

Alaska Oil and Gas Association



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Federal government's offshore leasing program challenges Arctic oil and gas development

Anchorage, Jan. 27, 2015—Federal agencies have delivered another blow to Alaskans who hope to safely and responsibly develop massive Arctic offshore oil and gas resources.

“The hits just keep coming from the federal government for Alaskans who want to control their own economic future,” said Kara Moriarty, president and CEO of the Alaska Oil and Gas Association (AOGA). “The proposed OCS program released today by the U.S. Department of the Interior and the Bureau of Ocean and Energy Management promises more delay, more uncertainty, and more restrictions. It’s frustrating, because we know the Arctic is going to be developed, and no one does it better than the United States and Alaskans. By not allowing consistent and full access to areas rich in resources, the federal government is tying the hands of responsible developers, while ceding development to countries and organizations that do not have nearly the respect and regard for the environment that we do.”

In the leasing plan released today, exploration is banned in large portions of Alaska’s Chukchi and Beaufort seas.

The Department of Interior’s draft plan does include three proposed lease sales in Alaska’s federal waters— one each in the Beaufort and Chukchi seas, and one in Cook Inlet.

“We suspect the action taken represents a plan to delay and eventually ban Arctic development in the future,” said Moriarty. “Given the track record of these federal agencies, we have reason to believe that some, if not all, of these lease sales will be postponed or cancelled. These actions tell investors the U.S. Arctic is an unstable, unpredictable place to do business, and that kills projects.”

It is estimated that the Arctic Offshore contains approximately 27 billion barrels of oil and 132 trillion cubic feet of natural gas, or a full one-third of the world’s known offshore reserves. For reference, the total amount of oil moved down the Trans Alaska Pipeline since it began operation is 17 billion barrels.

“The Arctic Offshore truly represents the next generation of oil and gas development in Alaska,” said Moriarty. “The incredible opportunity for Alaska jobs and a growing economy is within reach, but we need the federal government to work with us to access these resources safely. Today’s news presents another obstacle to achieving that goal.”

The Alaska Oil & Gas Association is a private, business trade association. Its 14 member companies represent the majority of oil and gas exploration, production, transportation, refining and marketing activities in Alaska. More information about the organization is available at www.aoga.org, on twitter (@AOGA) and Facebook (AlaskaOilAndGas).

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