

Law offices of
JAMES B. GOTTSTEIN
406 G STREET, SUITE 206
ANCHORAGE, ALASKA 99501
(907) 274-7686
TELECOPIER (907) 274-9493

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Jody Colombie
Alaska Oil & Gas Conservation Commission
333 West 7th Ave
Anchorage, AK 99501

via e-mail

Re: Comments on Proposed Bonding Changes

Dear Ms. Colombie:

I have been asked by Mr. James White to review the proposed regulations noticed on August 14, 2018, regarding changes in 20 AAC 25.025 (Notice). My review has found two fatal flaws in the proposed regulations.

First, the *ex post facto* application to existing permit holders is illegal. It is simply not legal to increase the bonding/security requirements for existing permit holders.

Second, the proposed regulations go beyond the scope of the referenced authorizing statute. AS 31.05.030, the statute cited in the Notice as authorizing the proposed regulations, provides in pertinent part:

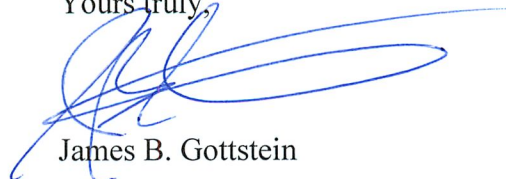
(d) The commission may require . . .

(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;

(Emphasis added). The proposed regulations, however, go far beyond that allowed by the statute, providing that an operator proposing to drill a well provide, "security to ensure that each well is drilled, operated, maintained, repaired, and abandoned and each location is cleared in accordance with this chapter." (emphasis added). It is apparent the proposed regulations go far beyond the statutory authority of allowing bonds be required to "plug each dry or abandoned well or the repair of wells causing waste."

Simply put, the regulations as proposed are not proper and should not be adopted.

Yours truly,



James B. Gottstein