



**Richard L. Ranger**  
Senior Policy Advisor

**Upstream and Industry Operations**

1220 L Street, NW  
Washington, DC 20005-4070  
USA  
Telephone 202-682-8057  
Fax 202-682-8426  
Cell 202-494-1430  
Email rangerr@api.org  
www.api.org

June 7, 2010

U.S. Fish and Wildlife Service  
Arctic NWR – Sharon Seim  
101 12<sup>th</sup> Avenue, Room 236  
Fairbanks, AK 99701-6237

**Re: Comments: Comprehensive Conservation Plan for Arctic National Wildlife Refuge**

Dear Ms. Seim:

The American Petroleum Institute (API) is pleased to comment on the scope of the proposed Comprehensive Conservation Plan (CCP) that the U.S. Fish and Wildlife Service (USFWS) plans to develop for the Arctic National Wildlife Refuge (Arctic NWR). API represents more than 400 member companies involved in all aspects of the oil and natural gas industry.

API has been consistent in our support for access to American natural gas and oil resources under federal administration in a manner that allows environmentally responsible development of those resources and appropriate management and protection of habitat, wildlife and other resource values for which agencies of the federal government are responsible. We believe that this balance is achievable in portions of the coastal plain of the Arctic NWR where crude oil and natural gas resources of national and strategic significance are believed to occur, and we believe that the long record of our industry's exploration and production operations on other lands administered by USFWS – and on other lands of significance to wildlife – supports this assertion. With this letter we urge that in development of the CCP for the Arctic NWR, USFWS avoid administrative actions that would place the oil and natural gas resources under the Arctic NWR coastal plain off limits to future exploration, development and production.

API's comments to this scoping process begin with the following premises:

- Global demand for energy will grow and, because existing and developing energy sources will struggle to keep up with demand, oil and gas resources will be needed for American consumers and the American economy for decades to come.
- The crude oil and resource in particular that is believed to lie in geologic strata found below the Arctic NWR coastal plain is generally believed to be the single largest crude oil resource under U.S. dominion. U.S. Geologic Survey (USGS) estimates that between 5.7 and 16.0 billion barrels of technically recoverable crude oil and natural gas liquids are likely to be found in the coastal plain area of the Arctic NWR, with a mean estimate of 10.4 billion barrels of which 7.7 billion barrels lie within USFWS administered refuge lands.

- Development of oil and natural gas resources in the Alaskan Arctic can occur in an environmentally responsible way. In over 30 years of oil production at Prudhoe Bay and other fields on the Alaska North Slope, producers have significantly advanced technology in drilling, Arctic engineering, waste disposal and environmental management, and have developed better tools to locate the underground structures that contain oil. Together, these advancements and the commitment to environmental performance by the men and women who work on the Slope have greatly reduced the effects of oil development on the wildlife and surface resources surrounding the production operations, and have reduced the footprint that these operations occupy.
- Americans do not have to choose between development of valuable energy resources *or* the protection of Arctic species and the habitat on which these species live, feed, breed, rear their young, and migrate.
- With specific reference to the coastal plain of the Arctic NWR, where Congress has not at this time authorized oil and natural gas development to take place, the missions of the USFWS for wildlife conservation and ecosystem management, and oversight of recreational and subsistence uses can be achieved without designation of the coastal plain as wilderness.

API acknowledges the potential value to be gained through revision of the Comprehensive Conservation Plan for the Arctic NWR. The refuge was established in 1960 to implement the vision of Robert Marshall to designate areas in the Arctic of sufficient scale to preserve wildlife and wilderness values. As the USFWS planning update document indicates, in 1980 the Alaska National Interest Lands Conservation Act (ANILCA: Public Law 96-487; 16 U.S.C. §3101 et seq.) more than doubled the size of the Refuge to over 19 million acres, an area approximately the size of the state of South Carolina, renamed it, and designated 8 million acres as wilderness (or an area larger than the combined land and water area of Maryland). In passing ANILCA, Congress recognized the importance of both the environmental and energy resources of the Arctic NWR, by specifying in Section 1002 of ANILCA that about 1.5 million acres of the coastal plain on the Refuge (or about 8 percent of its 19 million acres) should be subject to a thorough resource evaluation. Congress also required a comprehensive and continuing inventory of the biological resources on the coastal plain, along with an analysis of the potential impacts of oil and gas exploration, development and production, and reserved to itself the future determination whether production of oil and natural gas resources would later be allowed on the Arctic NWR coastal plain. Until Congress takes action, no production of oil and natural gas from the Refuge is allowed, nor may leasing and development leading to production take place.

From the standpoint of the possibility of future development of energy resources under the coastal plain of the Arctic NWR, ANILCA's provisions frame the context in which the plans to revise the existing CCP for the refuge take place. API acknowledges that the context for planning for management of the Arctic NWR is also influenced by the 1990 Federal Subsistence Management Program, gradual increase in public use of many portions of the Refuge (notably guided float trips on several Refuge rivers) coupled with the opening of the Dalton Highway to public traffic, and changes in populations of Refuge wildlife, fish and habitats that USFWS professionals and third party researchers may have observed. In general, API believes that:

- The management objective to sustain naturally occurring fish and wildlife species in the Refuge, including their interactions, population cycles and ecological roles, can be achieved without

designation of the coastal plain as wilderness, consistent with the ability of USFWS to carry out stewardship of fish and wildlife species on other refuge units it administers independent of any wilderness designations;

- The objectives associated with stewardship of identified Wilderness and Wild Rivers can be achieved without an effort to administer the coastal plain as wilderness;
- The ability of Refuge managers to provide opportunities for recreation and enjoyment of the Refuge's features and landscape consistent with values visitors seek of adventure, self-reliance and exploration can be maintained without designation of the coastal plain as wilderness;
- Management of the Refuge to facilitate continued subsistence uses by Alaska Native populations living near the Refuge or having access to it does not depend upon administering the coastal plain as wilderness;
- International treaty obligations related to the conservation or migratory birds, marine mammals, caribou and fish can continue to be carried out without designating the coastal plain as wilderness; and
- Stewardship of surface water resources and water quality can be achieved independently of designating the coastal plain as wilderness.

API strongly urges USFWS and staff from the refuge who are supporting the CCP effort to explore techniques to achieve these objectives that can be accomplished under the current administrative arrangements for Refuge lands. We believe doing so is fully consistent with the capabilities USFWS has demonstrated across the wide variety of National Wildlife Refuges the agency administers, and will avoid conflict with the provisions of ANILCA that will be unnecessary and unproductive

Oil and gas operations are not unknown on wildlife refuge lands. About one-quarter, or 155, of the over 500 refuges, wetlands management districts and other lands administered by USFWS, have past or current oil and gas activities, some dating to at least the 1920s, according to an August 2003 report by the Government Accountability Office (GAO) "National Wildlife Refuges: Opportunities to Improve the Management and Oversight of Oil and Gas Activities on Federal Lands" (GAO Report 03-517). These activities include oil and gas exploration, active and inactive drilling and production facilities, and active pipelines transiting refuge lands. These refuges include the Aransas Pass National Wildlife Refuge that provides the winter range of the critically endangered whooping crane, and the Kenai National Wildlife Refuge in south central Alaska, on which the discovery of the Swanson River oil field in the 1950's proved to be a catalytic event for Alaska's achievement of statehood. According to this GAO report, USFWS records indicated that in a period between 1994 and 2002 exploration activities occurred on some 44 different refuges, with the nature of the activities including geologic study, survey, or seismic work. This GAO report also stated that over this long history the environmental effects of oil and gas activities and the associated construction, operation, and maintenance of the infrastructure on wildlife and habitat have varied in severity, duration, and visibility.

In noting this history, API is not asserting that the examples of activity on USFWS lands or the industry's past operational practices always offer a model to follow; we are merely observing that USFWS possesses management experience with lands on which the agency's wildlife and conservation missions and oil and gas operations have been pursued concurrently. API believes that miles to the west of the Arctic NWR, the industry is demonstrating that responsible development of Alaska's resources is an exercise in

balance, involving production of vital national energy resources, protection of the environment and wildlife, coordination with residents of the North Slope Borough and its communities and respect for their subsistence way of life.

At Prudhoe Bay, Alpine, Kuparuk and associated fields, drilling advances and improved waste management techniques have resulted in a marked reduction in the land area needed for oilfield development. Wells that were once spaced about 120 feet apart are drilled as closely as 10 feet. With grind and inject technology, drilling wastes are safely reinjected underground into isolated geologic formations, eliminating the need for surface storage areas or reserve pits that were customary during the early years of the development of the Prudhoe Bay field. Prudhoe Bay development directly covers about 5,000 acres, or less than 2 percent of the field's total surface acreage, nearly all of which remains for use by the abundant mammal and bird life with which industry shares the area. In fact, over the period of development of the existing North Slope fields, the population of the Central Arctic caribou herd has increased by a factor of six, and populations of more than 200 different species of waterfowl migrate to the lands surrounding the North Slope oil fields each spring. As an example of evolving technology, the 40,000 acre Alpine field to the west of Prudhoe Bay, in the ecologically rich Colville River delta, has been developed from facilities covering about 100 acres, or less than .2 of 1 percent of the land. This is analogous to producing subsurface oil and gas resources covering an area roughly the size of the District of Columbia from a footprint slightly larger than the U.S. Capitol grounds. Today exploration drilling is conducted from temporary pads of ice that disappear after the well has been drilled, leaving virtually no trace. Construction of pipelines and other facilities is also done during the winter from ice roads or pads.

On the North Slope, the oil and natural gas industry has participated as a partner in research with agencies of the federal and state government, including the USFWS. The more than three decades of activity there have resulted in Alaska's North Slope being one of the most intensively studied and surveyed regions in North America, and arguably the best understood environment of the circumpolar Arctic. Environmental studies have documented baseline conditions prior to new development. Data from these studies have been used to assist project engineers with the placement of facilities and equipment to minimize environmental impacts. Studies to support permits for exploration and production activities and to comply with environmental laws and regulations have added to the literature about the Arctic that has benefited agencies like USFWS, as well as the broader research community that continues to develop our knowledge of this important region.

The purpose of providing this background in this letter is not to argue for access to the Arctic NWR coastal plain today, but to demonstrate that a balance between protection of sensitive wildlife and habitat resources and production of important energy resources is achievable. We believe that this experience is simply a powerful argument for the inadvisability of using the CCP process to designate the Arctic NWR coastal plain as wilderness and to preclude a future opportunity to achieve this balance where the combination of resource concerns – as acknowledged in ANILCA – is of unique significance.

Our nation's long term energy security will depend upon diversity of sources of supply. It is important to remember that U.S. domestic production is mostly made up of modest amounts from hundreds of thousands of wells in thousands of oil and gas fields, both onshore and offshore. With the exception of a

few very large fields discovered many decades ago, all of our current production comes from fields that can be characterized as only a few weeks or months of supply. Thus, each discovery makes a proportional contribution to supplies over 10, 20, or in some cases, 50 or more years. The U.S. needs a constant supply of new discoveries to replace declining production from existing and end-of-life wells to meet our nation's growing demand for energy. Otherwise production will eventually fall, creating a potential supply/demand imbalance that could have adverse impacts on imports and prices for American businesses, consumers and homeowners.

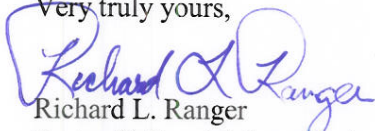
The US Energy Information Administration (EIA) forecasts that by 2025, demand for oil will increase by 39% and demand for natural gas by 34%. The EIA also estimates that oil and natural gas will provide nearly two-thirds of the energy consumed in 2025. Diminished access to domestic energy supplies has already had an impact on a number of important sectors of the economy. According to a May 2008 EIA report, the opening of the Arctic NWR coastal plain to oil and gas development could result in an increment of crude oil production ranging from 510,000 to 1.45 million barrels per day for a period extending for approximately 12 years, with continued production for many years thereafter, lowering the nation's import dependency. Jobs and significant revenue benefits to the treasuries of the U.S. government, the state of Alaska and the North Slope Borough would also occur.

The resource potential available in Alaska is first order world class. Industry's ability to operate safely and in an environmentally responsible manner in the Arctic has been demonstrated for five decades. Alaskan oil and gas operations have been a proving ground for technologies that have steadily reduced both the footprint and the impacts of exploration and production activities the industry undertakes.

The oil and natural gas industry has proven itself to be a critical partner in the development of Alaska, and in expanding our knowledge of an Arctic environment that is as fragile as it is remote and challenging. API encourages an outcome of the Arctic NWR CCP process that does not preclude the possibility of producing strategic crude oil resources from the refuge coastal plain for the benefit of our nation's security and economy.

Thank you for considering these comments. If you need additional information, please contact Richard Ranger at 202.682.8057.

Very truly yours,

  
Richard L. Ranger  
Senior Policy Advisor, Upstream