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Alaska Statutes

Title 31. Oil and Gas.

Chapter

- 05. Alaska Oil and Gas Conservation Act (§§ 31.05.027, 31.05.030, 31.05.035, 31.05.110, 31.05.150, 31.05.170)
- 15. Common Purchasers of Oil (§ 31.15.050)

Chapter 05. Alaska Oil and Gas Conservation Act.

Article

- 1. Administration (§§ 31.05.027, 31.05.030, 31.05.035)
- 2. Regulation of Operations (§ 31.05.110)
- 4. General Provisions (§§ 31.05.150, 31.05.170)

NOTES TO DECISIONS

Effect of local coastal management plan. — This chapter, which mandates the conservation of oil and gas and prohibits their waste, would not be contravened by a local coastal management plan which comports with the Alaska Coastal Management Program. May 12, 1980, Op. Att'y Gen.

Article 1. Administration.

Section

- 27. Application
- 30. Powers and duties of commission
- 35. Confidential reports

Sec. 31.05.027. Application. The authority of the commission applies to all land in the state lawfully subject to its police powers. It applies to land of the United States or to land subject to the jurisdiction of the United States only to the extent that control and supervision of conservation of oil and gas and prevention of waste by the United States on its land fails to carry out the intent and purposes of AS 31.05.005 — 31.05.170, and otherwise applies to federal land so far as an officer of the United States having jurisdiction, or his authorized representative, shall approve any of the provisions of AS 31.05.005 — 31.05.170 or orders of the commission which affect land. The authority of the commission further applies to all land included in a voluntary cooperative or unit plan of development or operation entered into in accordance with AS 38.05.180(p). (§ 1 ch 158 SLA 1978; am § 32 ch 94 SLA 1980)

Effect of amendments. — The 1980 amendment substituted "AS 38.05.180(p)" for "AS 38.05.180(m)" at the end of the section.

Sec. 31.05.030. Powers and duties of commission. (a) The commission has jurisdiction and authority over all persons and property, public and private, necessary to carry out the purposes and intent of this chapter.

(b) The commission shall investigate to determine whether or not waste exists or is imminent, or whether or not other facts exist which justify or require action by it.

(c) The commission shall adopt rules, regulations and orders and take other appropriate action to carry out the purposes of this chapter.

(d) The commission may require

(1) identification of ownership of wells, producing leases, tanks, plants and drilling structures;

(2) the making and filing of reports, well logs, drilling logs, electric logs, lithologic logs, directional surveys, and all other subsurface information on a well drilled for oil or gas, or for the discovery of oil or gas, or for geologic information, and the required reports and information shall be filed within 30 days after the completion, abandonment, or suspension of the well;

(3) the drilling, casing and plugging of wells in a manner which will prevent the escape of oil or gas out of one stratum into another, the intrusion of water into an oil or gas stratum, the pollution of fresh water supplies by oil, gas or salt water, and prevent blowouts, cavings, seepages and fires;

(4) the furnishing of a reasonable bond with sufficient surety conditions for the performance of the duty to plug each dry or abandoned well or the repair of wells causing waste;

(5) the operation of wells with efficient gas-oil and water-oil ratios, and may fix these ratios;

(6) the gauging or other measuring of oil and gas to determine the quality and quantity of oil and gas;

(7) every person who produces oil or gas in the state to keep and maintain for a period of five years in the state complete and accurate records of the quantities of oil and gas produced, which shall be available for examination by the Department of Natural Resources or its agents at all reasonable times;

(8) the measuring and monitoring of oil and gas pool pressures;

(9) the filing and approval of a plan of development and operation for a field or pool in order to prevent waste, insure a greater ultimate recovery of oil and gas, and protect the correlative rights of persons owning interests in the tracts of land affected.

(e) The commission may regulate, for conservation purposes

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§ 31.05.035

OIL AND GAS

§ 31.05.035

(3) the spacing of wells;

(4) the disposal of salt water, nonpotable water and oil field wastes;

(5) the contamination or waste of underground water;

(6) the quantity and rate of the production of oil and gas from a well or property; this authority shall also apply to a well or property in a voluntary cooperative or unit plan of development or operation entered into in accordance with AS 38.05.180(m).

(f) The commission may classify wells as oil or gas wells for purposes material to the interpretation or enforcement of this chapter.

(g) When the commission finds sufficient likelihood of an unexpected encounter of oil, gas, or other hazardous substance as a result of well drilling in an area of the state, the commission may, by regulation, designate the area and specify a depth in the area as one in which wells or any boring into the soil in excess of the specified depth but not otherwise subject to this chapter are subject to the regulations and requirements adopted under this section. No designation of an area or specification of a depth under this subsection constitutes a certification that no hazardous substance will be encountered in another area or at a lesser depth, and the state is not liable for any damages arising from such an unexpected encounter of a hazardous substance.

(h) The commission may take all actions necessary to allow the state to acquire primary enforcement responsibility under 42 U.S.C. 300h-4 (Safe Drinking Water Act of 1974, as amended, 42 U.S.C. 300f-300j), for the control of underground injection related to the recovery and production of oil and natural gas. (§ 4 ch 40 SLA 1955; am § 2 ch 75 SLA 1960; am § 1 ch 209 SLA 1970; am § 1 ch 87 SLA 1977; am § 5 ch 158 SLA 1978; am §§ 1, 2 ch 160 SLA 1978; am § 1 ch 91 SLA 1984)

Effect of amendments. — The 1984 amendment, effective June 7, 1984, added subsection (h).

Sec. 31.05.035. Confidential reports. (a) For all wells for which a permit to drill has been issued by the commission since January 3, 1959, the commission may require:

(1) the making and filing of reports, well logs, drilling logs, electric logs, lithologic logs, directional surveys, and all other subsurface information on a well drilled for oil or gas, or for the discovery of oil or gas, or for geologic information; and

(2) the filing of flow test information and all logs, except experimental logs and velocity surveys run on a well and not required by (1) of this subsection;

(3) the operator to make available for copying the digitized log information, if it is available, on any log required to be filed under (1) or (2) of this subsection.

(b) Reports and information required under (a)(1) and (2) of this section shall be filed within 30 days after the completion, aban-

ALASKA OIL AND GAS CONSERVATION COMMISSION

Chat Chatterton, Chairman

The Commission administers AS 31.05 and 20 AAC 25 by regulating the subsurface and metering operations of the oil and gas industry within the state to ensure operations are conducted in a manner which prevents waste of crude oil and natural gas and protects correlative rights.

Accomplishments under Governor Sheffield

- issued permits for the drilling of 435 oil and gas wells; monitored operations involving the production and measurement of 1.25 billion stock tank barrels of crude oil and 2.0 billion MCF of natural gas to ensure that waste did not occur
- history matched Prudhoe Bay Oil Pool simulation model with actual field performance. Conducted reservoir performance predictions under various scenarios to ensure that approved reservoir depletion program continues to be optimum to obtain maximum ultimate recovery
- issued Conservation Orders authorizing two injection projects as qualified tertiary recovery methods meeting the requirements of IRC §4993(c)(2) for purposes of the Crude Oil Windfall Profit Tax Act of 1980 and to increase ultimate oil recovery by 140 million stock tank barrels over conventional depletion methods
- issued a Conservation Order permitting a field experimental project directed toward developing a prudent method for exploiting the known 15-25 billion barrel West Sak crude oil accumulation
- promoted ultimate recovery from state lands by issuing Conservation Orders authorizing two water injection projects for enhancement of crude oil recovery by 1.17 billion stock tank barrels of crude oil
- issued Conservation Orders establishing rules for the development, management and depletion of two pools involving a total of 4 billion stock tank barrels of original oil in place
- introduced and achieved enactment of legislation allowing the State to acquire primary enforcement responsibility under the Safe Drinking Water Act of 1974 for control of underground injection related to the production of oil and natural gas to ensure effective compliance with the act in an efficient manner

- submitted to the Environmental Protection Agency a draft application seeking primacy for the regulation of Class II injection wells within Alaska
- in the capacity of jurisdiction agency for the Federal Energy Regulatory Commission, approved 275 applications as qualified for maximum lawful natural gas pricing under Sections 102 and 103 of the Natural Gas Policy Act of 1978.

Special Objectives: FY 1985

- obtain Environmental Protection Agency approval for primacy to regulate underground injection in Alaska for all Class II wells
- continue surveillance of oil and gas operations within Alaska to ensure that waste does not occur, correlative rights are protected and oil and gas operations are in compliance with AS 31.05 and 20 AAC 25.

Proposed Objectives: FY 1986

- continue surveillance of all oil and gas operations within Alaska to ensure compliance with regulations
- initiate study of Seal Island discovery to develop an optimum depletion program for the pool with an accumulation appearing to be in excess of 1 billion stock tank barrels of original oil in place underlying state and disputed state-federal lands
- issue permits to drill approximately 275 wells
- initial study of Lisburne Oil Pool to review applicable means for enhancing maximum recovery from the 3 billion stock tank barrel accumulation.

The Commission comprises 3 Commissioners and a staff of 22 located in Anchorage.
