North Slope Alaska and Arctic OCS Oil and Gas Potential

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February 2011
DNR Briefing Presentations

- Northern Alaska and Arctic OCS Resource Estimates
  Kevin Banks, Director, Division of Oil and Gas

- Arctic Alaska Conventional Oil & Gas Exploration Potential
  Bob Swenson, Director and State Geologist, Division of Geological and Geophysical Survey

- Source-Reservoired Oil Resources--Alaskan North Slope
  Paul L. Decker, Petroleum Geologist, Division of Oil and Gas
GOOD NEWS
Alaska Oil and Gas Resource Potential: “World Class”

• 33 Percent of Undiscovered, Technically Recoverable Oil Resources in the Arctic.
• 13 Percent of Undiscovered, Technically Recoverable Gas Resources in the Arctic.
• 40 Billion Barrels of Oil; 230 Tcf of gas
  (Based on the mean estimates from ranges reported by USGS/BOEMRE.)
• Does not Include unconventional resources.

This resource potential lies in the Arctic “backyard” of the largest petroleum consuming market in the world.
Alaska’s Challenges

• **Biggest Challenge:** TAPS Low Flow
  The best way to address this critical factor is to increase throughput.

• **Federal Government Anti-Development Posture**
  The Federal government has turned from the role of environmental protection to putting up a “Off Limits” sign for resource development.

• **High Cost**
  For example, exploration drilling in Alaska is between 3-8 times the cost of drilling in the North Dakota.

• **Environment**
  Harsh climate, resource conflicts, seasonal limits to exploration and development activities.

• **Lack of Infrastructure**
Addressing the Challenges
We need all the policy tools to meet these challenges.

• Fiscal Competitiveness
• Federal Cooperation
• Permitting Timeliness and efficiencies
  – Both State and Federal Governments
• Increase Infrastructure development
• Continued identification of the Resource
• Domestic and International Promotion of Alaska
• Accelerated Development of Unconventional Resource
• Encourage All Players of All Sizes
• Access to Markets