

U.S. Geological Survey:

Small Area of the Alaskan National Wildlife Refuge (ANWR) Could Hold Over 10 Billion Barrels of Oil

Known as the “10-02 Area,” a 1.5 million acre tract of land on Alaska’s Coastal Plain could hold over 10 billion barrels of oil according to the U.S. Geological Survey. In section 10-02 of the legislation that established the whole region as a refuge (the Alaska National Interest Lands Conservation Act, or ANILCA), a portion of ANWR was set aside for potential oil development, but it also stipulated that Congress must first approve the action. In 1995 President Clinton vetoed legislation that would have allowed drilling to begin, partially on the basis that it would not yield any oil for at ten years.

This memo details four key points:

1. **Economic Benefits:** Drilling in the 10-02 Area would generate billions of dollars in lease rentals, royalties, and taxes, all of which would help boost state and federal revenues.
2. **Environmental Protection:** Any drilling performed in this 1.5 million acre section would only require 2,000 acres for actual development, with advanced technologies that minimize environmental and ecological impact.
3. **Large Reserves:** A study by the U.S. Geological Survey estimates that over 10 billion barrels of could be found in the 10-02 Area. Current infrastructure would allow this oil to reach the market rapidly.
4. **Public Support for Development of ANWR:** A majority of Americans and Alaskans favor development of Area 10-02, including support within the town that lies inside the area to be explored.

ECONOMIC BENEFITS OF ANWR DEVELOPMENT

Revenues to the State and Federal Treasury. Development of ANWR would boost federal revenues by billions of dollars from bonus bids, lease rentals, royalties and taxes. Estimates on bonus bids for ANWR by the Office of Management and Budget and the Department of Interior for the first 5 years after Congressional approval are \$4.2 billion. Royalty and tax estimates for the life of the 10-02 fields were estimated by the Office of Management and Budget from \$152-237 billion. Current North Slope oil field production has contributed over \$50 billion to the nation's economy from 1977 to 2004.

“Top Ten Reasons to Support ANWR Development.” Arctic Power – anwr.org, 2008: <http://www.anwr.org/ANWR-Basics/Top-ten-reasons-to-support-ANWR-development.php>

ANWR Oil Development Would Boost Employment. Drilling in ANWR would also create hundreds of thousands of jobs. While estimates vary, between 250,000 and 735,000 jobs could be created by the development of the Coastal Plain.

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Benefits Could Have Been Felt Today. “In 1995, Congress sent to President Bill Clinton budget reconciliation legislation that would have allowed energy production in the 10-02 Area. He vetoed the legislation. If he had signed the legislation, ANWR oil would be available for use today.”

“Facts: Environmentally Responsible Energy Production in Alaska's ANWR.” Washington, DC: United States Department of the Interior:
<http://www.doi.gov/initiatives/ANWRmediafactsheet.pdf>

ENVIRONMENTAL PROTECTION

Drilling Process Would Leave 92% Of ANWR Unexplored And Less Than 1% Directly Affected. On the 1.5 million acre or 8% on the northern coast of ANWR is being considered for development. The remaining 17.5 million acres or 92% of ANWR will remain permanently closed to any kind of development. If oil is discovered, less than 2000 acres of the over 1.5 million acres of the Coastal Plain would be affected. That's less than half of one percent of ANWR that would be affected by production activity.

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Advanced Technology Minimizes Environmental Impact. Advanced technology has greatly reduced the impact of arctic oil development. If Prudhoe Bay were built today, the area affected would be 1,526 acres, 64% smaller.

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Area Of Exploration Is Barren, Not Designated As Wilderness. The area to be explored, known as the “10-02 Area,” contains no trees, deepwater lakes, or mountain peaks. Winter temperatures are often as low as -30°F, and for over fifty days of the year there is no sunlight.

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Effects On Animal Populations Would Be Tiny Or Non-Existent. USGS and the US Fish and Wildlife Service have developed an empirical model that found that using the most likely ANWR development scenarios based on USGS’ most recent assessment, there is a 95% degree of certainty that there is a nearly negligible impact on calf survival among the Central Arctic Caribou Herd and the Porcupine Caribou Herd. As evidence, the Central Arctic Herd habitat includes the Prudhoe Bay oilfields. This herd’s numbers have increased from 5,000 in 1977, when oil production began, to more than 31,000, according to Alaska’s Department of Fish and Game. In addition, current arctic oil fields have healthy brown bear, bird, and fox populations comparable to surrounding areas.

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LARGE POTENTIAL OIL RESERVES

Drilling In Area 10-02 Could Yield Over 10 Billion Barrels of Oil. A U.S. Geological Survey estimates that the entire assessment area (“10-02”) contains a mean expected value of 10.4 billion barrels of technically recoverable oil, and could produce about one million barrels of oil per day, or about 20% of our domestic daily production. This is enough to supply every drop of petroleum for the entire state of Florida for 29 years, Arkansas for 146 years, or Hawaii for 249 years.

“Facts: Environmentally Responsible Energy Production in Alaska’s ANWR.” Washington, DC: United States Department of the Interior:

<http://www.doi.gov/initiatives/ANWRmediafactsheet.pdf>

Geologist Roger Herrera: Can Use Current Infrastructure To Develop 10-02 Area Rapidly. In testimony before Congress in 2001, Roger Herrera described how current infrastructure makes ANWR oil development feasible almost immediately: “The Coastal Plain is different from many isolated oil and gas basins (such as the Canadian Beaufort Sea) because it is already within 25 miles of an existing pipeline and has the benefit of the Prudhoe Bay infrastructure, 60 miles to the west...It is possible that that known deposit would be developed very quickly after the first lease sale. Consequently, because only a feeder pipeline 25 miles long would be necessary to link to the Trans Alaska Pipeline, first production from the Coastal Plain could be expected as quickly as 2 or 3 years after leasing took place.”

“Testimony of Roger C. Herrera to the House Committee on Resources concerning the Arctic Coastal Plain Domestic Energy Security Act of 2001.” Washington, DC, July 11, 2001. Quoted in “Bush Energy Plan Clears First Hurdle.” Arctic Power – anwr.org, 2001:

<http://www.anwr.org/features/politics/congress.htm>

SUPPORT FOR ANWR

Alaskans Favor Development Of ANWR. More than 75% of Alaskans favor exploration and production in ANWR. The Alaskan State Legislature, U.S. congressional delegations, and governors elected over the past 25 years have unanimously supported opening the Coastal Plain of ANWR. The Inupiat Eskimos who live in and near ANWR support onshore oil development on the Coastal Plain. This includes residents of Kaktovik, which is located inside the 10-02 area.

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Top Ten Reasons to Support Drilling in ANWR

1. Of the 19 million acres in ANWR, only 1.5 million acres (8%) would be considered for development, and only 2,000 acres would be affected by any drilling operations.
2. Royalty and tax revenue estimates for the life of the 10-02 Area fields were estimated by the Office of Management and Budget to be \$150-\$237 billion.
3. Developing the Coastal Plain would create between 250,000 and 735,000 jobs.
4. The North Slope oil field contributed over \$50 billion to the nation's economy from 1977 to 2004, and the 10-02 Area could also make a sizeable contribution to the economy.
5. The U.S. Department of Interior estimates that the 10-02 Area could hold between 9 and 16 billion barrels of recoverable oil, making it America's best chance for another major oil discovery.
6. The North Slope oil fields in Alaska currently provide the United States with nearly 16% of its domestic production, and the rate of production has been declining since 1988 (today the North Slope produces less than half of what it did in 1980).
7. Today the U.S. imports roughly two-thirds of its oil, which means Americans send hundreds of billions of dollars to foreign economies instead of investing in the production of our American oil.
8. The Central Arctic Caribou Herd, which migrates through Prudhoe Bay, has grown from less than 5,000 in the 1970s to over 30,000 today, accompanying the current healthy populations of foxes, birds, and brown bears.
9. New technologies have reduced the size of any area impacted by drilling; if Prudhoe Bay were drilled today, the impacted area would be 64% smaller than its current size

10. More than 75% of Alaskans favor exploration and production in ANWR, including the residents of the only village located in the Coastal Plain.