

## Alaska Oil and Gas Association

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### **AOGA PRESIDENT AND CEO KARA MORIARTY'S STATEMENT ON FEDERAL GOVERNMENT'S DECISION TO CANCEL ARCTIC OFFSHORE LEASE SALES**

**ANCHORAGE-** Oct. 16, 2015—"Today's announcement from the U.S. Department of Interior sends a clear message that the current administration does not want to see the Arctic developed.

With this decision, President Obama and his team are finally showing their true colors on resource development in the Arctic; obviously, the president has no desire to see Shell succeed in Alaska, and does not want to see any new companies succeed, either.

This move is so short-sighted, it is hard to put into words. Why would the president reject the billions of dollars of private investment the Arctic offshore offers? When federal energy experts predict that fossil fuels will provide the United States with 80 percent of its energy for at least the next 40 years, slamming the door on Arctic development makes no sense. (Source: U.S. Energy Information Administration, [http://www.eia.gov/forecasts/aeo/section\\_energyconsump.cfm](http://www.eia.gov/forecasts/aeo/section_energyconsump.cfm).)

The reality is that now, as Russia and other arctic nations begin to develop their respective natural resources, we will lack the emergency response capacity that would have inevitably have resulted from our own Arctic activity. The opportunity for Arctic residents to develop ports, search and rescue operations, and infrastructure is now much more difficult without the massive investment necessary to develop Arctic resources.

The Arctic offshore still represents the largest and best opportunity available to this nation to bolster its economy and energy independence. With more than 27 billion barrels of oil in the Arctic OCS, development represents the next generation of Alaska's oil and gas industry. Without access, the oil will remain in the ground, not unlike other federal areas in Alaska where resources are locked up. To imply that because Shell did not hit the jackpot after drilling only one well somehow diminishes the resource shows a complete lack of understanding of how oil is explored and produced—often, oil companies drill many wells before they strike enough oil to move into development. When Pioneer Natural Resources began drilling in Alaska in 2003, it drilled eight wells before finally finding oil. That well became the Oooguruk field, which has produced 20 million barrels of oil to date.

The sad part of this story is that it will only serve to enforce the myth that the Arctic is being 'saved' from industry, when the reality remains that the Arctic is already being developed by other countries. In my mind, 'energy independence' does not mean undermining our local economies so that we can import natural resources from countries like Russia and Saudi Arabia.

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This is yet another in a series of superficial and hollow gestures under the guise of ‘protection’ that does not actually benefit the Arctic ecosystem.

Now more than ever, the State of Alaska must take control of what it can: promoting oil and gas development on state land. It is abundantly clear the national government has no interest in helping Alaskans develop our resources, so state leaders and policymakers must ensure that state laws and regulations work to encourage development, not punish or discourage it.”

END STATEMENT

AOGA is a professional trade association whose mission is to foster the long-term viability of the oil and gas industry in Alaska for the benefit of all Alaskans. Its 14 members represent the majority of oil and gas producers, explorers, refiners, transporters and marketers in Alaska. More information can be found at [www.aoga.org](http://www.aoga.org).

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