

## Alaska Oil and Gas Association

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121 W. Fireweed Lane, Suite 207  
Anchorage, Alaska 99503-2035  
Phone: (907) 272-1481 Fax: (907) 279-8114  
Email: [info@aoga.org](mailto:info@aoga.org)

AOGA Invited Testimony on House Joint Resolution 12  
House Resources Committee  
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Good afternoon Chairman Patkotak and members of the House Resources Committee. For the record, my name is Kara Moriarty and I am the President/CEO of the Alaska Oil and Gas Association, commonly referred to as "AOGA."

AOGA is the professional trade association for the industry and we appreciate the opportunity to testify today on House Joint Resolution 12 (HJR12). This resolution provides specific recommendations that honors the commitment of ANILCA and the will of the majority of Alaskans who support the safe development of the Coastal Plain of the Arctic National Wildlife Refuge (ANWR).

The sponsor did a very nice job summarizing the specific actions that need to continue to occur to keeping ANWR as a viable option for long-term development of our oil and gas resources.

The Arctic National Refuge was expanded from 9 million acres to over 19 million acres with the passage of ANILCA in 1980, with over 90% of the region permanently protected as wilderness. However, section 1002 of ANILCA specifically states that a small portion of the Coastal Plain would be set aside for future oil and gas development. There was always the intent that oil and gas could occur one day. It was part of one of the many compromises of ANILCA.

The Tax Act of 2017, referenced in HJR12, does limit development to 2,000 acres. To give you perspective, the Dulles International Airport in DC is 12,000 acres, and right here in Alaska, the Ted Stevens International Airport is just over 4,600 acres.

So, why are even discussing more oil and gas development down the road? The U.S. Energy Information Administration (EIA) predicts that, by 2050, petroleum and other liquids will

continue to supply over 50% of the energy and fuels in the United States, and the International Energy Administration (IEA) has a similar prediction for global demand.

So, if the demand for oil and gas is going to be there at least 30 years from now, why the Coastal Plain? The federal government has described the potential 10-11 billion barrels of oil recovery from the 1002 Area as the most significant oil potential in the United States. And while market conditions and regulatory risk that currently exist were the likely causes of the lack of interest from our members in the 2021 January lease sale, the fact remains that the Coastal Plain is still the largest onshore play on federal land in the entire country. And it is a long-term play. Just because companies did not demonstrate interest two months ago, does not mean it is not an important component of energy supply for years to come.

In fact, in 2018 the EIA estimated that production from the Coastal Plain, if it were to occur from 2031-2050, could *reduce* U.S. expenditures on crude oil and petroleum products imports by almost \$600 billion.

One of the last things I would like to stress, and would like to stress the most, is that Alaska's oil and gas industry has a history of safe, effective, and environmentally responsible development of the Arctic spanning over five decades. Development today does not occur the same way as it did 40 years ago. In the 1970's, a typical oil pad would be about 65 acres and the drilling areas underground would extend about three miles. Today, the surface area has shrunk to about 12-14 acres, but with the advancement of technologies and cutting-edge drilling techniques that are often pioneered in Alaska, the drilling now extends to up to 55 miles underground. But, with the advancement of a brand-new drilling rig owned by Alaska Native Corporation Doyon, commonly referred to as "The Beast", Alaska is now home to the largest extended reach drilling rig in North America. Now, drilling can expand another 100 miles, for a total of 154 square miles underground while still maintaining only about a 14-acre gravel pad on the surface.

Eventual development of the Coastal Plain will be safe, be good for the country, and will continue to build upon the jobs and revenues the industry has contributed to the State and the local area for decades.

Thank you for the opportunity to testify.