

LEG. FINANCE - BILLS 1985 - 1986 2192

CSSB 152 cont. - SB 157 2192

STATE OF ALASKA



POUCH V
JUNEAU, ALASKA 99811
(907) 465-4941

HOUSE SPECIAL COMMITTEE ON OIL AND GAS

HB 233/CSSB 152

Passage of either HB 233 or its companion bill, CSSB 152, would provide for an emergency three-month extension of the present GVEA royalty oil contract. The best-interest finding of this bill is based on the royalty oil being assigned to MAPCO, and MAPCO in turn selling turbine fuel to GVEA at a discounted price. This discount results in a 1.57% savings to consumers on their electrical costs.

Because this legislation would bypass several procedures relating to the disposition of royalty oil, it is worthwhile to review the events that led to the introduction of this legislation.

- 1976 Negotiations take place between the Department of Natural Resources and GVEA
- 1977 GVEA contract is signed
- 1978 GVEA is eligible to begin receiving royalty oil; contract expires six years from date of first receipt
- 1981 GVEA elects to begin receiving royalty oil, at a rate of 5,000 b/d
- 1982 GVEA request 10-year extension of contract
- 1983 Negotiations take place between the Department of Natural Resources and GVEA; Royalty Board reviews the proposed contract
- 1984 The six-year contract expires, and an emergency one-year contract is signed
- 1985 HB 233 and CSSB 152 would provide for an emergency three-month extension

From
GVEA
2/19/85

GVEA ROYALTY OIL CONTRACT

FACT SHEET

TITLE: Agreement for Sale and Purchase of Royalty Oil

TERM: 3 months

MAJOR FACTS/BENEFITS:

- a. This is a renewal or continuation of GVEA's 1977 royalty oil contract which was the first royalty contract. GVEA is presently receiving oil and has been receiving continuously since 1981.
- b. The contract has specific "In State Processing Requirement".
- c. Guaranteed Benefits:
 - (1) Directly benefits more than 50,000 Interior residents who are consumers of GVEA by providing GVEA a lower price for turbine generator fuel.
 - (2) GVEA's fuel derived from the royalty oil agreement costs 9.7% less than next best competitive alternative.
 - (3) GVEA saves in excess of \$550,000 a year which is passed on directly to the consumer via GVEA's "Cost of Power Adjustment (CPAC)" tariff and has been a credit adjustment on the last 33 monthly electric billings.
- d. Fairbanks area electric consumers are the only major group in Alaska who do not presently benefit from hydro development, power cost assistance, or availability of economical natural gas fuels.
- e. Although approval now seems within our grasp, there have been several delays in the approval of GVEA's contract. We are in a position at this late date where even if the proposed contract is approved immediately, we will lose our oil supply because of the crude oil denomination and re-nomination requirements associated with the lapse of our current contract and implementation of the new contract. When DNR granted our present one year contract, they pledged their best efforts to insure that GVEA would suffer no crude flow interruption. Passage of S.B. 152 will insure that the commitment is kept.
- f. The 3 month lapse would result in \$125,000 to \$135,000 higher electric bills to the GVEA consumer via GVEA's CPAC.

Prepared by:

Senator Coghill's
Office 2/19/85

Golden Valley Electric Assn.

Contract Extension

SB 152

Golden Valley and the State of Alaska negotiated an agreement in 1976 to sell 5,000 barrels per day of royalty oil. Golden Valley requested royalty oil so that crude oil might be used as turbine fuel for power generation if market conditions made the cost prohibitive.

Golden Valley did not exercise its option to purchase until 1981. It assigned its contract rights to Mapco in exchange for a price discount on the turbine fuel.

This price discount, over \$500,000 a year, is passed on to its 50,000 electric customers. The Department of Natural Resources has indicated that continued royalty oil sales to GVEA is in the best interest of the state because it offers maximum benefits to the citizens of the State.

The new Golden Valley contract with the State is a long-term noncompetitive bid contract for 10 years. It is still awaiting final approval. This contract will require legislative approval and will not be ready for that approval until March. It then must be signed by the governor. It becomes effective four months after signing.

The expiration date of the existing contract is June 30, 1985.

As part of the Prudhoe Bay Unit Agreement of April 1, 1971, 90 days notice must be given to the producers to switch from in kind taking to in value for a small volume. This is the nomination/denomination process.

Notice must be given to the producers by March 31, 1985 under the existing contract-- if it expires June 30--in order for the State to return to in value taking.

Essentially with no extension the royalty oil will stop coming to Golden Valley. There will be a gap between the old and new contract. There is a four month waiting period before the new contract takes effect so that the State may notify the producers of its desire to take in kind. In addition to these problems are the procedural requirements found in the bill relating to public notice. Each notice step takes a certain amount of time.

This bill will allow the Golden Valley contract to extend for three months, enough time for the new contract to take effect and keep the prices of turbine fuel down to help lower fuel costs to its customers. The legislation is temporary and expires October 1, a time fixed to coincide with the new contract start-up.

It is not practical at this time to treat the proposed extension as a new disposal due to numerous requirements which would be waived by the proposed CS for SB 152.



MAPCO PETROLEUM INC.
A SUBSIDIARY OF MARCO INC.

480 NORTH BELT
SUITE 111
HOUSTON TEXAS 77060
(713) 931-7860
TELEX 794655

February 15, 1985

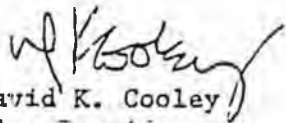
Senator John B. (Jack) Coghill
Alaska State Legislature
Pouch V (MS 3100)
Juneau, Alaska 99811

Dear Senator Coghill:

Mapco would support legislation introduced by yourself and co-sponsored by Senators Bennett and Fahrenkamp, that would extend for three months the term of the royalty oil sale contract between the State of Alaska and Golden Valley Electric Association, Inc. This extension would ensure a steady supply of oil available for processing for Golden Valley's account until the new long term contract is in place.

We appreciate the efforts of the Alaska legislature in this regard.

Very truly yours,


David K. Cooley
Vice President

DKC:jr

jr

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

POUCH M
JUNEAU, ALASKA 99811
PHONE:

February 18, 1985

Senator Arliss Sturgulewski, Chairman
Senate Resources Committee
Alaska State Senate
Pouch V
Juneau, Ak 99811

Dear Senator Sturgulewski:

The attached Extension Amendment has been drafted to accommodate a proposed extension of the current royalty oil contract between the State and Golden Valley Association, Inc., as contemplated by the proposed Committee Substitute for Senate Bill 152. Upon enactment of the legislation (including approval by the Governor), I am prepared to execute the amendment.

Sincerely yours,



Esther C. Wunnicke
Commissioner
Department of Natural Resources

Attachment as stated

cc: Mike Kelly, Golden Valley Electric Assoc., Inc.

1574K

Extension Amendment

The following language amends the agreement for the sale and purchase of royalty oil dated May 9, 1984 between the State of Alaska and Golden Valley Electric Association, Inc.:

ARTICLE VI

TERM

6.1 Term. This Agreement shall become effective upon execution by the parties. Subject to the other provisions contained in this Agreement, Seller's obligation to sell and Purchaser's obligation to buy Royalty Oil shall begin July 1, 1984 and end June 30, 1985.

6.2 Extension of Term. Upon enactment on or before March 28, 1985 or legislation approving and ratifying a three-month extension of this Agreement, Seller's obligation to sell and Purchaser's obligation to buy Royalty Oil shall not end until September 30, 1985, or until the date of first delivery under the agreement for the sale and purchase of Royalty Oil conditionally entered into by Seller and Purchaser on February 8, 1985, whichever comes first. As used in this article, "enactment of legislation" is as defined in AS 01.10.070(f)(4).

6.3 Security for Extension of Term. Seller shall not be obligated to deliver Royalty Oil to Purchaser under any extension of the term of this Agreement if Purchaser fails by March 28, 1985 to deliver to Seller evidence that Seller may issue drafts against Purchaser's Article XV Security instrument up to and including November 30, 1985.

Date: _____

Commissioner
Department of Natural Resources

Date: _____

Golden Valley Electric
Association, Inc.

JUL 14, 1985

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS

ESTIMATED PRODUCTION FOR PRUDHOE BAY AND KUPARUK RIVER UNITS

| YEAR | ESTIMATED TOTAL PRODUCTION (BARRELS PER DAY) | | | ESTIMATED ROYALTY (BARRELS PER DAY) | | | ESTIMATED SALES OF ROYALTY OIL (BARRELS PER DAY) | | | | | | | |
|------|---|-------------------------|-----------|--|--------------------|------------------|---|----------------------|---------------------------|------------------------|------------------------|----------------|----------------------------|-------------------|
| | TOTAL PRUDHOE | (1) TOTAL KUPARUK | TOTAL | PRUDHOE ROYALTY | KUPARUK ROYALTY | TOTAL ROYALTY | MARCO | (2) SVER (OLD) | (3) SVER (PROPOSED) | (4) TESORO (OLD) | (5) TESORO (NEW) | (6) CHEVRON | (7) COMPETITIVE SALE | ROYALTY IN '84 |
| 1984 | 1,522,000 | 120,000 | 1,622,000 | 187,500 | 15,000 | 222,500 | 25,000 | 5,200 | | 23,765 | | 18,000 | | 184 |
| 1985 | 1,522,000 | 120,000 | 1,622,000 | 187,500 | 22,500 | 212,000 | 25,000 | | 5,200 | 45,999 | 25,201 | 18,000 | 65,000 | 15 |
| 1986 | 1,530,000 | 160,000 | 1,682,000 | 187,500 | 22,500 | 212,000 | 25,000 | | 5,000 | 45,999 | 25,201 | 18,000 | | 30 |
| 1987 | 1,472,000 | 160,000 | 1,622,000 | 184,375 | 22,500 | 206,875 | 25,000 | | 4,217 | 45,223 | 25,557 | 17,700 | | 72 |
| 1988 | 1,322,000 | 200,000 | 1,522,000 | 165,625 | 25,000 | 190,625 | 25,000 | | 4,417 | 40,633 | 22,557 | 15,000 | | 71 |
| 1989 | 1,172,000 | 200,000 | 1,372,000 | 146,375 | 25,000 | 171,375 | 25,000 | | 3,917 | 36,323 | 22,557 | 14,100 | | 62 |
| 1990 | 1,250,000 | 200,000 | 1,450,000 | 131,250 | 25,000 | 156,250 | 25,000 | | 3,500 | 32,300 | 19,200 | 12,500 | | 54 |
| 1991 | 950,000 | 200,000 | 1,150,000 | 112,750 | 25,000 | 137,750 | 25,000 | | 3,167 | 29,133 | 16,467 | 11,400 | | 43 |
| 1992 | 850,000 | 200,000 | 1,050,000 | 105,250 | 25,000 | 131,250 | 25,000 | | 2,823 | 25,066 | 14,734 | 10,200 | | 42 |
| 1993 | 722,000 | 200,000 | 922,000 | 93,750 | 25,000 | 118,750 | 25,000 | | 2,520 | 23,200 | 13,200 | 9,200 | | 36 |
| 1994 | 522,000 | 170,000 | 692,000 | 81,250 | 21,250 | 102,500 | 25,000 | | 2,157 | 19,933 | 11,257 | 7,500 | | 26 |
| 1995 | 572,000 | 145,000 | 722,000 | 71,375 | 18,125 | 90,000 | 25,000 | | | | | | | 19 |
| 1996 | 510,000 | 120,000 | 630,000 | 63,750 | 15,000 | 78,750 | 25,000 | | | | | | | 15 |
| 1997 | 460,000 | 100,000 | 560,000 | 57,500 | 12,500 | 72,000 | 25,000 | | | | | | | 14 |
| 1998 | 420,000 | 80,000 | 500,000 | 52,500 | 10,000 | 62,500 | 24,000 | | | | | | | 27 |
| 1999 | 380,000 | 70,000 | 450,000 | 47,500 | 9,375 | 56,875 | 24,000 | | | | | | | 21 |
| 2000 | 340,000 | 65,000 | 405,000 | 42,500 | 8,125 | 50,625 | 24,000 | | | | | | | 18 |
| 2001 | 290,000 | 55,000 | 345,000 | 37,500 | 6,375 | 44,375 | 25,000 | | | | | | | 17 |
| 2002 | 270,000 | 50,000 | 320,000 | 33,750 | 5,250 | 39,000 | 24,000 | | | | | | | 16 |
| 2003 | 240,000 | 40,000 | 280,000 | 30,000 | 4,000 | 34,000 | 25,000 | | | | | | | 15 |
| 2004 | 210,000 | 35,000 | 245,000 | 26,250 | 3,375 | 30,625 | 25,000 | | | | | | | 14 |
| 2005 | 190,000 | 30,000 | 220,000 | 22,500 | 3,125 | 25,625 | 25,000 | | | | | | | 13 |
| 2006 | 160,000 | 25,000 | 185,000 | 19,000 | 2,125 | 21,125 | 25,000 | | | | | | | 12 |
| 2007 | 140,000 | 20,000 | 160,000 | 17,500 | 2,500 | 20,000 | 25,000 | | | | | | | 11 |
| 2008 | 110,000 | 20,000 | 130,000 | 13,750 | 2,500 | 16,250 | 25,000 | | | | | | | 10 |
| 2009 | 80,000 | 18,000 | 98,000 | 10,000 | 1,250 | 11,250 | 25,000 | | | | | | | 9 |
| 2010 | 50,000 | 10,000 | 60,000 | 6,250 | 1,250 | 7,500 | 25,000 | | | | | | | 8 |

- NOTES:
- (1) OUR ESTIMATE OF FIELD PERFORMANCE, OCTOBER 1984.
 - (2) MOST OF THIS VOLUME (ABOUT 25,000 BPD), WHICH IS CURRENTLY BEING TAKEN "IN VALUE," WAS SOLD COMPETITIVELY FOR DELIVERY APRIL 1, 1985 THRU SEPT. 31, 1985. ON OCTOBER 1, 1985 IT IS ANTICIPATED THAT TESORO WILL COMMENCE DELIVERIES UNDER ITS 12/9/83 PRUDHOE CONTRACT, WHICH HAS A MAXIMUM QUANTITY OF 13.36% OF DAILY PRUDHOE ROYALTY OIL AND EXPIRES JAN. 1, 1992.
 - (3) CHEVRON'S CONTRACT CALLS FOR A MAXIMUM QUANTITY OF 3.6% OF DAILY PRUDHOE ROYALTY OIL. THE CONTRACT EXPIRES JANUARY 1, 1992.
 - (4) TESORO'S CURRENT CONTRACT CALLS FOR A MAXIMUM QUANTITY OF 24.50% OF DAILY PRUDHOE ROYALTY OIL LESS COOK INLET ROYALTY PRODUCTION. THE QUANTITY IS 21.20% IN 1984, AND WILL BE 21.25% STARTING JAN. 1, 1985. THIS CONTRACT WILL BE INCREASED TO ITS MAXIMUM QUANTITY ON OCTOBER 1, 1985 DUE TO CANCELLATION OF THE COOK INLET CONTRACT ON THAT DATE. THE CONTRACT EXPIRES JANUARY 1995.
 - (5) DELIVERIES WILL COMMENCE APRIL 1, 1985 FOR 50,000 BPD OF PRUDHOE BAY UNIT ROYALTY OIL AND 15,000 BPD OF KUPARUK RIVER UNIT ROYALTY OIL, AND WILL CONTINUE FOR ONE-YEAR, AND SIX-MONTH PERIODS, RESPECTIVELY, AS A RESULT OF THE FEB. 11, 1984 COMPETITIVE SALE. PRIOR TO THAT TIME THIS OIL REMAINS "IN VALUE."

(2) state location and status of all past and present activities on the lease;

(3) include a detailed report of all production during the six months preceding the filing of the application;

(4) contain a detailed statement covering the entire life of the lease showing all expenses and costs of operating the lease including all royalties and overriding royalties and all income from all produced minerals from the lease; and

(5) include an agreement by the applicant to defray the cost of publishing a notice as provided in (b) of this section.

(b) Upon receipt of an application complying with (a) of this section, the commissioner will cause to be published a notice of public hearing if required on the application. The notice must

(1) state the time and place of hearing;

(2) describe the lands involved; and

(3) state the name of the applicant and the nature of the relief applied for.

(c) The notice must be published at least once a week for at least two consecutive weeks in advance of the hearing date, which must be at least 15 days after the last date of publication, in at least one newspaper of general circulation in the vicinity of the principal office of the department, and must be posted at that office for the same period.

(d) At the time and place specified in the published notice, the commissioner will hear evidence offered by the applicant and any other interested party.

(f) The commissioner must give notice of the findings and determination to the lessee and to any other person who has filed a written request for it. The action taken is effective on the date specified in the notice. (Eff. 9/5/74, Reg. 51; am 7/22/79, Reg. 71)

Authority: AS 38.05.020
AS 38.05.140
AS 38.05.145(a)

11 AAC 82.670. SUSPENSION OF

PRODUCTION OR OPERATIONS. (a) Applications for suspension of production or operations under AS 38.05.140 must comply with 11 AAC 38.105 and must contain complete information showing the necessity or justification for the suspension.

(b) Whenever the commissioner takes an action under AS 38.05.140, he will give notice to the lessee, specifying the action taken, the effective date of it, and the duration of any suspension, and note the action in the status record.

(c) No lease expires because operations or production or both are suspended under any order or with the assent of the commissioner. (Eff. 9/5/74, Reg. 51; am 7/22/79, Reg. 71)

Authority: AS 38.05.020
AS 38.05.140
AS 38.05.145(a)

11 AAC 82.675. EFFECTIVE DATE OF LEASES AND PERMITS. The effective date of a lease or permit is the first day of the month following the date on which the lease or permit was signed on behalf of the state or upon prior written request on the first day of the month in which it was signed on behalf of Alaska. (Eff. 9/5/74, Reg. 51)

Authority: AS 38.05.020
AS 38.05.145(a)

ARTICLE 7.
ROYALTY PRODUCTS

- Section
- 700. Taking royalty in kind
 - 705. Bidding method
 - 710. Notice of sale
 - 715. Qualifications

11 AAC 82.700. TAKING ROYALTY IN KIND. Royalty products taken in kind as provided by AS 38.05.182 must be taken pursuant to the provisions of the lease which reserves the royalty to the state. If no provision is made in the lease or in the regulations dealing with the products to be taken, all or any portion of the state's share may, at the option of the commissioner, be taken in kind in accordance with the following:

(1) 90 days' written notice will be given to

each lessee of the state's election to take the royalty products in kind; however, if the proportion of the state's share to be taken in kind exceeds 50 percent of the state's share, 180 days' notice will be given;

(2) after taking has actually commenced, the amount to be taken in kind may be increased or decreased from time to time by not more than 10 percent upon 30 days' written notice to each lessee of record, from 10 percent to 50 percent upon 90 days' written notice, and over 50 percent upon 180 days' written notice;

(3) the products must be delivered to the state or its designated purchaser free of charge at the point provided in the lease for determination of the value of the royalty product if the production to be taken were paid in money rather than taken in kind; the condition of the product must be the same as the non-royalty share at the point of taking; the lessee shall, if necessary, furnish safe storage for the royalty share free of charge for the same duration and in the same manner as storage is provided for the non-royalty share; when all or part of the royalty product to be taken consists of gas, the commissioner will take into consideration the effect this taking may have on the long-term gas supply contracts that the lessee has entered into. (Eff. 9/5/74, Reg. 51; am 7/22/79, Reg. 71)

Authority: AS 38.05.020
AS 38.05.145(a)
AS 38.05.182

11 AAC 82.705. BIDDING METHOD. Royalty products which the commissioner determines are to be sold by competitive bid will be offered for sale by sealed bid or at public auction. (Eff. 9/5/74, Reg. 51; am 7/22/79, Reg. 71)

Authority: AS 38.05.020
AS 38.05.145(a)
AS 38.05.183

11 AAC 82.710. NOTICE OF SALE. If the commissioner determines that royalty products will be offered for competitive sale, notice of the sale will be given as provided by AS 38.05.345. The notice must specify all the terms and conditions of the sale, including the royalty products to be sold, bidding method, bond requirements, sale place and time, minimum bid, if prescribed, and any other term or condition which the commissioner determines necessary

to carry out the purposes of AS 38.05.183. (Eff. 9/5/74, Reg. 51; am 7/22/79, Reg. 71; am 3/18/83, Reg. 85; am 3/30/83, Reg. 85)

Authority: AS 38.05.020(b) AS 38.05.145
AS 38.05.135(b) AS 38.05.180

11 AAC 82.715. QUALIFICATIONS. A purchaser of the state royalty products must comply with the qualification requirements of 11 AAC 82.200 and must supply the showing of qualification required of mineral permittees and lessees by 11 AAC 82.205. (Eff. 9/5/74, Reg. 51; am 7/22/79, Reg. 71)

Authority: AS 38.05.020
AS 38.05.145(a)

ARTICLE 3. RECORDS AND REPORTS

Section

- 800. Production records
- 805. Test results
- 810. Confidentiality of data
- 815. Cross-referencing

11 AAC 82.800. PRODUCTION RECORDS. (a) Mineral lessees of state land shall keep in their possession accurate books and records showing the production and disposition of all minerals produced from the leased land and shall permit the commissioner or his agents at all reasonable hours to examine them.

(b) The commissioner will, in his discretion, require copies of sales contracts and other agreements with the first bona fide purchaser affecting produced minerals which are subject to royalties. (Eff. 9/5/74, Reg. 51; am 7/22/79, Reg. 71)

Authority: AS 38.05.020(b)(1)
AS 38.05.145(a)

11 AAC 82.805. TEST RESULTS. The lessee of a state-issued mineral lease shall furnish, upon request of the commissioner, a copy of all geological, geophysical, engineering, and other factual data obtained from the lease, including all pertinent tests, records, surveys, and analyses conducted on or pertaining to the leased land or products from it, but not including interpretations of these items or proprietary research data

§ 38.06.050

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§ 38.06.055

PUBLIC LANDS

§ 38.06.055

Effect of amendments. — The 1980 amendment, in subsection (a), substituted "If legislative approval is required by AS 38.06.055, a" for "No" at the beginning of the subsection, inserted "not" preceding "be made by" near the middle of the first sentence, deleted "the" following "AS 38.05.183 without" near the middle of the first sentence, substituted "review of the proposed sale, exchange, encumbrance or other disposition by" for "written approval of" in the first sentence, and added the second sentence; in subsection (b), deleted "not" following "oil or gas may," substituted "if" for "without the" preceding

"prior written," and substituted "notice of the proposed disapproval is given to" for "approval of"; in subsection (c), substituted "unless" for "without the" preceding "prior written," and substituted "notice of proposed waiver is given to" for "approval of"; and deleted former subsection (d), which read: "The board may require conditions relating to the sale, delivery, transportation, or refining or processing within the state to be included by the commissioner of natural resources in the offer of and sale by competitive bidding of oil or gas obtained by the state as royalty under AS 38.05.182."

NOTES TO DECISIONS

Stated in McKinnon v. Alpetco Co.,
Sup. Ct. Op. No. 2413 (File No. 5543), 633
P.2d 281 (1981).

Sec. 38.06.055. Legislative approval. (a) In addition to the recommendation by the board required under AS 38.06.050, the commissioner of natural resources may not enter into a sale, exchange, or other disposition of oil or gas or of the rights or waiver of the rights to receive future production of royalty oil or gas under AS 38.05.183 without the prior approval of the legislature. The legislature may approve a sale, exchange, or other disposition of oil or gas or of the rights or of a waiver of the rights to receive future production of royalty oil or gas only by enacting legislation.

(b) The provisions of (a) of this section do not apply to

(1) the sale, exchange, or other disposition of oil or gas for one year or less if the sale, exchange, or other disposition is entered into to relieve storage or market conditions;

(2) contracts for the sale of state-owned royalty gas or oil that specify the sale and delivery of not more than

(A) 400 barrels of crude oil per day;

(B) 460 barrels of natural gas liquids per day; and

(C) 2,400 Mcf of natural gas per day.

(c) A sale, exchange, or other disposition of oil or gas made under (b)(1) of this section may not be continued after the end of one year or renewed with the same party to provide relief for market or storage conditions without the prior approval of the legislature under (a) of this section. (§ 2 ch 9 SSSLA 1974; am § 2 ch 146 SLA 1977; am § 1 ch 12 SLA 1978; am § 6 ch 112 SLA 1980)

Effect of amendments. — The 1980 amendment rewrote the section.

Opinions of attorney general. — The legislature may not conditionally approve a contract since such conditional accep-

tance is in law a rejection of the offer and the contract would have to be returned for renegotiation. February 23, 1977. Op. Att'y Gen.

§ 38.05.035

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PUBLIC LANDS

§ 38.05.035

(5) when the director determines it is in the best interest of the state and will avoid injustice to a person or the heirs or devisees of a person, dispose of land, by direct negotiation to that person who presently uses and who used and made improvements to that land before January 3, 1959 or to the heirs or devisees of the person; the amount paid for the land shall be its fair market value on the date that the person first entered the land, as determined by the director; a parcel of land disposed of under this paragraph shall be of a size consistent with the person's prior use, but may not exceed five acres;

(6) dispose of an interest in land limited to use for agricultural purposes by lottery;

(7) convey to an adjoining landowner for its fair market value a remnant of land that the director considers unmanageable or a parcel of land created by a highway right-of-way alignment or realignment, or a parcel created by the vacation of a state-owned right-of-way if

(A) the director determines that it is in the best interests of the state;

(B) the parcel does not exceed the minimum lot size under an applicable zoning code; and

(C) the director and the platting authority having land use planning jurisdiction agree that conveyance of the parcel to the adjoining landowner will result in boundaries that are convenient for the use of the land by the landowner and compatible with municipal land use plans;

(8) for good cause extend for up to 90 days the time for rental or installment payments by a lessee or purchaser of state land under this chapter if reasonable penalties and interest set by the director are paid;

(9) quitclaim land or an interest in land to the federal government on a determination that the land or the interest in land was wrongfully or erroneously conveyed by the federal government to the state.

(c) A parcel of land may be conveyed under (b) of this section without classification or reclassification under AS 38.05.300.

(d) A parcel of land described in (b) (7) of this section must be sold at its fair market value as determined by the director on the basis of an appraisal completed as provided in AS 38.05.840. Nothing in this subsection prevents the sale of land under AS 38.05.055 or 38.05.057 to a person not qualifying as an adjoining landowner if the adjoining landowner declines to purchase the land.

(e) Upon a written finding that the interests of the state will be best served the director may, with the consent of the commissioner, approve contracts for the sale, lease, or other disposal of available land, resources, property or interests in them, and, in addition to the conditions and limitations imposed by law, may impose additional conditions or limitations in the contracts as the director determines, with the consent of the commissioner, will best serve the interests of the state. A contract for the sale, lease, or other disposal of available land or an interest in land is not legally binding on the state until the

commissioner approves the contract but if the appraised value is not greater than \$50,000 in the case of the sale of land or an interest in land, or \$5,000 in the case of the annual rental of land or interest in land, the director may execute the contract without the approval of the commissioner. Before a public hearing, if held, or in any case no less than 21 days before the sale, lease, or other disposal of available land, property, resources, or interests in them, the director shall make available to the public a written finding that sets out the facts and applicable law upon which the determination that the sale, lease, or other disposal will best serve the interests of the state was based. A written finding is not required before the approval of

- (1) a contract for a negotiated sale authorized under AS 38.05.115;
- (2) a lease of land for a shore fishery site under AS 38.05.082;
- (3) a permit or other authorization revocable by the commissioner;
- (4) a mineral claim located under AS 38.05.195;
- (5) a mineral lease issued under AS 38.05.205; or
- (6) a production license issued under AS 38.05.207.

(f) The director shall grant a preference right to the purchase or lease without competitive bid of up to five acres of state land to an individual who has erected a building on the land and used the land for bona fide business purposes for five or more years under a federal permit or without the need for a permit and, after selection by the state, under a state use permit or lease, if the business produced no less than 25 percent of the total income of the applicant for the five years preceding the application to purchase or lease the land. The director shall sell or lease the land at a price determined by the director to represent the current fair market value of the unimproved land but in no event less than the cost of administration including survey if required. If the director determines in a written finding that the purchase or lease of the land would interfere with public use by residents of the area, the director may condition the purchase or lease to mitigate the adverse effects on the public use or may reject the application for the preference right. A lease granted under this subsection may not be for a period in excess of 50 years. In this subsection, "business purposes" means a purpose permitted under the classification of the land at the time the land was entered. (§ 5 art II ch 169 SLA 1959; am § 1 ch 57 SLA 1960; am §§ 2 — 4 ch 61 SLA 1960; am § 1 ch 55 SLA 1962; am § 1 ch 56 SLA 1964; am § 1 ch 98 SLA 1964; am § 1 ch 5 SLA 1965; am § 1 ch 58 SLA 1965; am § 1 ch 194 SLA 1968; am § 1 ch 164 SLA 1972; am §§ 2, 3 ch 257 SLA 1976; am §§ 1, 2 ch 176 SLA 1978; am § 15 ch 181 SLA 1978; am § 20 ch 182 SLA 1978; am § 1 ch 61 SLA 1980; am §§ 9 — 13 ch 113 SLA 1981; am §§ 19, 20, 88 ch 152 SLA 1984)

Revisor's notes. -- In 1981, in subsection (b) (7), the word "convey" was substituted for "dispose" at the beginning of the paragraph and in subsection (d), the words "of land" were added following "parcel" under AS 01.05.031.

Effect of amendment AS 38.05.035 graph (a)(9) The 1981 "50,000" for case of the "5,000" for case of the an tuted semico "the written "before a publ finding is not of" following added subpar subsection (a) amendment a date of origin price was not s "a price deter subsection (b) tuted "on the entered the li preceding "as c The amendmer and (8) of subs tions (c) and (e

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The leasing governed by by the commiss Natural Resou 38.05.020(b)(1), tor of the Divis subsection (a)(3 Kelly, Sup. Ct. 1416, 1418), 49; Construction reserving right Provision in a of Alaska, Divi reserving the ri or right-of-way z was construed t transfer of a rig ment of Tran Facilities, West Hwys., Sup. Ct. 2834), 562 P.2d

§ 38.05.182

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§ 38.05.183

PUBLIC LANDS

§ 38.05.183

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What constitutes "royalty" on oil or gas
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Solid mineral royalty under mining
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Rights of parties to oil and gas lease or
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where production temporarily ceases, 100
ALR2d 885.

Sec. 38.05.183. Sale of royalty. (a) The sale, exchange or other
disposal of a mineral obtained by the state as a royalty under AS
38.05.182, or the sale, exchange or other disposal in whole or in part
of a right to receive future mineral production under a state lease
under this chapter, shall be by competitive bid and the sale, exchange
or other disposal made to the highest responsible bidder, except that
competitive bidding is not required when the commissioner, after prior
written notice to the Alaska Royalty Oil and Gas Development
Advisory Board under AS 38.06.050, determines that the best interest
of the state does not require it or that no competition exists.

(b) When competitive bids are required, the commissioner, after
prior written notice to the Alaska Royalty Oil and Gas Development
Advisory Board, may reject all bids on a determination that because of
the amount of the bids, the lack of responsibility on the part of the
bidders, or for reasons consistent with the criteria set out in AS
38.06.070, the acceptance of the bids would not be in the best interest
of the state.

(c) If the commissioner determines that a sale, exchange or other
disposal of a mineral obtained by the state as a royalty under AS
38.05.182 or of a right to receive future mineral production under a
state lease under this chapter shall be made otherwise than by competi-
tive bid, and the Alaska Royalty Oil and Gas Development Advisory
Board has been notified in writing of that determination, the commis-
sioner shall make public in writing the specific findings and conclu-
sions upon which that determination is based.

(d) Oil or gas taken in kind by the state as its royalty share may not
be sold or otherwise disposed of for export from the state until the
commissioner determines that the royalty-in-kind oil or gas is surplus
to the present and projected intrastate domestic and industrial needs.
The commissioner shall make public, in writing, the specific findings
and reasons on which the determination is based and shall, within 10
days of the convening of a regular session of the legislature, submit a
report showing the immediate and long-range domestic and industrial
needs of the state for oil and gas and an analysis of how these needs are
to be met.

(e) When a sale, exchange or other disposal of oil or gas taken in kind by the state as its royalty share, or a sale, exchange or other disposal in whole or in part of a right to receive future royalty oil or gas, under a state lease under this chapter is made other than by competitive bid, the sale, exchange or other disposal shall be awarded by the commissioner to the prospective buyer whose proposal offers the maximum benefits to citizens of the state. The commissioner shall consider

- (1) the cash value offered;
- (2) the projected effects of the sale, exchange or other disposal on the economy of the state;
- (3) the projected benefits of refining or processing the oil or gas in the state;
- (4) the ability of the prospective buyer to provide refined products or by-products for distribution and sale in the state with price or supply benefits to the citizens of the state; and
- (5) the criteria listed in AS 38.06.070(a).

(f) The commissioner may not enter into a contract for the sale of royalty oil unless the contract provides that any material amendment to the contract that appreciably reduces the consideration received by the state requires prior approval of the legislature. (§ 1 ch 56 SLA 1970; am § 3 ch 9 SSSLA 1974; am §§ 9, 10 ch 112 SLA 1980; am § 2 ch 68 SLA 1984; am § 2 ch 105 SLA 1984)

Revisor's notes. — Enacted as AS 38.05.363. Renumbered in 1970.

Effect of amendments. — The 1980 amendment, in subsection (a), substituted "after prior written notice to" for "with the prior written approval of" and "under AS 38.06.050" for "where applicable," near the end of the subsection; in subsection (b), substituted "after prior written notice to" for "with the prior written approval of"; in

subsection (c), substituted "has been notified in writing of" for "where applicable has approved"; in subsection (d), deleted "with the approval of the Alaska Royalty Oil and Gas Development Advisory Board" following "until the commissioner"; and added subsection (e).

The 1984 amendments added an identical subsection (f).

NOTES TO DECISIONS

Waiver of competitive bidding. — An initial waiver of competitive bidding and a second waiver at the time of amendment removed any obligation to open the

contract to competitive bidding. *McKinnon v. Alpetco Co.*, Sup. Ct. Op. No. 2413 (File No. 5546), 633 P.2d 281 (1981).

Sec. 38.05.184. Limitation on oil and gas leases in certain areas, and reacquisition of leases. (a) The legislature finds that Kachemak Bay is an area of extraordinary abundance and diversity of marine life that has provided, and will continue to provide in the future, a basis for one of the state's most important commercial fisheries; that recent information discloses that even minute quantities of oil released into the marine environment may be harmful to the larval forms of crabs and other marine life and that the existence of

gyral current into contact and that this presents a

(b) No action or any other production mean higher the perimeter three miles west of line of Anchorage

(c) The cost purchase in oil or gas lease which were

(d) In lieu of interest, the plus interest seller to be permit fees, new production and gas development reimburse in lessee to the for expenses

(e) For a period of the first period is longer state oil and gas shall suspend oil and gas exploration and Game and the living resource drilling activities to negotiate for The lease period shall be extended moratorium.

(f) In the event satisfactory production the commissioner development of leases through

(B) the rights to receive future oil or gas production under state leases; and

(4) recommend to the commissioner of natural resources the conditions relating to the sale, delivery, transportation, refining or processing of oil or gas which the commissioner may include in the offer and sale of oil or gas obtained by the state as royalty under AS 38.05.182.

(b) The board may

(1) direct the commissioner of natural resources to solicit development plans or bids consistent with the criteria set out in AS 38.06.070 for

(A) the sale, exchange or other disposal of oil or gas obtained by the state as royalty under AS 38.05.182; or

(B) the sale, exchange or other disposal of all or a portion of the rights to receive future oil or gas production under a state lease;

(2) employ an executive director, and contract for the services of professionals, persons with knowledge of economics and other disciplines, and persons with technical skills who may be necessary to assist the board in the exercise of its powers and duties; and

(3) adopt regulations under the Administrative Procedure Act (AS 44.62) that are necessary for the exercise of its powers and duties. (§ 2 ch 9 SSSLA 1974; am § 4 ch 112 SLA 1980)

Effect of amendments. — The 1980 amendment rewrote the section.

Sec. 38.06.050. Board review and recommendation required.

(a) If legislative approval is required by AS 38.06.055, a sale, exchange, encumbrance, or other disposition of oil or gas or of the rights or waiver of the rights to receive future production of royalty oil or gas may not be made by the commissioner of natural resources under AS 38.05.183 without prior review of the proposed sale, exchange, encumbrance or other disposition by the board. A written recommendation of the board on the proposed sale, exchange, encumbrance or other disposition of oil or gas or of the rights or waiver of the rights to receive future production of royalty oil or gas shall be submitted to the legislature at the time a resolution approving the proposed sale, exchange, encumbrance or other disposition is introduced in the legislature.

(b) Bids or applications for the purchase of royalty oil or gas may be rejected by the commissioner of natural resources if prior written notice of the proposed disapproval is given to the board.

(c) Competitive bidding in a sale, exchange or other disposition described in (a) of this section may not be waived by the commissioner of natural resources under AS 38.05.183 unless prior written notice of proposed waiver is given to the board.

(d) [Repealed.] (§ 2 ch 9 SSSLA 1974; am § 5 ch 112 SLA 1980)

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LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

March 4, 1985

SUBJECT: Constitutionality of HB 233
TO: House Special Committee on Oil and Gas
FROM: Randall J. Moen *RJM*
 Legislative Counsel

You have asked whether section 1 of HB 233 violates Article II, section 19 of the Alaska Constitution. In my opinion it does not.

Section 1 of HB 233 temporarily waives certain provisions of law relating to a particular type of sales of state royalty oil. It states:

The following provisions of law do not apply to an extension or renewal of not more than three months of a sale of oil subject to approval by the legislature under AS 38.06.055(c): (1) AS 38.05.035(e); (2) AS 38.05.183(a), (c), and (e); and (3) AS 38.06.050.

Article II, section 19 of the Alaska Constitution reads in part, "The legislature shall pass no local or special act if a general act can be made applicable." Two questions emerge: Is the language of section 1 of HB 233 of a special or local nature, and if so, can a general act be made applicable? I will only address the first question.

The two leading Alaska cases regarding Article II, section 19 of the Alaska Constitution are State v. Abrams, 534 P.2d 91 (1975) and State v. Lewis, 559 P.2d 630 (1977). Abrams, supra, dealt with a law giving Eagle River special incorporation privileges. In Lewis, supra, the court was faced with a law waiving other laws for a particular three way land exchange agreement. Both cases are similar in that they dealt with acts which on their face were applicable to only one entity or party or locale. This can be distinguished from section 1 of HB 233 which may apply to anyone or anywhere in general. It is not limited to any one entity or

Representative Mike Davis
March 4, 1985
Page 2

party or locale. Therefore, section 1 is not a "special or local" act under Article II, section 19 of the Alaska Constitution.

RJM:ojb
J12/051

Offered: 2/21/85
Referred: Finance

Original sponsors: Coghill, Bennett
and Fahrenkamp

1 IN THE SENATE BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 152 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to extension and renewal of certain
7 sales of state royalty oil; and providing for an
8 effective date."

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

10 * Section 1. The following provisions of law do not apply to an exten-
11 sion or renewal of not more than three months of a sale of oil that is
12 subject to approval by the legislature under AS 38.06.055(c):

13 (1) AS 38.05.035(e);

14 (2) AS 38.05.183(a), (c), and (e); and

15 (3) AS 38.06.050.

16 * Sec. 2. A three-month extension of the "Agreement for the Sale and
17 Purchase of Royalty Oil between the State of Alaska and Golden Valley
18 Electric Association, Inc.," dated May 9, 1984, is hereby approved and
19 ratified.

20 * Sec. 3. Section 1 of this Act is repealed October 1, 1985.

21 * Sec. 4. This Act takes effect immediately in accordance with AS 01.-
22 10.070(c).

Introduced: 2/12/85
Referred: Resources

1 IN THE SENATE

BY COGHILL

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SENATE BILL NO. 152

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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FOURTEENTH LEGISLATURE - FIRST SESSION

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A BILL

6 For an Act entitled: "An Act relating to extension and renewal of certain
7 sales of state royalty oil; and providing for an
8 effective date."

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

10 * Section 1. AS 38.06.050 is amended by adding a new subsection to
11 read:

12 (e) Review and recommendation by the board is not required for
13 an extension or renewal of not more than three months of a sale of oil
14 that is subject to approval by the legislature under AS 38.06.055(c).

15 * Sec. 2. A three-month extension of the "Agreement for the Sale and
16 Purchase of Royalty Oil between the State of Alaska and Golden Valley
17 Electric Association, Inc.," dated May 9, 1984, is hereby approved and
18 ratified.

19 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
20 10.070(c).

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ALASKA ADMINISTRATIVE JOURNAL

VOLUME 1P, ISSUE 36
APRIL 15, 1985



Stephen McAlpine, Lieutenant Governor

ALASKA ADMINISTRATIVE JOURNAL

FOREWORD

Under Chapter 45, SLA 1983, the Lieutenant Governor's Office is publishing, by means of the legislative data processing system, the ALASKA ADMINISTRATIVE JOURNAL on a bi-weekly basis. This is a project to assess the public interest in such a publication. In addition, the Lieutenant Governor's Office is publishing this paper edition of the Journal on a bi-weekly basis to assist in making that assessment.

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ALASKA ADMINISTRATIVE JOURNAL
OFFICE OF THE LIEUTENANT GOVERNOR
VOLUME 1P, ISSUE 36, April 15, 1985

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OFFICE OF THE GOVERNOR

I. NOTICES OF PROPOSED REGULATIONS

(None this publication.)

II. AGENCY MEETINGS

Alaska Land Use Council's Land Use Advisors Committee

Tuesday, April 16, 1985, 9:00 a.m. The Alaska Land Use Council's Land Use Advisors Committee will meet in the Council's Conference Room, 1689 C Street, Suite 107, Anchorage, Alaska. The purpose of the meeting will be to develop items for inclusion in the Council's 1985-86 Work Program and to review and make recommendations with regards to the agenda for the upcoming May 15, 1985 Council meeting.

Contact: Marvin S. Frankel, State Staff Coordinator, 1689 "C" Street, Suite 100, Anchorage, Alaska, 99501, (907)272-3422

Alaska Land Use Council's Staff Committee

Wednesday, April 24, 1985, 9:00 a.m. The Alaska Land Use Council's Staff Committee will meet in the Council's Conference Room, 1689 "C" Street, Suite 107, Anchorage, Alaska. The purpose of the meeting is to finalize the agenda for the upcoming May 15, 1985 Council meeting.

Contact: Marvin S. Frankel, State Staff Coordinator, 1689 "C" Street, Suite 100, Anchorage, Alaska, 99501, (907)272-3422

Alaska Land Use Council/Land Use Advisors Committee

Wednesday, May 15, 1985, 11:00 a.m. The Alaska Land Use Council will meet in the Council's Conference Room, 1689 "C" Street, Suite 107,

Anchorage, Alaska. The proposed agenda will include Council consideration of Long Range Goals and Objectives 1985-90; Council Work Program 1985-86; Kenai, Becharof, and Izembek National Wildlife Refuge Comprehensive Conservation Plans; Outfitter/Guide Policy Recommendations; Conservation System Unit Management Plan Implementation, Memorandum of Understanding, Gulkana Wild and Scenic River; and Upland Oil and Gas Leasing Project Group Report.

The Alaska Land Use Council meeting will be preceded by a joint session with the Council's Land Use Advisors Committee beginning at 9:00 a.m., and lasting approximately two hours. The Land Use Advisors Committee will present recommendations to the Council on the 1985-86 Work Program and discuss state/federal land use planning activities in Alaska. The Council's meeting will immediately follow this joint session.

Contact: Marvin S. Frankel, State Staff Coordinator, 1689 "C" Street, Suite 100, Anchorage, Alaska, 99501, (907)272-3422

III. COMPETITIVE BIDS

(None this publication.)

IV. PUBLIC NOTICES

Alaska Land Use Council

As required by the Alaska National Interest Lands Conservation Act (ANILCA), Public Law 96-487, dated December 2, 1980, Section 1201, Paragraph (h), the Alaska Land Use Council will meet at 11:00 a.m., Wednesday, May 15, 1985, in the Council Conference Room, located at 1689 "C" Street, Room 107, Anchorage, Alaska.

The agenda will include Council consideration of Long Range Goals and Objectives 1985-90; Council Work Program 1985-86; Kenai, Becharof, Izembek and Togiak National Wildlife Refuge Comprehensive Conservation Plans; Outfitter/Guide Policy Recommendations; Conservation System Unit Management Plan Implementation, Memorandum of Understanding, Gulkana Wild and Scenic River; Upland Oil and Gas Leasing Project Group Report.

The Alaska Land Use Council meeting will be preceded by a joint session with the Council's Land Use Advisors Committee beginning at 9:00 a.m., and lasting approximately two hours. The Land Use Advisors Committee will present recommendations to the Council on the 1985-86 Work Program and discuss state/federal land use planning activities in Alaska. The Council's meeting will immediately follow this joint session.

For further information contact:

Alaska Land Use Council
P.O. Box 100120
Anchorage, Alaska 99510-0120
(907) 272-3422

The public is invited to attend.

V. EXECUTIVE ORDERS AND ADMINISTRATIVE ORDERS

(None this publication.)

VI. DELEGATIONS OF AUTHORITY

(None this publication.)

VII. ADOPTED REGULATIONS TEXT OR SUMMARY OF TEXT

(None this publication.)

VIII. NOTICES OF PROFESSIONAL SERVICES CONTRACTS

(None this publication.)

IX. BOARDS AND COMMISSIONS VACANCIES

ACTION LIST AS OF APRIL 10, 1985

(For further information on the following vacancies, please contact Boards and Commissions Section, Office of the Governor, Pouch A, Juneau, AK 99811, Phone: 465-3651)

FD - FINANCIAL DISCLOSURE LC - LEGISLATIVE CONFIRMATION

| BOARD | POSITION | FD | LC |
|----------------------------|--------------------|----|----|
| Accountancy Board | Public | | LC |
| Accountancy Board | CPA/PA | | LC |
| Barbers and Hairdressers | Hairdresser | | LC |
| Block Grants | E/Administrator | | |
| Block Grants | B/Class Teacher | | |
| Broadcasting Commission | Public/Restricted | FD | |
| Employment Security | Employee Rep. | FD | |
| Libraries Advisory Council | Library User | | |
| Libraries Advisory Council | Library User | | |
| Libraries Advisory Council | Library User | | |
| Local Boundary Commission | Public at Large | FD | |
| Medical Board | Physician | | LC |
| Medical Board Public | | | LC |
| Medical Facility Authority | Interior Region | FD | |
| Medical Facility Authority | Southcentral Reg. | FD | |
| Nursing Board Public | | | LC |
| Pharmacy Pharmacist | | | LC |
| Pharmacy Public | | | LC |
| Pioneers' Homes Advisory | Public | | |
| Railroad Labor Relations | Management | | LC |
| Seafood Marketing | Fish/Commercial | FD | |
| Seafood Marketing | Processor/Major | FD | |
| Statewide Health Council | 15 Public/Consumer | | |

Veterinary Examiners
Veterinary Examiners

Veterinarian
Public

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X. ATTORNEY GENERAL OPINIONS

(Computerized access to summaries of Attorney General Opinions is available. Instruction material can be obtained by calling the Civil Office of the Department of Law in Juneau at 465-3600. Summaries of recently indexed Attorney General Opinions are shown under the Department of Law.)

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VOLUME 1P, ISSUE 36, April 15, 1985

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DEPARTMENT OF ADMINISTRATION

I. NOTICES OF PROPOSED REGULATIONS

(None this publication.)

II. AGENCY MEETINGS

(None this publication.)

III. COMPETITIVE BIDS

Invitations for Bids
Issued March 27-April 8, 1985
Division of General Services and Supply, Anchorage office,
phone (907) 561-4377:

Bid No. 50421, Purchasing Agent Dave Cechowski.
Opening date April 23, 1985.
Tableware, phone (907) 561-4377.

Bid No. 50427, Purchasing Agent Del Simpson.
Opening date April 24, 1985.
Moose feed, phone (907) 561-4377.

Bid No. 50426, Purchasing Agent Dave Cechowski.
Opening date April 25, 1985.
Maintenance and janitorial services for Chugach State Park, phone
(907) 561-4377.

Bid No. 50432, Purchasing Agent Maury Pierce.
Opening date April 26, 1985.
Printing services to provide Bedrock Geology along Dalton Highway,
Yukon River to Prudhoe Bay, for Natural Resources, (907) 561-4377.

Bid No. 50437, Purchasing Agent Diane Kochendorfer.
Opening date April 26, 1985.
Meats for Juneau Correctional Center, phone (907) 561-4377.

Bid No. 50396, Purchasing Agent Diane Kochendorfer.
Opening date April 30, 1985.
Purchase of trailers for the Department of Transportation and Public Facilities, phone (907) 561-4377.

Bid No. 50441, Purchasing Agent Del Simpson.
Opening date May 1, 1985.
Printing services to provide Alaska Student Loan Promissory Note forms, phone (907) 561-4377.

Bid No. 50425, Purchasing Agent Maury Pierce.
Opening date May 3, 1985.
Print and distribute Alaska Student Loan Program repayment coupons, phone (907) 561-4377.

Invitations for Bids
Issued March 27-April 8, 1985
Division of General Services and Supply, Juneau office,
phone (907) 465-2253:

Bid No. 10474, Purchasing Agent Walt Harvey.
Opening date April 22, 1985.
Amendment--purchase of three sets of slide door hinge hardware, phone (907) 465-2253.

Bid No. 10488, Purchasing Agent Carl Maddy.
Opening date April 22, 1985.
Seed bed preparation, fertilization, and seeding of Delta Junction Bison Range, phone (907) 465-2253.

Bid No. 10452, Purchasing Agent Mark O'Brien.
Opening date April 23, 1985.
Amendment--fabrication of aluminum raceways for Big Lake Hatchery, phone (907) 465-2253.

Bid No. 10467, Purchasing Agent Walt Harvey.
Opening date April 23, 1985.
Amendment--purchase of steel stock, roofing material, and steel panel siding for the construction of storage sheds, phone (907) 465-2253.

Bid No. 10491, Purchasing Agent Maria Iverson.
Opening date April 25, 1985.
Purchase of kitchen items-Seward, phone (907) 465-2253.

Bid No. 10496, Purchasing Agent Walt Harvey.
Opening date April 29, 1985.
Purchase of four 60-minute pressure demand air masks and four 60-minute spare cylinders, phone (907) 465-2253.

Bid No. 10494, Purchasing Agent Carl Maddy.
Opening date May 2, 1985.
Purchase of one hundred two (102) computer software packages for use on Compaq hardware, phone (907) 465-2253.

Bid No. 10499, Purchasing Agent Walt Harvey.
Opening date May 2, 1985.
Purchase of one hooded Kjeldahl 6 unit with blower fume exhaust,
phone (907) 465-2253.

Bid No. 10500, Purchasing Agent Carl Maddy.
Opening date May 7, 1985.
Purchase of laboratory supplies, phone (907) 465-2253.

IV. PUBLIC NOTICES

(None this publication.)

V. EXECUTIVE ORDERS AND ADMINISTRATIVE ORDERS

(Issued from the Governor's Office only.)

VI. DELEGATIONS OF AUTHORITY

(None this publication.)

VII. ADOPTED REGULATIONS TEXT OR SUMMARY OF TEXT

(None this publication.)

VIII. NOTICES OF PROFESSIONAL SERVICES CONTRACTS

(None this publication.)

IX. BOARDS AND COMMISSIONS VACANCIES

(Issued from the Governor's Office only.)

X. ATTORNEY GENERAL OPINIONS

(Computerized access to summaries of Attorney General Opinions is available. Instruction material can be obtained by calling the Civil Office of the Department of Law in Juneau at 465-3600. Summaries of recently indexed Attorney General Opinions are shown under the Department of Law.)

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DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

I. NOTICES OF PROPOSED REGULATIONS

NOTICE OF PROPOSED CHANGES IN THE REGULATIONS OF THE DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT BOARD OF PUBLIC ACCOUNTANCY

Notice is hereby given that the Department of Commerce and Economic Development, Board of Public Accountancy, under authority vested by AS 08.04.070, AS 08.04.110, and AS 08.04.120, proposes to adopt and amend regulations in Title 12 of the Alaska Administrative Code, dealing with the application requirements concerning "good moral character," math education requirements, and maintenance of a current address to implement and interpret AS 08.04.070, AS 08.04.110, and AS 08.04.120 as follows:

1. 12 AAC 04.160 is amended to establish guidelines for denying an applicant a license or certificate if found to lack good moral character, including notification of the applicants right to appeal;
2. 12 AAC 04.185(b)(4) is amended to expand the math options acceptable as required for an accounting degree;
3. Editorial changes are made to renumber Article 6, GENERAL PROVISIONS, to Article 7 and .900 series section numbers;
4. 12 AAC 04.920 is added as a new section requiring maintenance of a current address with the division at all times; and
5. 12 AAC 04.990 is amended to define "good moral character" as it relates to the practice of accounting.

Notice is hereby given that any person interested may present written statements or arguments relevant to the action proposed by mailing or delivering them so they are received by 4:30 p.m., Friday, May 31, 1985 to:

Department of Commerce and Economic Development
Division of Occupational Licensing - Regulations
Board of Public Accountancy
Pouch D-1.1C
Juneau, Alaska 99811

This action is not expected to require an increased appropriation.

Copies of the proposed regulations are available upon request at the above address, or by telephoning (907) 465-2535.

The Department of Commerce and Economic Development, Board of Public Accountancy, upon its own motion or at the instance of any interested person may thereafter adopt the proposal substantially as described above without further notice or may decide to take no action on them.

/s/ Loren H. Lounsbury, Commissioner

NOTICE OF PROPOSED CHANGES IN THE REGULATIONS OF THE DEPARTMENT OF
COMMERCE AND ECONOMIC DEVELOPMENT BOARD OF DENTAL EXAMINERS

Notice is hereby given that the Department of Commerce and Economic Development, Board of Dental Examiners, under authority vested by AS 08.36.070, AS 08.36.110, AS 08.36.130, AS 08.36.160 and AS 08.36.190, proposes to adopt, amend, and repeal regulations in Title 12 of the Alaska Administrative Code, dealing with qualifications of clinical examiners, the content and administration of the clinical examination, and general provisions to implement AS 08.36 as follows:

1. 12 AAC 28.100 is amended to allow appointment of persons other than board members as clinical examiners;
2. 12 AAC 28.105 is amended to require documentation of having passed both parts of the written examination;
3. 12 AAC 28.120 is amended concerning the assignment of operatories;
4. 12 AAC 28.160(a) is amended to reflect modifications to the examination sections as set out in paragraphs (1) and (2);
5. 12 AAC 28.160(g) is repealed which provided for exam questions covering AS 06.36;
6. 12 AAC 28.170 is amended to provide a time limit for fabricating an inlay casting;
7. 12 AAC 28.180(c) is amended concerning final restoration of teeth;
8. 12 AAC 28.200(b) and (c) are amended concerning exam items to be given to the board after the exam;
9. 12 AAC 28.220(d) is amended concerning payment of laboratory fees;
10. 12 AAC 28.240 is amended by changing the number of examiners

required to check each step of the exam and by revising the criteria for some of those steps;

11. 12 AAC 28.250(b) is amended by expanding the criteria for automatic failure of the restoration part of the exam, and

12. 12 AAC 28.900 is added which requires the licensee to keep a current address on file with the division at all times.

Notice is hereby given that any person interested may present written statements or arguments relevant to the action proposed by mailing or delivering them so they are received by 4:30 p.m., Friday, May 10, 1985 to:

Department of Commerce and Economic Development
Division of Occupational Licensing - Regulations
Board of Dental Examiners
Pouch D-LIC
Juneau, Alaska 99811

This action is not expected to require an increased appropriation.

Copies of the proposed regulations are available upon request at the above address, or by telephoning (907) 465-2535.

The Department of Commerce and Economic Development, Board of Dental Examiners, upon its own motion or at the instance of any interested person may thereafter adopt the proposal substantially as described above without further notice or may decide to take no action on them.

/s/ Loren H. Lounsbury, Commissioner

NOTICE OF PROPOSED CHANGES IN THE REGULATIONS OF THE DIVISION OF INSURANCE

Notice is given that the Division of Insurance, under authority vested by AS 21.06.090, proposes to adopt regulations in Title 3 of the Alaska Administrative Code, dealing with unfair discrimination based solely on blindness or partial blindness, to implement and interpret AS 21.36.090, as follows:

3 AAC 26 is proposed to be amended by adding new provisions as follows:

The proposed regulation identifies acts that constitute an unfair discrimination when based solely on blindness or partial blindness. These acts include refusing to insure, refusing to continue to insure, limiting insurance available, and charging a different rate.

Notice is also given that any person interested may present oral or written statements or arguments relevant to the proposed action at a hearing to be held at Room 722, Frontier Building, 3601 C Street, Anchorage, Alaska 99503, at 9:00 a.m., on May 15, 1985. In addition, written statements or arguments may be sent to Mr. James Jordan, Division of Insurance, at the hearing location to be received no later than May 13, 1985.

This action is not expected to require an increased appropriation.

A copy of the proposed regulation appears on the reverse of this notice.

The Division of Insurance, upon its own motion or at the instance of any interested person, may at the hearing or after it, adopt proposals within the scope of this notice without further notice or may decide to take no action on them.

/s/ John L. George, Director, Division of Insurance

II. AGENCY MEETINGS

(None this publication.)

III. COMPETITIVE BIDS

INVITATION TO BID, BID NO. MG 19FRP

The Alaska State Housing Authority (ASHA) will receive sealed bids at 624 West International Airport Road, P.O. Box 100080, Anchorage, Alaska 99410, until 2:00 p.m. on April 22, 1985 for the purchase by ASHA of the below described fire retardant plywood. Bids will be opened and read publicly commencing five (5) minutes thereafter. Bids may be mailed to the Alaska State Housing Authority at P.O. Box 100080, Anchorage, Alaska 99510 or hand-delivered to ASHA's Central Office at 624 West International Airport Road, Anchorage, Alaska. NOTE: It shall be the bidder's responsibility to see that bids are at the Alaska State Housing Authority Central Office, 624 West International Airport Road, Anchorage, Alaska, prior to bid closing time. This bid shall be for furnishing and shipping the fire rated plywood to ASHA fob Nome, Alaska, as set forth in the Specifications Packet.

864 sheets AC plywood fire retardant treated
1 hour fire rated
square cut, square edge
4' x 3' x 1/2"
Fully export packaged

Specification Packets are available without charge upon request at 624 West International Airport Road, P.O. Box 100080, Anchorage, Alaska 99510, and at the local ASHA office Beringvue Project, 712 Fourth Avenue, Nome, Alaska, telephone 443-2888.

The award shall be made within thirty (30) days from bid opening date.

The bid is to be awarded to the lowest overall responsive and responsible bidder.

The Alaska State Housing Authority will make all determinations concerning the actual quality of an "or equal" bid. Such determinations will be based upon ASHA's experience with the brand and/or model bid, the standing of the brands and/or model bid in the

trade and industry, a review of the relevant specifications, and any other appropriate criteria.

All bidders are required to submit a Bid Bond in the amount of 5% of the total bid.

The successful bidder is required to submit a Delivery Assurance Bond in the amount of 100% of the total bid 10 days after contract award.

The Alaska State Housing Authority reserves the right to reject any and all bids.

Minority and women-owned businesses are encouraged to participate. The Alaska State Housing Authority is an equal opportunity agency.

/s/ George M. Briggs, Deputy Executive Director

INVITATION TO BID, BID NO. MC 1119L

The Alaska State Housing Authority (ASHA) will receive sealed bids at 624 West International Airport Road, P.O. Box 100080, Anchorage, Alaska 99510, until 2:00 p.m. on April 25, 1985 for the purchase by ASHA of the below described electrical fixtures. Bids will be opened and read publicly commencing five (5) minutes thereafter. Bids may be mailed to the Alaska State Housing Authority at P.O. Box 100080, Anchorage, Alaska 99510 or hand-delivered to ASHA's Central Office at 624 West International Airport Road, Anchorage, Alaska. NOTE: It shall be the bidder's responsibility to see that bids are at the Alaska State Housing Authority Central Office, 624 West International Airport Road, Anchorage, Alaska, prior to bid closing time. This bid shall be for furnishing the following electrical fixtures to ASHA fob Anchorage, and fob Nome, Alaska, as set forth in the Specifications Packet.

1. 216 each four foot (4') fluorescent fixtures as per bidding specifications, fob Nome, Anchorage and Fairbanks per Bidding Specifications.
2. 146 each twenty-four inch (24") fluorescent fixtures as per bidding specifications, fob Nome, Anchorage and Fairbanks as per Bidding Specifications.

Specification Packets are available without charge upon request at 624 West International Airport Road, P.O. Box 100080, Anchorage, Alaska 99510, and at the local ASHA office at 712 Fourth Avenue, Beringvue Project, Nome, Alaska, and at the Birch Park Office, 505 Stewart Street, Fairbanks, Alaska.

The award shall be made within thirty (30) days from bid opening date.

The bid is to be awarded to the lowest overall responsive and responsible bidder.

The Alaska State Housing Authority will make all determinations concerning the actual quality of an "or equal" bid. Such determinations will be based upon ASHA's experience with the brand and/or model bid, the standing of the brands and/or model bid in the

trade and industry, a review of the relevant specifications, and any other appropriate criteria.

All bidders are required to submit a Bid Bond in the amount of 5% of the total bid.

The successful bidder is required to submit a Delivery Assurance Bond in the amount of 100% of the total bid 10 days after contract award.

The Alaska State Housing Authority reserves the right to reject any and all bids.

Minority and women-owned businesses are encouraged to participate. The Alaska State Housing Authority is an equal opportunity agency.

/s/ George M. Briggs, Deputy Executive Director

INVITATION TO BID, BID NO. NW 102

The Alaska State Housing Authority (ASHA) will receive sealed bids at 624 West International Airport Road, P.O. Box 100080, Anchorage, Alaska 99510, until 2:00 p.m. on April 23, 1985 for the purchase by ASHA of the below described thermopane windows. Bids will be opened and read publicly commencing five (5) minutes thereafter. Bids may be mailed to the Alaska State Housing Authority at P.O. Box 100080, Anchorage, Alaska 99510 or hand-delivered to ASHA's Central Office at 624 West International Airport Road, Anchorage, Alaska. NOTE: It shall be the bidder's responsibility to see that bids are at the Alaska State Housing Authority Central Office, 624 West International Airport Road, Anchorage, Alaska, prior to bid closing time. This bid shall be for furnishing the following as set forth in the Specifications Packet.

102 each, Hurd, or equal, clad wood double hung windows to fit a rough opening of 48-5/8" x 59-1/2" H.

Windows bid shall not exceed the rough opening measurements. Windows bid shall not be less than 3-1/4" on the width nor less than 1-1/2" on the height.

Windows shall be securely crated for shipping and handling.

Egress shall conform to UBCS2 as quoted in the Special Instructions in the Specifications Packet.

Crated windows shall be delivered fob to ASHA, Beringvue Project, 712 Fourth Avenue, Nome, Alaska. For delivery instructions call Chick Trainor, Nome Office, 443-2888, or ASHA Central Office, Edna Fremlin at 562-2813, extension 258.

Specification Packets are available without charge upon request at 624 West International Airport Road, P.O. Box 100080, Anchorage, Alaska 99510, and at the local ASHA office at 712 Fourth Avenue, Beringvue Project, Nome, Alaska.

The award shall be made within thirty (30) days from bid opening date.

The bid is to be awarded to the lowest overall responsive and responsible bidder.

The Alaska State Housing Authority will make all determinations concerning the actual quality of an "or equal" bid. Such determinations will be based upon ASHA's experience with the brand and/or model bid, the standing of the brands and/or model bid in the trade and industry, a review of the relevant specifications, and any other appropriate criteria.

All bidders are required to submit a Bid Bond in the amount of 5% of the total bid.

The successful bidder is required to submit a Delivery Assurance Bond in the amount of 100% of the total bid 10 days after contract award.

The Alaska State Housing Authority reserves the right to reject any and all bids.

Minority and women-owned businesses are encouraged to participate. The Alaska State Housing Authority is an equal opportunity agency.

/s/ George M. Briggs, Deputy Executive Director

IV. PUBLIC NOTICES

BOARD OF ARCHITECTS, ENGINEERS AND LAND SURVEYORS

NOTICE IS HEREBY GIVEN OF THE FORTHCOMING MEETING:

Notice is hereby given of the forthcoming meeting to be held on May 2-3, 1985 in the conference room of the Community Center at 325 East 3rd Avenue, Anchorage, Alaska, commencing at 9:00 a.m. each day.

Anyone wishing to attend the board meeting may obtain additional information from the Department of Commerce and Economic Development, Division of Occupational Licensing, Pouch D-LIC, Juneau, Alaska 99811, telephone (907) 465-2540.

/s/ Loren H. Lounsbury, Commissioner

NOTICE OF PUBLIC HEARING

Please take note that the Alaska Industrial Development Authority will conduct a public hearing before a designated hearing officer on Friday, April 12, 1985. This hearing will be conducted by electronic media using telephonic communications (conference telephones) at the following locations and at the following local times:

A. Alaska Industrial Development Authority, Board Room, C Street Plaza, 1577 C Street, Suite 304, Anchorage, Alaska 99501 (9:00 a.m.).

B. First National Bank of Fairbanks, 101 Cushman Street, Fairbanks, Alaska 99701 (9:00 a.m.).

On the following proposed bond issues to be issued pursuant to AS 44.88 the interest on which is exempt from federal income taxes pursuant to 26 U.S.C. 103(b).

Size of Bond Issue: \$1,500,000

Project Description: Expansion of existing supermarket of 28,000 sq. ft. Construction of retail shopping center containing 40,000 sq. ft. "North Pole Plaza"

Project Location: Richardson Highway and Badger Road (SW 1/4, NE 1/4 Section 9 T2S, R2E, Fairbanks Meridian), North Pole, Alaska

Project Owner: Gavora, Inc., an Alaskan Corporation, V. Paul Gavora (President)

The public is invited to attend and present written or oral testimony regarding the project. The hearing shall constitute the public hearing required by 26 U.S.C. 103(k)(1)(B).

For more information, contact Bert Wagon, Executive Director, Alaska Industrial Development Authority, 1577 C Street, Suite 304, Anchorage, Alaska 99501, telephone 274-1651.

V. EXECUTIVE ORDERS AND ADMINISTRATIVE ORDERS

(Issued from the Governor's Office only.)

VI. DELEGATIONS OF AUTHORITY

(None this publication.)

VII. ADOPTED REGULATIONS TEXT OR SUMMARY OF TEXT

(None this publication.)

VIII. NOTICES OF PROFESSIONAL SERVICES CONTRACT

(None this publication.)

IX. BOARDS AND COMMISSIONS VACANCIES

(Issued from the Governor's Office only.)

X. ATTORNEY GENERAL OPINIONS

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VOLUME 1P, ISSUE 36, April 15, 1985

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DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

I. NOTICES OF PROPOSED REGULATIONS

(None this publication.)

II. AGENCY MEETINGS

(None this publication.)

III. COMPETITIVE BIDS

(None this publication.)

IV. PUBLIC NOTICES

(None this publication.)

V. EXECUTIVE ORDERS AND ADMINISTRATIVE ORDERS

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(None this publication.)

VII. ADOPTED REGULATIONS TEXT OR SUMMARY OF TEXT

(None this publication.)

VIII. NOTICES OF PROFESSIONAL SERVICES CONTRACTS

(None this publication.)

IX. BOARDS AND COMMISSIONS VACANCIES

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X. ATTORNEY GENERAL OPINIONS

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DEPARTMENT OF CORRECTIONS

I. NOTICES OF PROPOSED REGULATIONS

(None this publication.)

II. AGENCY MEETINGS

(None this publication.)

III. COMPETITIVE BIDS

(None this publication.)

IV. PUBLIC NOTICES

(None this publication.)

V. EXECUTIVE ORDERS AND ADMINISTRATIVE ORDERS

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VI. DELEGATIONS OF AUTHORITY

(None this publication.)

VII. ADOPTED REGULATIONS TEXT OR SUMMARY OF TEXT

(None this publication.)

VIII. NOTICES OF PROFESSIONAL SERVICES CONTRACTS

(None this publication.)

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(Issued from the Governor's Office only.)

X. ATTORNEY GENERAL OPINIONS

(Computerized access to summaries of Attorney General Opinions is available. Instruction material can be obtained by calling the Civil Office of the Department of Law in Juneau at 465-3600. Summaries of recently indexed Attorney General Opinions are shown under the Department of Law.)

ALASKA ADMINISTRATIVE JOURNAL
OFFICE OF THE LIEUTENANT GOVERNOR
VOLUME 1P, ISSUE 36, April 15, 1985

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DEPARTMENT OF EDUCATION

I. NOTICES OF PROPOSED REGULATIONS

(None this publication.)

II. AGENCY MEETINGS

(None this publication.)

III. COMPETITIVE BIDS

(None this publication.)

IV. PUBLIC NOTICES

(None this publication.)

V. EXECUTIVE ORDERS AND ADMINISTRATIVE ORDERS

(Issued from the Governor's Office only.)

VI. DELEGATIONS OF AUTHORITY

(None this publication.)

VII. ADOPTED REGULATIONS TEXT OR SUMMARY OF TEXT

(None this publication.)

VIII. NOTICES OF PROFESSIONAL SERVICES CONTRACTS

(None this publication.)

IX. BOARDS AND COMMISSIONS VACANCIES

(Issued from the Governor's Office only.)

X. ATTORNEY GENERAL OPINIONS

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DEPARTMENT OF ENVIRONMENTAL CONSERVATION

I. NOTICES OF PROPOSED REGULATIONS

(None this publication.)

II. AGENCY MEETINGS

(None this publication.)

III. COMPETITIVE BIDS

(None this publication.)

IV. PUBLIC NOTICES

The Department of Environmental Conservation has received six requests from different parties for State Certification pursuant to Section 401(a) of the Clean Water Act of 1977, PL 95-217. The requests are as follows:

Mr. Raymond Kelley of Indian Harbour Beach, Florida, proposes to place approximately 302 cubic yards of fill material and a 12" diameter, 24' long culvert in wetlands to construct a private access road. The location of this proposed activity is Kime Lane Road near Nancy Lake, Section 34, T19N, R4W, Seward Meridian.

Paul and Cheryl Holland of Palmer, Alaska, propose to construct two 100'x8' pile supported fixed piers located directly north of the existing Evergreen Lodge. The piers are to be situated approximately 70' apart and no fill is proposed. The location of this proposed activity is on the Evergreen Lodge property off Evergreen Drive on the south shore of Lake Louise approximately

50 miles northwest of Glenallen, Alaska.

The Alaska Department of Transportation and Public Facilities proposes the placement of approximately 30,000 cubic yards of fill material into the waters and adjacent wetlands of the Klutina River to construct fill approaches and spurdikes for a new bridge. A total of approximately 1 acre of waters and wetlands would be impacted. The location of this proposed activity is at Milepost 100 of the Richardson Highway approximately 0.7 miles upstream of the existing Klutina River bridge near Copper Center, Alaska; Section 13, T2N, R1W, Copper River Meridian.

William Bush of Anchorage, Alaska, proposes to place approximately 500 cubic yards of fill in wetlands adjacent to the outlet to Twin Lake for the purpose of constructing a culverted crossing of the outlet. This proposed activity is located near the west end of Birch Road, Big Lake, Alaska; Section 10, 717N, R3W, Seward Meridian.

Henry and Jean Peterson of Anchorage, Alaska, propose to place approximately 275 cubic yards of sand and gravel fill material in wetlands to construct a float plane slip and an area for private residential use. The location of this proposed activity is Lot 42, Block 1, Eagle Estates Subdivision, Matanuska-Susitna Borough, Alaska.

The Alaska Department of Transportation and Public Facilities proposes to place approximately 1,245 cubic yards of riprap and highway construction material below the ordinary high water mark of the east fork of the Solomon River for the purpose of upgrading the highway. The location of this proposed activity is from Mileposts 42 to 53 of the Nome Council Highway.

These certifications are requested because the applicants have applied for permits from the Alaska District, Corps of Engineers, and discharges may result from the proposed activities.

Any person wishing to present comments regarding consistency with the Alaska Water Quality Standards and the Alaska Coastal Management Program may do so by contacting the Department of Environmental Conservation, 437 E Street, Anchorage, Alaska 99501, telephone (907) 274-2533, by April 29.

V. EXECUTIVE ORDERS AND ADMINISTRATIVE ORDERS

(Issued from the Governor's Office only.)

VI. DELEGATIONS OF AUTHORITY

(None this publication.)

VII. ADOPTED REGULATIONS TEXT OR SUMMARY OF TEXT

(None this publication.)

VIII. NOTICES OF PROFESSIONAL SERVICES CONTRACTS

(None this publication.)

IX. BOARDS AND COMMISSIONS VACANCIES

(Issued from the Governor's Office only.)

X. ATTORNEY GENERAL OPINIONS

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DEPARTMENT OF FISH AND GAME

I. NOTICES OF PROPOSED REGULATIONS

(None this publication.)

II. AGENCY MEETINGS

(None this publication.)

III. COMPETITIVE BIDS

(None this publication.)

IV. PUBLIC NOTICES

(None this publication.)

V. EXECUTIVE ORDERS AND ADMINISTRATIVE ORDERS

(Issued from the Governor's Office on 1/1.)

VI. DELEGATIONS OF AUTHORITY

(None this publication.)

VII. ADOPTED REGULATIONS TEXT OR SUMMARY OF TEXT

(None this publication.)

VIII. NOTICES OF PROFESSIONAL SERVICES CONTRACTS

(None this publication.)

IX. BOARDS AND COMMISSIONS VACANCIES

(Issued from the Governor's Office only).

X. ATTORNEY GENERAL OPINIONS

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DEPARTMENT OF HEALTH AND SOCIAL SERVICES

I. NOTICES OF PROPOSED REGULATIONS

Notice is given that the Department of Health and Social Services, under authority vested by AS 47.05.010, proposes to adopt and amend regulations in Title 7 of the Alaska Administrative Code, dealing with the Medicaid Program, to interpret AS 47.07.050, as follows:

(1) 7 AAC 43 is proposed to be amended by adding new provisions as follows:

(1) 7 AAC 43.430 is amended by adding new utilization review requirements.

(2) 7 AAC 43.395 is added dealing with the length of hospitalization for which the department will make reimbursement.

(3) 7 AAC 43.985 is amended by adding a new definition.

Notice is also given that any person interested may present written statements or arguments relevant to the proposed action by writing Kimberly Busch, Medical Assistance Program Officer, Pouch H-07, Juneau, Alaska 99811, so that they are received no later than May 17, 1985.

Copies of the proposed regulations may be obtained by writing to the address provided above.

The Department of Health and Social Services, upon its own motion or at the instance of any interested person, may, after the deadline stated above, adopt proposals within the scope of this notice without further notice or may decide to take no action on them.

II. AGENCY MEETINGS

(None this publication.)

III. COMPETITIVE BIDS

(None this publication.)

IV. PUBLIC NOTICES

(None this publication.)

V. EXECUTIVE ORDERS AND ADMINISTRATIVE ORDERS

(Issued from the Governor's office only.)

VI. DELEGATIONS OF AUTHORITY

(None this publication.)

VII. ADOPTED REGULATIONS TEXT OR SUMMARY OF TEXT

(None this publication.)

VIII. NOTICES OF PROFESSIONAL SERVICES CONTRACTS

(None this publication.)

IX. BOARDS AND COMMISSIONS VACANCIES

(Issued from the Governor's Office only.)

X. ATTORNEY GENERAL OPINIONS

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DEPARTMENT OF LABOR

I. NOTICES OF PROPOSED REGULATIONS

Notice is given that the Alaska Department of Labor, under authority vested by AS 18.60.020, proposes to adopt occupational safety and health regulations in Title 8 of the Alaska Administrative Code, dealing with the protection of employees from discrimination to implement AS 18.60.010, as follows:

Amend 8 AAC 61 by adding a new article dealing with discrimination. The article describes "protected" employees and "protected activities"; and sets out procedures for filing a discrimination complaint; the department's position when a complaint is withdrawn; the employee's right to seek relief under grievance arbitration provisions in applicable collective bargaining agreements in addition to filing a complaint with the department; and procedures for obtaining a review of a complaint that the division has determined to be non-meritorious.

Under AS 18.60.089, an employee may not be discharged or discriminated against for filing an occupational safety and health complaint or for instituting or causing to be instituted any proceeding related to the enforcement of occupational safety and health standards. The proposed regulations clarify the provisions under AS 18.60.089 and set out procedures and requirements with respect to discrimination complaints. The proposed regulations are at least as effective as those promulgated by the U.S. Secretary of Labor.

Notice is also given that any person interested may present written statements or arguments relevant to the proposed action at hearings to be held as follows:

May 21, 1985, 9:00 a.m.

Division of Labor Standards and Safety

Department of Labor Building
Third Floor Conference Room 303
1111 West Eighth Street
Juneau, AK

May 22, 1985, 9:00 a.m.

Noel Wien Library
Conference Room
1215 Cowles
Fairbanks, AK

May 23, 1985, 9:00 a.m.

Division of Labor Standards and Safety
Department of Labor Building
Third Floor Conference Room 304
3301 Eagle Street
Anchorage, AK

In addition, written statements or arguments may be sent to the Commissioner of Labor, P.O. Box 1149, Juneau, Alaska 99802, to be received no later than May 23, 1985.

This action is not expected to require an increased appropriation.

Copies of the proposed regulations may be obtained by writing to the following offices of the Department of Labor:

Division of Labor Standards and Safety
P.O. Box 1149
Juneau, AK 99802

Division of Labor Standards and Safety
3301 Eagle Street
Anchorage, AK 99510

Division of Labor Standards and Safety
Regional Office Building
675 Seventh Street
Fairbanks, AK 99701

The Alaska Department of Labor, upon its own motion or at the instance of any interested person, may at the hearing or after it adopt proposals within the scope of this notice without further notice or may decide to take no action on them.

/s/Jim Robison, Commissioner

April 8, 1985

Notice is hereby given that the Department of Labor, under the authority vested by AS 23.05.060, AS 23.10.085 and AS 23.10.395, proposes to adopt, amend and repeal regulations in Title 8 of the Alaska Administrative Code dealing with employment practices, payment of minimum wages, overtime compensation and return transportation of employees to implement AS 23.05.160, AS 23.10.050 - AS 23.10.150, and AS 23.10.375 - AS 23.10.400, as follows:

(1) 8 AAC 15.100 is proposed to be amended by providing precise standards for determining the hourly rate of pay for the purpose of computing overtime for employees paid on a salary basis; and by adopting the federal standard for determining the regular rate of pay for the purpose of computing overtime for employees paid on other than hourly basis.

(2) 8 AAC 15. is proposed to be amended by adding a new section to prescribe procedures for implementing "voluntary flexible work hour plans."

(3) 8 AAC 15.105 is proposed to be amended by adding a new subsection which adopts appropriate sections of 29 CFR for guidance in determining compensable hours subject to the payment of the minimum wage or contractually established wage.

(4) 8 AAC 15.145 is proposed to be amended by eliminating ambiguous language.

(5) 8 AAC 15. 160 is proposed to be amended by clarifying allowable deductions from an employee's wages, including deductions to reimburse the employer for costs paid for the employee's transportation, board and lodging, uniform and equipment issue.

(6) 8 AAC 15.175 dealing with the assignment of wage claims to the department is proposed to be repealed.

(7) 8 AAC 15.900 is proposed to be amended by incorporating appropriate sections of 29 CFR to give guidance to employers in the maintenance of payroll records.

(8) 8 AAC 15.910 is reorganized into subsections and proposed to be amended by redefining the terms "director", "outside salesman", "salesman employed on a straight commission basis", and "supervisory capacity"; by adding a new definition for the term "workday"; and by adding new definitions for the terms "employee" and "straight commission" for the purposes of AS 23.10.060(10) and AS 23.10.055(9), respectively.

(9) 8 AAC 20. is proposed to be amended by adding a new section which establishes procedures for investigative hearings to resolve disputes concerning return transportation of employees.

(10) 8 AAC 20.030 is proposed to be amended to redefine the term "return transportation".

(11) 8 AAC 25.030 is proposed to be amended to redefine the terms "director" and "division".

Notice of these proposed changes was originally published on August 10th, 17th, and 24th of 1983, in Anchorage, Fairbanks, Juneau, and Ketchikan newspapers. Further, public hearings on the proposed changes were conducted in Anchorage on September 27, 1983, in Fairbanks on September 28, 1983, and in Juneau on September 29, 1983. Due to the length of time that has elapsed, notice of these proposed changes is being republished to provide for any additional written comments.

Notice is given that any person interested may present written comments relevant to the action proposed by writing to the Department of Labor, Wage Hour Administration, 3301 Eagle Street, Suite 301, Anchorage, Alaska 99503, prior to May 24, 1985.

This action is not expected to require an increased appropriation.

Copies of the proposed regulations may be obtained by writing to the above address.

The Department of Labor, upon its own motion, or at the instance of any interested person, may thereafter adopt proposals within the scope of this notice without further notice or may decide to take no action on them.

/s/Jim Robison, Commissioner

April 4, 1985

II. AGENCY MEETINGS

Alaska Occupational Safety and Health Review Board

Wednesday, May 1, 1985, 9:00 a.m. The Alaska Occupational Safety and Health Review Board is scheduled to meet in Ketchikan on May 1, 1985 to review contests filed by employers with respect to citations issued by the department for violations of Alaska's occupational safety and health standards. The meeting will begin at 9:00 a.m. in the City Council Chambers, at 334 Front Street, Ketchikan, Alaska.

Contact Eileen Plate, Special Assistant, Office of the Commissioner, 1111 West Eighth Street, Juneau, Alaska, (907) 465-2709.

III. COMPETITIVE BIDS

(None this publication.)

IV. PUBLIC NOTICES

(None this publication.)

V. EXECUTIVE ORDERS AND ADMINISTRATIVE ORDERS

(Issued from the Governor's Office only.)

VI. DELEGATIONS OF AUTHORITY

(None this publication.)

VII. ADOPTED REGULATIONS TEXT OR SUMMARY OF TEXT

(None this publication.)

VIII. NOTICES OF PROFESSIONAL SERVICES CONTRACTS

(None this publication.)

IX. BOARDS AND COMMISSIONS VACANCIES

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X. ATTORNEY GENERAL OPINIONS

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DEPARTMENT OF LAW

I. NOTICES OF PROPOSED REGULATIONS

(None this publication.)

II. AGENCY MEETINGS

(None this publication.)

III. COMPETITIVE BIDS

(None this publication.)

IV. PUBLIC NOTICES

(None this publication.)

V. EXECUTIVE ORDERS AND ADMINISTRATIVE ORDERS

(Issued from the Governor's Office only.)

VI. DELEGATIONS OF AUTHORITY

(None this publication.)

VII. ADOPTED REGULATIONS TEXT OR SUMMARY OF TEXT

(None this publication.)

VIII. NOTICES OF PROFESSIONAL SERVICES CONTRACTS

(None this publication.)

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02/20/85 m 166-349-85 A partnership cannot be found to violate OSHA where the only exposed workers are partners.

03/21/85 m 366-324-85 Money held in the dividend fund to pay PFD warrants returned to the Department of Revenue need not be transferred to the general fund under AS 37.05.180.

The limitation in AS 37.05.180 on the life of a warrant does not extinguish liability to pay a permanent fund dividend.

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DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

I. NOTICES OF PROPOSED REGULATIONS

(None this publication.)

II. AGENCY MEETINGS

(None this publication.)

III. COMPETITIVE BIDS

(None this publication.)

IV. PUBLIC NOTICES

(None this publication.)

V. EXECUTIVE ORDERS AND ADMINISTRATIVE ORDERS

(Issued from the Governor's Office only.)

VI. DELEGATIONS OF AUTHORITY

(None this publication.)

VII. ADOPTED REGULATIONS TEXT OR SUMMARY OF TEXT

(None this publication.)

VIII. NOTICES OF PROFESSIONAL SERVICES CONTRACTS

(None this publication.)

IX. BOARDS AND COMMISSIONS VACANCIES

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X. ATTORNEY GENERAL OPINIONS

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DEPARTMENT OF NATURAL RESOURCES

I. NOTICES OF PROPOSED REGULATIONS

NOTICE OF PROPOSED CHANGES IN THE REGULATIONS OF THE DEPARTMENT OF NATURAL RESOURCES

Notice is hereby given that the Department of Natural Resources, under authority vested by AS 38.05.020 and AS 38.05.035, proposes to amend regulations in Title 11 of the Alaska Administrative Code, dealing with combining agricultural parcels for the more efficient and economic development of agriculture in the state, to implement AS 38.05.069 as follows:

11 AAC 67.186 is adopted as a new section in which the procedure to be followed by agricultural interest holders who desire to combine their tracts with other tracts held by agricultural interest holders is outlined. The section applies when an approved development plan must be amended to accommodate the combination of agricultural parcels. The section contains the procedure the department must follow in determining whether the proposed combination is necessary to protect or further the public interest.

Notice is also given that any person interested may present written statements or arguments relevant to the proposed action by writing to the Department of Natural Resources, Office of the Commissioner, Pouch 7-005, Anchorage, Alaska 99510, so that they are received no later than 4:30 p.m. on May 8, 1985.

This action is not expected to require an increased appropriation.

Copies of the proposed regulation may be obtained by writing to the above address or by calling either the Anchorage or Juneau Office of the Commissioner at 265-4131 in Anchorage or 465-2400 in Juneau.

The Department of Natural Resources, upon its own motion or at the instance of any interested person, may, after the deadline stated

above, adopt proposals within the scope of this notice without further notice or may decide to take no action on them.

Dated: March 28, 1985

/s/ James K. Barnett, Deputy Commissioner

11. AGENCY MEETINGS

Wednesday, April 10, 1985, Kenai River Special Management Area Biological/Upland Habitat Committee Meeting (Leo Hannan, 552-3307 or Deni Rauw, 265-4511) at Cooper Landing Community Center.

Wednesday, April 10, 1985, Soil and Water Conservation District Meeting (Keith Quintavell, 745-7200 in Palmer.

April 10-14, 1985 Avalanche School (Division of Parks, 276-2653) at Turnagain Arm Chugach Mountains.

Thursday, April 11, 1985, Kenai River Special Management Area Advisory Board Meeting (Dave Stephens, 265-4526 or Deni Rauw, 265-4511) at 10 a.m. at Soldotna Borough Assembly Hall.

Thursday, April 11, 1985, Public Meeting on Matanuska Valley Moose Range Management Plan (Lisa Holzapfel, 786-2258) at 6:30 p.m. at Sutton Community Hall.

Thursday, April 11, 1985, Kenai River Special Management Area River/Fisheries Committee Meeting (Deni Rauw, 265-4511) at 8:30 a.m. at Soldotna Borough Assembly Hall.

Friday, April 12, 1985, Kenai River Special Management Area Permits Committee Meeting (Carol Gorbics, 753-2724) at 9:00 a.m. at Soldotna Borough Assembly Hall.

April 15-16, 1985, Sawmill workshop focusing on operation and maintenance of small permanent and portable circular sawmills, \$20 fee to defray costs (Bill Hanson, 225-3070) at 8:00 a.m. at Ketchikan Community College.

April 16-18, 1985, Public Open House and Drop-In Sessions for Public Review, in person, of the Proposed Management Guidelines for Trails on state land within the Fairbanks North Star Borough (Anna Plager or Joe Russo, 479-2243) from 8:00 a.m. to 8:00 p.m. each day in Fairbanks at 4420 Airport Way DNR Offices Conference Room.

Wednesday, April 17, 1985, Public Meeting on Matanuska Valley Moose Range Management Plan (Lisa Holzapfel, 786-2258) at 6:30 p.m. at Palmer Library.

April 17-18, 1985, Sawmill Workshop focusing on operation and maintenance of small permanent and portable circular sawmills, \$20 fee to defray costs (Drew Grant, 772-3236) from Noon to 5:00 p.m. at Petersburg City Hall.

Thursday, April 18, 1985, Public Meeting on Matanuska Valley Moose Range Management Plan (Lisa Holzapfel, 786-2258) at 6:30 p.m. at the

Anchorage Pioneer Schoolhouse.

Thursday, April 18, 1985, Soil and Water Conservation District Meeting (Keith Quintavall, 745-7200) in Kenai-Kasilof.

April 19-20, 1985, Sawmill Workshop focusing on operation and maintenance of small permanent and portable circular sawmills, \$20 fee to defray costs (Jerry Purser, 745-3361) at 8:00 a.m. at Palmer Mat-Su Community College.

Monday, April 22, 1985, Public Hearing on the proposed Fritz Creek Conveyance of state land to the University of Alaska and the Kenai Peninsula Borough (Dennis Daigger, 265-4315) at 7:00 p.m. at Homer High School.

Monday, April 22, 1985, Delta Timber Sale (Colleen McFarland, 479-2243) in Fairbanks.

April 22-23, 1985, Sawmill Workshop focusing on operation and maintenance of small permanent and portable circular sawmills, \$20 fee to defray costs (Walter Them, 262-5824) at 8:00 a.m. at Kenai Community College.

Thursday, April 25, 1985, Hatcher Pass Planning Team Public Workshop (Sandra Cosentino, 786-2259) from 6:30 p.m. to 9:30 p.m. at Willow Elementary School, Mile 69, Parks Highway.

Tuesday, April 30, 1985, Hatcher Pass Planning Team Public Workshop (Sandra Cosentino, 786-2259) from 6:30 a.m. to 9:30 p.m. at Wasilla Cottonwood Creek Elementary School, Seward Meridian Road.

Thursday, May 2, 1985, Hatcher Pass Planning Team Public Workshop (Sandra Cosentino, 786-2259) from 6:30 a.m. to 9:30 p.m. at Anchorage Central Jr. High.

III. COMPETITIVE BIDS

INVITATION TO BIDDERS

The State of Alaska, Department of Natural Resources, Division of Parks and Outdoor Recreation, subject to the provisions of AS 41.20.020 will receive sealed bids for furnishing materials and labor to reconstruct 2350 linear feet of entrance and camping loop road, to include 820 cubic yards of D-1, pave 4000 square yards of roadway, install 145 barrier rocks, drill a new water well, provide 700 linear feet of underground electrical service, and install a submersible pump with pressure tank at the Izaak Walton State Recreation Site, Sterling, Alaska.

The bids will be received until 3:00 p.m. prevailing time on May 1, 1985 at the Division's Anchorage office, 225 Cordova Street, Building A, Anchorage, Alaska 99501, at which time and place, the bids shall be publicly opened and read.

Bids may be held by the Division for a period of thirty (30) calendar days from the date of opening for the purpose of reviewing the bids and investigating the qualifications of the bidders prior to awarding

the contract.

Plans, specifications and contract documents may be obtained, at a cost of \$10.00 per set non-refundable, by all who have a bona fide need for them for bidding purposes from the Director, Division of Parks and Outdoor Recreation, 225 Cordova Street, Building A, Anchorage, Alaska 99501.

INVITATION TO BIDDERS

The State of Alaska, Department of Natural Resources, Division of Parks and Outdoor Recreation, subject to the provisions of AS 41.20.020 will receive sealed bids for furnishing materials and labor necessary to construct a lighted 15,000 square foot parking lot, 650 feet of lighted trail, 350 feet of unlighted trail, a vaulted type toilet, 5 kiosks, 8 benches, an entrance gate, signs, flag pole, landscaping and other associated site improvements at the Old Sitka State Historical Site, Mile 7, Halibut Point Road, Sitka, Alaska.

The bids will be received until 3:00 p.m. prevailing time on April 11, 1985 at the Division's Anchorage office, 225 Cordova Street, Building A, Anchorage, Alaska 99501, at which time and place, the bids shall be publicly opened and read.

Bids may be held by the Division for a period of thirty (30) calendar days from the date of opening for the purpose of reviewing the bids and investigating the qualifications of the bidders prior to awarding the contract.

Plans, specifications and contract documents may be obtained, at a cost of \$10.00 per set non-refundable, by all who have a bona fide need for them for bidding purposes from the Director, Division of Parks and Outdoor Recreation, Pouch 7-001; 225 Cordova Street, Building A, Anchorage, Alaska 99510 or the Sitka Ranger Office, P.O. Box 142, Sitka, Alaska 99835.

IV. PUBLIC NOTICES

NOTICE OF FINAL DECISION AND FINDING UNDER AS 38.05.035(e) REGARDING PROPOSED OIL AND GAS LEASE SALE 45A (North Slope).

The Department of Natural Resources, Division of Oil and Gas (DO and G), gives formal notice under AS 38.05.945(a)(3) of its intention to make a final decision under AS 38.05.035(e) regarding the sale of oil and gas leases in proposed Oil and Gas Lease Sale 45A (North Slope). Before this sale may be held, the Director of the Division of Oil and Gas must make a written final decision that the sale best serves the interests of the state. This decision will set out the facts and applicable law upon which the Director bases her determination that the sale of oil and gas leases in proposed Sale 45A will or will not best serve the interests of the state. This final decision is expected to be available to the public in July 1985.

A preliminary analysis of the potential effects of proposed Sale 45A and the means by which they may be mitigated is now available at DO and G, 555 Cordova Street, Room 39, Anchorage, Alaska. Included in the Sale 45A preliminary analysis is the preliminary Alaska Coastal

Management Program (ACMP) consistency determination. The public is invited to comment on any aspect of the sale including any proposed term or condition. Comments should be mailed to DO and G, Pouch 7-034, Anchorage, Alaska 99510, Attention: Leila Wise. Comments must be received at DO and G by May 10, 1985 in order to be considered in the final decision of whether or not to hold this sale. The final ACMP consistency determination will be included in the Final Decision of the Director. Preliminary tract maps and legal descriptions are available at DO and G.

Proposed Sale 45A includes 50 tracts with an area of approximately 192,368 acres. The proposed sale area consists of offshore acreage north of Prudhoe Bay, east of the Colville River Delta, in Foggy Island Bay, and in Mikkelsen Bay. Onshore acreage stretches from the Canning River to the Colville River. The entire sale area is within the North Slope Borough. Nuiqsut is the only community in the vicinity of the proposed sale area.

Sale 45A is being offered as "exempt" acreage under the terms of AS 38.05.180, which allows the Commissioner of the Department of Natural Resources to issue oil and gas leases in an area that has not been included in the five-year leasing program, if the land to be leased (1) was previously subject to a valid state or federal oil and gas lease, or (2) is contiguous to land already under lease and the leasing of the land would result in a substantial probability of early evaluation and development of the lands to be leased. Tracts 6, 9, 24, 27, and 31 portions of tracts 10, 11, 16, 18, 19, 22, 23, and 47 are contiguous to land under lease. The remaining tracts were previously leased in State Competitive Oil and Gas Lease Sales 13, 14, 23, and 31.

The Department of Natural Resources will hold a public hearing in order to determine whether or not the leasing of contiguous tracts would result in a substantial probability of early evaluation and development. This public hearing will be held in Room 5 at the Department of Natural Resources, 555 Cordova Street, Anchorage, at 9:00 a.m. on May 17, 1985. Anyone having information relating to this topic is encouraged to testify at this hearing or submit written comments to DO and G by May 20, 1985.

If a decision is made that the proposed sale best serves the interests of the state, and "Information to Bidders" packet will be available in July 1985. If a decision is made to hold the sale, it is tentatively scheduled to occur at the Captain Cook Hotel in Anchorage on September 24, 1985 in accordance with AS 38.05.180.

/s/ Kay Brown
Director

NOTICE OF POSTPONEMENT, STATE OF ALASKA, COMPETITIVE OIL AND GAS LEASE SALE 47 (Kuparuk Uplands)

The State of Alaska, Department of Natural Resources, Division of Oil and Gas, gives notice regarding the postponement of Competitive Oil and Gas Lease Sale 47 (Kuparuk Uplands).

The delay is in accordance with AS 38.05.180(c), which provides that an oil and gas lease sale may be delayed for up to 90 days after the

last day of the calendar quarter for which it was scheduled if the Commissioner of Natural Resources determines that a delay is in the best interest of the state. The Commissioner's decision that a delay is in the state's best interest is available at the Division of Oil and Gas, 555 Cordova Street, Room 39, or by writing to DO and G, Pouch 7-034, Anchorage, Alaska 99510, Attention: Andi Crippen.

The decision to delay the sale results from a statutory conflict which would have reduced the acreage available for leasing in Sale 47 and could have adversely affected the value of the remaining sale acreage by hindering access. Alaska Statutes (AS 19.40.200 and .210) preclude oil and gas leasing within a five-mile corridor on either side of the Dalton Highway (Alyaska Pipeline Haul Road) right-of-way, as well as the use of off-road vehicles. The Department of Natural Resources has requested the Alaska State Legislature to amend these statutes to allow both oil and gas leasing and the use of off-road vehicles in support of oil and gas activities. However, the legislature has not yet acted on the proposed amendments to Title 19 (SB 115/HB 143).

This delay will give the legislature more time to resolve this issue and act on the proposed changes. If the legislature acts on the proposed changes prior to adjournment, the final finding and decision regarding Sale 47 will be issued in July 1985. If Sale 47 and Sale 45A (North Slope) are determined to be in the best interest of the state, Sale 47 will be held in September 1985 in conjunction with proposed Sale 45A (North Slope).

ANNOUNCEMENT OF PROPOSED OIL AND GAS LEASE SALE 48A (MIKKELSEN)

The Department of Natural Resources, Division of Oil and Gas, announces Proposed Oil and Gas Lease Sale 48A (Mikkelsen). Sale 48A is tentatively scheduled for February 1986 and will include both onshore and offshore acreage in T. 9 - 10N, R. 18-20E, U.M. All of the acreage within Sale 48A was within the West Mikkelsen Unit which expired on December 31, 1984. All of the leases formerly within the West Mikkelsen Unit except one were extended and are scheduled to expire on December 31, 1985. Lease ADL 47527 remains active and is thus not available for reoffering in Sale 48A.

A notice of final finding and decision under AS 38.05.345(a)(3), a preliminary tract map, and a preliminary analysis of Sale 48A will be issued in July 1985. If the leases expire as scheduled and the decision is made to hold the sale, a final decision and notice of sale, including stipulations, mitigating measures, and terms of sale, will be issued in January 1986. If held, Sale 48A will be held in conjunction with Sale 48 (Kuparuk Uplands) in late February 1986. Sale 48 was previously scheduled for January 1986.

Sale 48A is being offered as "exempt" acreage under the terms of AS 38.05.180(d)(1), which allows the Commissioner of the Department of Natural Resources to issue oil and gas leases in an area that has not been included in the five-year leasing program, if the land to be leased was previously subject to a valid state or federal oil and gas lease. All of the acreage in Proposed Sale 48A was previously leased in State Sales 14 and 23.

NOTICE OF STATE OF ALASKA, SOLICITATION FOR PROPOSALS(S) TO PURCHASE

PRUDHOE BAY AND/OR KUPARUK RIVER UNIT ROYALTY OIL, April 1, 1985

The Department of Natural Resources, Division of Oil and Gas, (DO and G), gives notice under AS 38 of its intention to offer approximately 65,000 barrels per day of royalty oil from the Prudhoe Bay and Kuparuk River Units for purchase under long-term negotiated contracts. Price, quantity, and term are the variables which will be considered in this solicitation. This Notice does not obligate the department to dispose of the maximum volume under this solicitation. The department will consider other options for disposition of the oil, including leaving the oil in-value. The Department will analyze the results of this solicitation, the results of the December 11, 1984 competitive sale, and current market conditions, with the goal of making disposals that will maximize benefits to the citizens of Alaska. The results of this analysis will be completed by September 1, 1985.

The commissioner will now consider proposals for:

- (1) the in-state processing of the royalty oil;
- (2) sales to persons as an economic incentive for projects providing ancillary benefits to Alaskans;
- (3) sales to in-state suppliers of petroleum products; and
- (4) other proposals that are deemed, upon a written finding, to be in the best interests of the State.

Proposals do not need to include plans for the use of all available royalty oil. More than one proposal may be accepted if enough oil is available at the time of disposition.

The commissioner will decide whether to waive competitive bidding and enter into one or more negotiated agreements after the proposals submitted have been reviewed and negotiating sessions have been held. Under AS 38.05.183(e), and as a minimum, the following will be considered in evaluating proposals for the disposition of royalty oil:

- (1) The projected effects of the sale, exchange or other disposal on the economy of the state;
- (2) the projected benefits of refining or processing the oil in the state;
- (3) the ability of the prospective buyer to provide refined products or by-products to the citizens of the state at competitive prices;
- (4) the cash value offered;
- (5) the revenue needs and projected fiscal condition of the state;
- (6) the existence and extent of present and projected local and regional needs for oil and gas products and by-products, the effect of state or federal commodity allocation requirements which might be applicable to those products and by-products, and the priorities among competing needs;
- (7) the desirability of localized capital investment, increased payroll, secondary development and other possible effects of the sale, exchange or other disposition of oil and gas or both;
- (8) the projected social impacts of the transaction;
- (9) the projected additional costs and responsibilities which could be imposed upon the state and affected political subdivisions by development related to the transaction;
- (10) the existence of specific local or regional labor or consumption markets or both which should be met by the transaction;
- (11) the projected positive and negative environmental effects related

to the transaction; and
(12) the projected effects of the proposed transaction upon existing private commercial enterprise and patterns of investment.

In addition to these statutory criteria, the financial responsibility of the bidders also will be considered.

QUANTITY, SOURCE, AND TERM. The oil offered is divided into two categories and will be sold for a term of more than one year for purposes of this solicitation:

Category A: 66.6667 percent of the royalty oil from the Kuparuk River Unit (approximately 15,000 barrels per day). The number of royalty barrels produced per day may fluctuate due to variable field performance. Total production overages approximately 180,000 bpd.

Category B. 26.6667 percent of the royalty oil from the Prudhoe Bay Unit (approximately 50,000 bpd).

CONTRACT. The department has determined that certain contractual provisions are generally necessary to protect the state during any royalty oil disposal. The commissioner reserves the right to modify any of those standard provisions, where appropriate. The department requires these provisions in its royalty oil contracts, plus any additional provisions necessary for each specific disposal. Copies of these standard provisions for the Kuparuk River and Prudhoe Bay Units are available by writing to the Director, Division of Oil and Gas, Pouch 7-034, Anchorage, Alaska 99510 or calling (907) 265-4241.

POINT OF DELIVERY. The State will deliver royalty oil to purchaser(s) in this sale at the point the state receives delivery from the Prudhoe Bay and Kuparuk River lessees. The State will deliver Prudhoe Bay royalty oil at the custody transfer meter into the Trans Alaska Pipeline System (TAPS). The State will deliver Kuparuk River royalty oil at the Central Production Facility Meter into the Kuparuk Pipeline.

TRANSPORTATION. The purchaser is responsible for transportation of the royalty oil from the point of delivery, including tendering the oil to the TAPS and Kuparuk pipelines in a timely manner, meeting pipeline fill and storage tank bottom requirements, taking custody of the oil at the point it leaves the pipelines, and transporting it to the place of sale and refining. The commissioner will require notification from purchaser(s) regarding the arrangements for transportation of the royalty oil.

PRICE. The price of the oil, if sold, will be no less than in-value. The sale is being considered under Title 38 of the Alaska statutes and the regulations contained in 11 AAC 03, and potential buyers should be aware of those provisions. In general, the oil, if sold, will be awarded to the prospective purchaser(s) whose proposals offer the maximum benefits to the citizens of the state.

SECURITY. At the time of execution of the contract, purchaser will deliver a bond in an amount specified by the commissioner to secure performance under the contract until the Letter of Credit required by the contract is delivered to the commissioner. The bond must be in a form and with a company satisfactory to the commissioner. The

commissioner may require additional security as appropriate.

QUALIFICATIONS OF THE POTENTIAL PURCHASER. In order to be qualified to submit a proposal, each prospective purchaser(s) must demonstrate to the commissioner, the ability to take delivery of royalty oil at the point of delivery, ship the oil through the pipeline system and transport it to the place of anticipated sale and/or refining. The prospective purchaser(s) must demonstrate the financial ability as well as the necessary management skill and experience to perform the actions required. In order to qualify, prospective purchasers(s) must be (A) any person who has reached the age of majority and who is a citizen of the United States; (B) any corporation organized and existing under and by virtue of the laws of the United States or of any state, territory or the District of Columbia and qualified to do business in Alaska; or (C) any association of the above. The commissioner has absolute discretion in determining the qualifications of a prospective purchaser(s).

SUBMISSION OF CONFIDENTIAL DATA. Confidential cost data and financial information submitted in support of any proposal to purchase state royalty oil will be kept confidential by the department upon written request. However, in order to be held confidential, all data must be conspicuously marked on each page as "Confidential", must be submitted separately from non-confidential data, and must meet the requirements of AS 38.05.035 (a) (9) (D) and 11 AAC 82.810.

PROPOSALS SUBMITTED FOR IN-STATE PROJECT. If proposals are submitted for in-state projects, an overview of the project and its viability must be submitted by April 30, 1985. Further, all applicable questions on the "Request for Information Regarding Refining and other Facility Proposals" attached to this Solicitation as Exhibit A, Part II must be answered and submitted to the Division prior to May 31, 1985.

DUE DATE OF RESPONSES. All responses to this solicitation including responses to Exhibit A, Part I, must be submitted to the Division of Oil and Gas by April 30, 1985. In addition, if the proposal pertains to an in-state project, responses to Exhibit A, Part II must be submitted prior to May 31, 1985.

PLACE OF SUBMISSION. All items required of this Notice must be submitted to the Director, Division of Oil and Gas. If mailed, items should be addressed to the Director, DO and G, Pouch 7-034, Anchorage, Alaska 99510. Items may be personally delivered to the Director at 555 Cordova Street, Room 31, Anchorage, Alaska. Whether mailed or personally delivered, all items must be received by the Division before the deadlines specified in this solicitation.

/s/ Kay Brown
Director

NOTICE OF DECISION TO SELL KUPARUK RIVER ROYALTY OIL, MARCH 29, 1985

The Department of Natural Resources will solicit bids to purchase 15,000 barrels per day of Kuparuk River royalty oil for the period October 1, 1985 to March 31, 1986.