



DEPARTMENT of the INTERIOR

news release

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Bob Walker 343-3171
Tom Wilson 343-3171
Phil Million 343-5634

**SECRETARY HODEL SAYS OIL AND GAS LEASING ON COASTAL PLAIN
WOULD BE CONSISTENT WITH PROTECTION OF WILDLIFE AT
ARCTIC NATIONAL WILDLIFE REFUGE**

Citing estimates of potentially vast energy resources vital to America's future and evidence that exploration and development can be conducted in a manner consistent with wildlife protection, Secretary of the Interior Don Hodel today made public a report recommending that Congress open the coastal plain portion of the Arctic National Wildlife Refuge (ANWR) in Alaska to oil and gas leasing.

"Geologists consider the ANWR coastal plain the most outstanding onshore frontier area for prospective major oil discoveries in America," Hodel said. "Estimates range between 600 million and 9.2 billion barrels of recoverable oil, the latter nearly equal to the Prudhoe Bay field which currently supplies almost one-fifth of U.S. domestic production.

"These potentially vast oil resources would provide tremendous economic benefits to our country. But far more important, they are vital to our national security because they would reduce America's dependence on unstable sources of foreign oil.

"Our nation has proven that we need not choose between exploring for and developing the energy necessary for survival and growth on one hand, and protecting the environment on the other," Hodel said. "We can have both."

In making his announcement, Hodel also cited extensive biological and geological studies, experience at nearby Prudhoe Bay, public comment on a draft report issued last November, and the consequences of other alternatives.

"This preferred alternative for leasing reflects my firm belief, based on demonstrated success at Prudhoe Bay, that oil and gas activities can be conducted on the coastal plain of the Arctic refuge in a manner consistent with the need to conserve the area's environmental and wildlife values," Hodel said as he made public a report, "Arctic National Wildlife Refuge, Alaska, Coastal Plain Resource Assessment and Legislative Environmental Impact Statement." The report, required by Section 1002 of the Alaska National Interest Lands Conservation Act of 1980 (ANILCA), is now final. Hodel's recommendation that Congress provide for oil and gas leasing in the 1.5-million-acre coastal plain (the "1002 area") will become final when it is formally transmitted to Congress.

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"If we move toward exploration and, if oil is found, development on the 1002 area now, we can do so in an orderly and sensitive way that avoids unnecessary adverse effects on the environment," Hodel said. "On the other hand, if we wait before starting further exploration, development could proceed in a hasty and more damaging manner during some future energy emergency.

"For these reasons, I believe further exploration and development of the 1002 area are in the best interests of our country and ultimately will be in the best interests of preserving the environmental values of the coastal plain."

Hodel emphasized that the final decision to open the 1002 area to oil leasing will be made by Congress. The 1002 area is presently closed to oil development.

The Secretary said under present procedures it would take 10 to 15 years to explore and develop the oil resources of the Arctic National Wildlife Refuge, meaning that oil from the coastal plain would most likely become available when oil production from Prudhoe Bay will be declining sharply. Oil from the 1002 area then could be transported through the Trans-Alaska Pipeline.

The submission of the final report and Secretary Hodel's recommendation to Congress will culminate a half-dozen years of field work and analysis. A draft report was published for public comment in November 1986, along with a draft recommendation by Assistant Secretary for Fish and Wildlife and Parks William P. Horn, which also favored full leasing of the 1002 area. Three public hearings on the draft report and recommendation were held in Alaska and Washington, DC, and more than 11,000 written comments were received. Of these, more than 7,000 favored opening the 1002 area for oil and gas leasing; nearly 4,000 favored designation of the area as wilderness.

The 19-million-acre refuge, located in the remote northeastern corner of Alaska, is one of 16 national wildlife refuges in Alaska which together total more than 77 million acres. Eight million acres of the refuge are designated wilderness.

The 1.5-million-acre 1002 area extends from the Brooks Range north to the Beaufort Sea and is 104 miles long and 34 miles wide at its widest point. Lying between Prudhoe Bay to the west and major Canadian oil fields to the east, the 1002 area is regarded by geologists as the most promising onshore area left in the United States for oil and gas exploration. The coastal plain also provides a variety of outstanding Arctic habitats that support fish and wildlife species of national and international significance, including a reintroduced herd of muskoxen, snow geese, and the 180,000-animal Porcupine caribou herd which migrates between Alaska and Canada. Native Alaskans from the village of Kaktovik, population 210, use the adjacent coastal plain for subsistence harvest of fish and game.

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Under Section 1002 of ANILCA, Congress required the Interior Department to study the oil and gas potential and wildlife resources of the coastal plain. The law also required the Secretary of the Interior to provide recommendations as to whether it should be made available for oil and gas exploration and development.

Since 1980, the U.S. Fish and Wildlife Service has conducted more than 50 separate biological studies of the 1002 area's fish and wildlife species and their habitats. Meanwhile, the U.S. Geological Survey, the Bureau of Land Management, and private industry conducted geologic studies that included surface geological and geophysical work but no exploratory drilling.

Results of the studies indicate there is about a 19 percent chance that at least one "economic" oil field will be found, meaning enough oil can be recovered to make the cost of exploration and development worthwhile. In the Arctic, it is estimated that an "economic" oil field requires a minimum of about 440 million barrels of oil. A one-in-five chance is considered a very high potential for a 1.5-million-acre area, because, generally speaking, the smaller the area, the lower the chance of finding oil, and because this is a "frontier" area.

Assuming at least one economic field is found, estimates for the amount of oil that could be produced vary from a 95 percent chance of recovering 600 million barrels to a 5 percent chance of recovering 9.2 billion barrels. The mean estimate is 3.2 billion barrels. This amount of oil would indicate that by the year 2005, the 1002 area could provide 4 percent of total U.S. oil demand and 8 percent of U.S. production, could reduce imports of foreign oil by nearly 9 percent, and could provide \$79.4 billion in net national economic benefits. If 9.2 billion barrels are recovered, benefits to the economy are estimated as high as \$325 billion.

For either full or partial leasing, effects on the environment would occur mainly from oil production as opposed to exploration. Full leasing would directly affect about 12,650 acres, or 0.8 percent, of the 1002 area, whether 3.2 billion or 9.2 billion barrels of oil are produced.

Consequences of this amount of development for species such as brown bears, snow geese, wolves, moose, and a second caribou herd known as the Central Arctic herd are expected to be negligible, minor, or moderate. Major consequences--meaning long-term changes in wildlife habitat which affect species distribution or population dynamics--are expected to be limited to the Porcupine caribou herd and the reintroduced muskoxen.

The Porcupine caribou herd ranges over 96,000 square miles (61.5 million acres) of northeast Alaska and northwest Canada. The herd uses portions of the 1002 area for 6 to 8 weeks annually in June and July for calving, foraging, and relief from biting insects. A major public concern has been the potential effect of oil production on important caribou calving areas.

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