



KENAI PENINSULA BOROUGH

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DAVID R. CAREY
BOROUGH MAYOR

MEMORANDUM

TO: Pete Sprague, Assembly President
Kenai Peninsula Borough Assembly Members

THRU: David R. Carey, Mayor *DR Carey*
Max Best, Planning Director *MB / m*

FROM: *MA* Marcus A. Mueller, Land Management Officer

DATE: December 18, 2009

SUBJECT: Ordinance 2010-03 amending KPB 17.10.100, Methods of Disposition, by adding Subsection J, Oil and Gas Leasing

The borough does not typically hold oil and gas interests except in the few cases where the borough has purchased property and the oil and gas interests were still attached. Although small in scale, the oil and gas interests that the borough does have may be leasable for production on a royalty basis; however, current code is absent provisions specific to oil and gas leasing. Borough code addressing surface interests of land and resources does not provide a good fit for oil and gas and, if applied to oil and gas, would create a confused process such as requirements for classification.

As provided in the attached ordinance, the Land Management Division proposes a new code provision for oil and gas and recommends retaining the protections, processes, and relevant terms for surface uses by excluding surface use from borough oil and gas leasing.

Your consideration of this ordinance is greatly appreciated.