

Sponsor Statement for HB 308

Oil/Gas Leases; Discovery Royalty Credit

An Act extending to discoveries of oil or gas in the Tanana River drainage basin the discovery royalty credits that are authorized for lessees of state land drilling exploratory wells and making the first discovery of oil or gas in an oil or gas pool and for licensees under oil and gas exploration licenses making the first discovery of oil or gas in an oil or gas pool that convert those licenses to oil and gas leases

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House Bill 308 will extend the royalty discovery credit in the Cook Inlet to the Tanana River Drainage Basin, allowing companies drilling for petroleum in the area near Nenana to be on the same royalty footing with those companies producing in Cook Inlet.