



# LAWS OF ALASKA

1979

**Source**

HCSSB 192 am H

**Chapter No.**

65

**AN ACT**

Relating to the leasing and exploration of state land for oil and gas development; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 10

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: May 18, 1979  
Actual Effective Date: May 19, 1979; Section 2 retroactive to  
January 1, 1979

AN ACT

Relating to the leasing and exploration of state land for oil and gas development; and providing for an effective date.

\* Section 1. FINDINGS. The legislature finds that AS 38.05.180(b) as re-enacted in 1978 requires the commissioner of natural resources to annually prepare and submit to the legislature, between the first and 15th day of each regular legislative session, a proposed oil and gas leasing program, and that in the same Act, the legislature enacted a transitional provision allowing submission of the program on the 15th legislative day for the first year of the Act's operation (sec. 7, ch. 155 SLA 1978). Formal submission of the first proposed leasing program occurred on the 17th legislative day of the First Session of the Eleventh Legislature. The legislature further finds that no prejudice to the intent of the Act requiring submission on a day certain was occasioned by this minor variation from the time prescribed. The legislature further finds that strict adherence to the time requirement would impede the purpose of the Act and that waiver of the technical lack of timeliness is in the public interest.

\* Sec. 2. Section 7, ch. 155, SLA 1978 is amended to read:

Sec. 7. TRANSITIONAL PROVISIONS. By the 20th [15TH] day of the First Session of the Eleventh Legislature the commissioner of natural resources shall submit a proposed oil and gas leasing program to the legislature in accordance with AS 38.05.180(b), except that the proposed program shall cover all areas to be leased in 1979 through 1983. No

Chapter 65

1 lease, except as authorized under AS 38.05.180(d), shall be issued  
2 during 1979, 1980, or 1981 unless the land to be leased was included in  
3 this proposed leasing program.

4 \* Sec. 3. AS 38.05.180(f)(3) is amended to read:

5 (3) a fixed cash bonus with a royalty share reserved to the  
6 state as the bid variable but no less than 12 1/2 per cent in amount or  
7 value of the production removed or sold from the lease [; ROYALTY SHARE  
8 AS A BID VARIABLE SHALL BE USED ONLY WHEN THE COMMISSIONER DETERMINES  
9 THERE IS EVIDENCE THAT UNLEASED ACREAGE IS SUBJECT TO DRAINAGE BY OFF-  
10 SETTING WELLS];

11 \* Sec. 4. AS 38.05.180(f) is amended by adding new paragraphs to read:

12 (6) a cash bonus bid with a fixed royalty share reserved to  
13 the state based on a sliding scale according to the volume of production  
14 or other factor but in no event less than 12 1/2 per cent in amount or  
15 value of the production removed or sold from the lease;

16 (7) a fixed cash bonus with a royalty share reserved to the  
17 state based on a sliding scale according to the volume of production or  
18 other factor as the bid variable but not less than 12 1/2 per cent in  
19 amount or value of the production removed or sold from the lease.

20 \* Sec. 5. Section 2 of this Act is retroactive to January 1, 1979.

21 \* Sec. 6. This Act takes effect immediately in accordance with AS 01.10.-  
22 070(c).