. Our view  
is that 20-year lease terms without any  
diligence requirements beyond a nominal \$3  
per acre rental (against which expenditures  
on the lease can be credited) are exces-  
sive. As mentioned by Dave Hedderly-Smith  
at your hearing last week, we believe there  
should be authority to extend the lease of  
a diligent lessee who, despite good faith  
efforts, is very close to production at the  
end of ten years (although not quite there)  
or who has failed to reach production or  
has needed to suspend production in the  
tenth year due to force majeure causes or  
adverse market conditions. If the com-  
mittee would like us to propose wording to  
achieve this authority, we would be happy  
to oblige.

Proposed amendment 5  
(Change rent adjust-  
ment period from 10  
to 20 years).

Adjustment of the rental at 10-year periods  
is reasonable and appropriate, while  
adjustment at 20-year periods is excessive.

Proposed amendment 6  
(Change "carry-for-  
ward" of expenditures  
against rentals from  
2 years to 4 years).

With a 2-year carry-forward, the holder of  
an OPP is required to perform labor on his  
OPP at least once every three years (or pay  
rental). We believe this is reasonable,  
and that this term should not be extended.

Sincerely,

*Bob Arnold, Deputy*  
Esther C. Wunnicke  
Commissioner

# Alaska State Legislature

BETTYE FAHRENKAMP, Chairman  
ROBERT H. ZIEGLER, SR., Vice Chairman  
DICK ELIASON  
PAUL FISCHER  
VIC FISCHER  
BOB MULCAHY  
ARLISS STURGULEWSKI



POUCH V  
STATE CAPITAL  
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## Senate

### Committee on Resources

March 22, 1984

Representative Richard Shultz  
Co-Chairman, House Resources Committee  
Pouch V  
Juneau, Alaska 99802

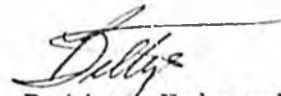
Dear Dick:

On March 22 the Senate Resources Committee Substitute for SB 371, An Act relating to mining, passed the Senate by a 19-0 margin.

Over the last several months the Senate Resources Committee has undertaken a comprehensive review of Title 38, the State's land statutes. SB 371, which clarifies and revises current law governing mining, is the product of a thorough public comment process including public hearings in Fairbanks, Anchorage and Juneau. The changes proposed will allow for more efficient implementation of mining law.

I would appreciate your scheduling a hearing on SB 371, and am willing to discuss the bill with you at your convenience. A sectional summary and other information on the bill is enclosed.

Sincerely,

  
Bettye Fahrenkamp  
Chairman

BF:ss

Enclosure

# Alaska State Legislature

BETTYE FAHRENKAMP, Chairman  
ROBERT H. ZIEGLER, SR., Vice Chairman  
DICK ELIASON  
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## Senate

### Committee on Resources

March 1, 1984

#### AN ACT RELATING TO MINING CSSB 371 (Res)

Sec. 1 Because of the lengthy time involved for coal exploration, extends the coal prospecting permit term from 2 years with one 2-year extension to 3 years with three 2-year extensions.

Sec. 2 Lowers the minimum age of eligibility for acquiring exploratory and mining rights from 19 to 18 to be consistent with the current age of majority for most activities in Alaska.

Sec. 3 Amends the requirement that mining claims be staked in the four cardinal directions to not apply to fractional claims or where the commissioner determines such staking is impractical.

Sec. 4 Allows affidavits of annual labor to be corrected by amendment, thus providing a legal mechanism for correcting errors.

Sec. 5 Deletes the provision that basic survey finds be filed with DNR as it can result in the "leaking" of proprietary information, and the information is often of mixed quality.

Sec. 6 Deletes the requirement to file a certificate of mining location with DNR. This is duplicative language, as the certificate must be filed with the District Recorder's Office, which is within DNR.

Sec. 7 Increases the number of prospecting sites allowed from "six located in one calendar year in one recording district" to "eight held in one township at one time". This will encourage the use of prospecting sites where discovery hasn't been made, and address a loophole whereby employees of large companies locate sites and quitclaim deed them to the company.

C.S. Sec. 8 Provides for a delay in acreage rental payments for the 1st year to allow time to become operational; the 1st 2 years rental is due at the end of the 2nd year. Increases the time during which excess expenditures may be applied against rentals from 2 to 4 years. Clarifies that the rental year for a prospecting permit on tide or submerged lands expires on the anniversary of issuance, not the end of the calendar year.

C.S. Sec. 9 Effective 1/1/85, increases the acreage that may be held under an offshore prospecting permit from 100,000 to 300,000 acres, and under a lease from 46,080 to 100,000 acres.

Sec. 10 Clarifies that a prospecting permit is required before a noncompetitive lease can be issued for mineral extraction on submerged lands.

C.S. Sec. 11 Authorizes the Commissioner to assent to the suspension of operations and production on submerged lands without affecting the integrity of the lease if certain conditions are present.

Sec. 12 Changes the length of time following the abandonment of a prospecting site that the former owner must wait before acquiring any beneficial interest in the site from 2 years to 1. This is consistent with the waiting period for claims that have been staked or located.

Sec. 13 Deletes the requirement to file a certificate of mining location on shorelands, tidelands, or submerged lands with the DNR. This is duplicative language (see Sec. 6).

Sec. 14 The state maintains only one assay lab (on the U.A.F. campus). Deletes the requirement that a public assay office be located in each of the 4 judicial districts, to reflect the reality of the situation.

Sec. 15 Repeals the mineral prospecting equipment loan program. DNR no longer conducts such a program. Repeals the requirement that "grubstaking" contracts be in writing. This is the only provision in Title 27 dealing specifically with mining on state-owned lands, and is not necessary as most people realize that contracts should be in writing.

C.S. Sec. 16 Effective dates are intended to lessen disruption of field operations and DNR's ongoing offshore prospecting permitting process.

# Alaska State Legislature

BETTYE FAHRENKAMP, Chairman  
ROBERT H. ZIEGLER, SR., Vice Chairman  
DICK ELIASON  
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ARLISS STURGULEWSKI



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## Senate

### Committee on Resources

March 1, 1984

#### SUMMARY OF MAJOR PROVISIONS OF SB 371

CURRENT STATUTE

SB 371

#### Coal Prospecting Permits

AS 38.05.150(c) establishes the term of a coal prospecting permit as 2 years with one 2-year extension. (An extension is granted if the Commissioner determines that diligent exploration activities have been conducted. Prior to expiration of a permit, a lease will be granted if the permittee shows that the land contains coal in commercial quantities and submits a mining plan.)

Section 1 would extend the coal prospecting permit term to 3 years with three 2-year extensions.

#### Statements of Annual Labor

AS 38.05.210-.240 governs the performance of annual labor on mining claims on State land. A report of labor performed must be filed annually with DNR.

Section 4 would allow affidavits of annual labor to be corrected by amendment.

### Survey Finds

Under AS 38.05.240, to satisfy annual labor requirements, geological, geochemical, geophysical, and airborne surveys conducted on mining claims are reported to DNR. Basic survey finds must also be filed with DNR, and are kept confidential and released only if the claim lapses.

Section 5 would delete the provision that basic survey finds be filed with DNR.

### Prospecting Sites

Under AS 38.05.245, the locator of a prospecting site has the exclusive right to stake mining claims of leasehold locations within the boundaries of his site. No person may locate more than 6 prospecting sites in one calendar year in one recording district.

Section 7 amends the number of prospecting sites allowed to 8 held in one township at one time.

AS 38.05.265 establishes the waiting period for relocation of mining locations and prospecting sites following abandonment as one year for mining locations and two years for prospecting sites. (Abandonment is defined as failure to pay rental; to file a certificate of location, a statement of annual labor, or a prospecting site certificate; or to keep boundaries marked.)

Section 10 would shorten the waiting period following abandonment of a prospecting site from 2 years to 1 year.

## Offshore Prospecting

The exclusive right to prospect for minerals in or on tide and submerged lands may be granted under AS 38.05.250. .250(a) governs offshore prospecting permits. The permit term is set at 7 years; the annual rental is set at \$3/acre, with expenditures applying against rentals for the following 2 years. The acreage limitation is established at 100,000 acres.

Upon discovery, a non-competitive lease may be acquired under AS 38.05.250(b). The acreage limitation under lease is established at 46,080 acres.

AS 38.05.250(c) specifies that a submerged land mining lease is valid only as long as there is production in paying quantities from the leased area.

Section 8 increases the permit term to ten years, delays rental payments for the first year, and allows expenditures to be applied against the following 4 years. The acreage limitation is increased to 300,000 acres.

Section 8 increases the acreage limitation to 100,000 acres.

Section 11 authorizes the commissioner to assent to suspension of operations and production without affecting the validity of the lease if certain conditions are present.

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: 2/9/84

REQUEST

Bill/Resolution No.: SB 371  
Title: relating to mining

FISCAL DETAIL

Agency Affected: Natural Resources  
Program Category Affected: NRMEC

Sponsor: Fahrenkamp  
Requestor: Senate Resources Committee  
Date of Request: 2/7/84

BRU, Program or Subprogram(s) Affected: Minerals and Energy Management

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Ned Farquhar Phone: 465-2400  
Division: Commissioner's Office Date: 2/9/84

Approved by Commissioner: William D. Adams, Deputy Date: 2/9/84  
Agency: Department of Natural Resources

Distribution (by Agency preparing fiscal note):  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

STATEMENT OF ESTHER C. WUNNICKE,  
COMMISSIONER OF THE DEPARTMENT OF NATURAL RESOURCES  
REGARDING SB 371, RELATING TO MINING  
BEFORE THE SENATE COMMITTEE ON RESOURCES  
FEBRUARY 10, 1984

Senator Fahrenkamp, members of the Committee, I appreciate this opportunity to offer comments on the proposed legislation affecting our mining statutes. This Administration, under Governor Sheffield, has made a special new effort to improve our administration of Alaska's mineral estate.

The bill's major effect will be to ease the administrative burden on miners and the Department. Paperwork and conditions for filing and keeping up a mining claim will be reduced. I do not believe that any of the changes will cause harm to any other interest.

Earlier this week I recommended some changes to the bill, which my staff are available to comment on. These changes were largely to clarify wording rather than to change the intent of the legislation.

Thank you for your attention to the issues of mining. I commend the Committee for its important effort in improving the situation of mining in Alaska today. I look forward to working with you on SB 375 as well, affecting Title 38.

# Alaska State Legislature

BETTYE FAHRENKAMP, Chairman  
ROBERT H. ZIEGLER, SR., Vice Chairman  
DICK ELIASON  
PAUL FISCHER  
VIC FISCHER  
BOB MULCAHY  
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(907) 465-3835

## Senate

### Committee on Resources

#### MINUTES

February 22, 1984  
3:08 pm

Beltz Room  
Room 211, Capitol

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#### MEMBERS PRESENT

Senator Fahrenkamp, Chairman  
Senator Ziegler, Vice Chair  
Senator Vic Fischer  
Senator Mulcahy  
Senator Sturgulewski

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#### CALENDAR

SB 335, An Act amending the Alaska Grain Reserve Program; and providing for an effective date.

SB 337, An Act relating to the Delta Junction bison range; and providing for an effective date.

SB 338, An Act making special appropriations for the development of the Delta Junction bison range and construction of a bison herd drift barrier; and providing for an effective date.

SB 371, An Act relating to mining; and providing for an effective date.

SB 378, An Act relating to agricultural and industrial fairs.

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#### SB 335

Dean Brown, Deputy Director, Division of Agriculture, Department of Natural Resources, testified in support of the bill and discussed DNR's proposed amendments that would convert the Alaska grain reserve loan fund to a revolving fund.

Senator Mulcahy moved to amend SB 335 to include DNR's amendments. There was no objection.

SB 337  
SB 338

Dave Johnson, Area Game Biologist, Alaska Department of Fish and Game, testified in support of the bill that would continue a program of providing forage for bison, expand tourist facilities, create a Bison Range Advisory Committee, and construct a drift barrier to help resolve conflicts between farmers and bison.

Senator Bettye Fahrenkamp discussed a proposed amendment by Senator Pappy Moss that would change the location of the drift barrier.

Senator Sturgulewski moved to include Senator Moss's amendment in SB 337. There was no objection.

Senator Bettye Fahrenkamp recommended that the committee staff prepare an amendment clarifying the increased fee for bison hunting permits.

SB 378

Dean Brown, Deputy Director, Division of Agriculture, Department of Natural Resources, testified in support of the bill stating it would give the Department needed guidelines for defining agricultural and industrial fairs.

Senator Mulcahy moved to adopt SB 378 and move it from committee with individual recommendations. There was no objection.

SB 371

Pedro Denton, Director, Division of Mining, Department of Natural Resources, testified in support of the Committee Substitute and recommended an amendment that would establish the rental fee for the first two years of an offshore prospecting permit at \$6/acre.

Senator Ziegler moved adoption of the amendment. There was no objection.

Senator Mulcahy moved the bill from committee with individual recommendations. There was no objection.

The meeting was adjourned at 3:32 pm.

# STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

## DEPARTMENT OF NATURAL RESOURCES

POUCH M  
JUNEAU, ALASKA 99811  
PHONE: 907-465-2400

OFFICE OF THE COMMISSIONER

APR 24 1984

April 23, 1984

The Honorable Al Adams  
Chairman  
House Committee on Finance  
Pouch V  
Juneau, AK 99811

Dear Representative Adams:

I am writing about HCS CSSB 371 (Res), the Title 38 mining bill that has recently been passed out by the House Committee on Resources. Although we have worked closely with legislative staff in the drafting of this bill and generally support it, the Department has two concerns with the bill in its present form.

The bill was drafted to clean up the mining statutes, but amendments along the way have had a more substantive character. I urge the consideration of two amendments that would restore the bill's original character.

Our first concern is with Section 12 of the House CS. The Senate Resources Committee added this section to allow the Commissioner to suspend mining leases under some conditions. However, some critical wording that had been agreed to by the Department and the Alaska Miners Association was left out of the amendment. This wording, shown in the proposed amendment to Section 12 on the attached page, would set certain guidelines for the Commissioner's consideration of an application for a mining lease suspension. Similar language is found in our other leasing statutes and should be incorporated here. I have been assured that this wording is not controversial.

Our second concern is that the Resources Committee eliminated the first year's rental on offshore prospecting permits. At this time, expenses are chargeable against the annual rental anyway, and it is my belief that removal of the first year's rental will do nothing to encourage diligence on the part of the prospector. The fiscal impact on the state will be practically nil because prospectors almost uniformly either prospect their permits and charge their costs against the rental or drop the permit prior to the second anniversary date, when rental for the first two years would fall due under this bill. We are not sure what rental charge would be most equitable to the prospector and the

The Honorable Al Adams

-2-

April 23, 1984

resource, but we are convinced that the already existing rental charge of \$6/acre in the first two years is much more likely to encourage diligence than the new \$3/acre rental adopted in the House Resources Committee Substitute. Our proposed amendment to Section 8 is also attached.

Please contact me if you have any questions about the Department's position on this bill.

Sincerely,

*Esther C. Wunnicke, Deputy*  
Esther C. Wunnicke  
Commissioner

cc: Senator Bettye Fahrenkamp  
Representative John Ringstad

# DNR AMENDMENT 1:

1 compact in form as possible taking into consideration the area in-  
2 volved. The term of the permit shall be 10 [SEVEN] years. Prospect-  
3 ing permits shall be conditioned upon payment of rental against which  
4 credit shall be given for useful expenditures on land covered by the  
5 permit or group of contiguous permits under common ownership or  
6 assignment. Excess expenditures may be applied against rentals due  
7 for the following four [TWO] years. The rental shall be [\$3]<sup>A</sup> per acre  
8 for the first two-year period of the permit, payable on the second  
9 anniversary of the permit and \$3 per acre for each following year,  
10 payable annually on the anniversary date of the permit [AT THE END OF  
11 EACH YEAR]. No minerals from land [LANDS] under a prospecting permit  
12 may be mined and marketed or used, except for limited amounts neces-  
13 sary for sampling or testing. No person may take or hold prospecting  
14 permits for minerals on state land under this section exceeding in the  
15 aggregate 100,000 acres. No person may take or hold leases for miner-  
16 als on state land under this section exceeding in the aggregate 46,080  
17 acres.

18 \* Sec. 9. AS 38.05.250(a) is amended to read:

19 (a) The exclusive right to prospect for deposits of minerals  
20 subject to AS 38.05.185 - 38.05.275 in or on tide and submerged state  
21 land may be granted by a permit issued by the director. Permits shall  
22 be granted to the first qualified applicant. No permit may include an  
23 area larger than 2,560 acres, subject to the rule of approximation.  
24 Lands subject to a prospecting permit shall be as compact in form as  
25 possible taking into consideration the area involved. The term of the  
26 permit shall be 10 years. Prospecting permits shall be conditioned  
27 upon payment of rental against which credit shall be given for useful  
28 expenditures on land covered by the permit or group of contiguous  
29 permits under common ownership or assignment. Excess expenditures may

# DNR AMENDMENT 2:

1 The commissioner may make reasonable adjustments of the rental rate at  
2 the end of each 10-year period. based upon changed conditions in  
3 production costs and market.

4 \* Sec. 12. AS 38.05.250 is amended by adding a new subsection to read:

5 (d) The commissioner may,

✓ { for the purpose of encouraging the  
greatest ultimate recovery of minerals under this section and in the  
interest of conservation,

on the request of the lessee, assent  
6 to the suspension of operation and production under a lease whenever  
7 in the judgment of the commissioner the suspension is necessary to  
8 promote development of the lease or the lease cannot be successfully  
9 operated under its terms. The payment of acreage rental may be sus-  
10 pended during the period of suspension of operation and production.  
11 The suspension of the lease shall extend the term of the lease by  
12 adding the period of suspension to the lease. The commissioner may  
13 extend the term of a nonproducing lease on an application by the  
14 lessee accompanied by a showing that the lessee is reasonably close to  
15 attaining production and that, despite diligent good faith efforts by  
16 the lessee, the lessee is not able to produce due to force majeure,  
17 depressed market conditions, or other situations beyond the reasonable  
18 control of the lessee.



# Alaska State Legislature

HOUSE OF REPRESENTATIVES  
COMMITTEE ON RESOURCES

JOHN RINGSTAD, CO-CHAIRMAN  
RICHARD SHULTZ, CO-CHAIRMAN  
POUCH V  
JUNEAU, ALASKA 99811  
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## MEMORANDUM

TO: House Resources Committee members

From: Committee staff

Date: April 11, 1984

Re: HCSCSSB 371 (Res.)

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