

The Potential for Oil and Gas Exploration and Development in ANWR's 1002 Area

**Written Testimony
of
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Chairman Murkowski, Ranking Member Cantwell, and Members of the Committee:

My name is Richard Glenn and I am a resident of Alaska. I am a geologist by training and serve as Executive Vice President for Lands and Natural Resources of Arctic Slope Regional Corporation (ASRC), which is headquartered in Utqiagvik (formerly Barrow), on Alaska's North Slope. The North Slope region of Alaska includes the villages of Point Hope, Point Lay, Wainwright, Atkasuk, Utqiagvik, Nuiqsut, Kaktovik, and Anaktuvuk Pass. The residents of the villages that I have named are also citizens of the North Slope Borough, a home-rule municipality. They are largely Iñupiat (North Alaskan "Eskimos"); and they comprise many of the shareholder owners of ASRC. North Slope village residents depend on subsistence resources from the land, rivers and ocean, as they have for millennia.

ABOUT ASRC

Arctic Slope Regional Corporation is one of twelve land-owning Alaska Native regional corporations created at the direction of Congress under the terms of the Alaska Native Claims Settlement Act of 1971 (ANCSA). ASRC's region is the North Slope of Alaska and encompasses 55 million acres (the informal names "North Slope" and "Arctic Slope" are geographically identical and are alternately used when one or the other has become more associated with a given usage or is a part of a formal name).

THE ISSUE

ASRC and Kaktovik Iñupiat Corporation (KIC) own more than 92,000 acres, surface and subsurface in the ANWR Coastal Plain. These lands hold significant potential for onshore oil and gas development. However, as a result of Section 1003 of the Alaska

National Interest Lands Conservation Act (ANILCA), these important resources remain off limits to ASRC and KIC.

To not allow the safe and responsible exploration and development of the Coastal Plain of ANWR, lands set aside specifically for their resource potential, is to deny the Kaktovik residents and Native landowners there a right to economic self-determination on their own lands.

As a representative of the landowners of Alaska's North Slope who has long debated the merits of exploration in our region, I would like to address another issue: When considering whether to open the Coastal Plain of ANWR, opponents will say that "we already have the NPR-A". Yet when trying to develop NPR-A, I have heard opponents will say "just because it is called NPR-A, it should not be treated as a gigantic fuel container". When the Arctic OCS is considered for exploration and development, opponents will say "explore on land, in the NPR-A, and in ANWR first". It is a constant game of *Hide the Ball*, conducted by people who in reality want no development anywhere.

THE FOOTPRINT

The presence of the oil and gas industry in our region is the economic base responsible for improvements to our cities and towns from formerly hardscrabble conditions. Our community is and has been empowered by oil and gas development; it is the only viable industry in our region today.

The lands of Alaska's North Slope contain some of the nation's most promising energy resource potential. The supergiant Prudhoe Bay (initial production in the 1970's) and Kuparuk River (1980's) fields were discovered and developed on State-owned North Slope lands.

As production from the supergiant fields declined over time the industry expanded their development efforts onto adjacent state-, federal- and Native-owned lands.

Senator Murkowski, the North Slope exploration and development industry has during this period of time, nearly five decades, gone through an amazing evolution. Production decline of giant fields spurred new and safer seismic exploration. Wildlife populations on land and in our rivers and estuaries were unaffected. The isolated location, absence of roads, and overall respect for the environment triggered seemingly light-years of technological advancements: extended reach horizontal and directional drilling, innovative completion techniques, sweeping of formation fluids with arrays of injectors and producers, and others. Collectively, these advancements

have resulted in the dramatic reduction of the surface acreage, or “footprint” necessary to efficiently and safely produce a large (and growing) subsurface area.

The statistics are impressive. Seismic exploration is done in winter with techniques that cause no harm and leave virtually no trace when the snow and ice melt in the springtime. Drilling conducted from ice pads is impossible to detect a few short months later. Production of a huge subsurface area can be done without permanent roads and with minimal surface footprint. To illustrate, let’s use real industry numbers and the Washington DC area as an example. With surface production and processing facilities whose footprint is as large as the US Capitol Building and surrounding grounds, using the drilling and production techniques described above, today’s practices can efficiently and safely produce from an area greater than the entire District of Columbia. With extended reach drilling reaching safe distances as far as six miles in a given direction, wells sited at the Capitol can tap the resources under Hyattsville, Maryland to the northeast and Alexandria, Virginia to the southwest. A well sited under FedEx Stadium could drain the area beneath Andrews Air Force Base.

I know this because I have seen production of this magnitude on our lands. The technologic innovations have been tried and proven on Native-owned lands belonging to another village in our region a hundred miles away from ANWR’s 1002 Area.

HUMAN RIGHTS VS. ANIMAL RIGHTS

For too long the human rights issue in this debate has been ignored, even hijacked by the opposition. The simple fact of the matter is that there is but one indigenous population that resides within the Coastal Plain. In fact, there is but one indigenous people within the entire 19.6 million acres of the ANWR and they are the Iñupiat from Kaktovik (Kaktovikmiut).

The opposition, specifically the environmental lobby, should not be the voice for the future sustainability of Kaktovik; it should be the local people and land owners.

Throughout the life of this issue, the big and powerful environmental lobby have gone into Native communities with promises of trips around the world and per diem to individuals who are willing to be the Native face of this opposition. Giving them a platform so large it has turned this into an emotional movement filled with half-truths which generate large donations to the environmental lobby’s so called “non-profit” organizations. In the meantime it squelches the voices of the Iñupiat in the process.

Rather than debating the merits of responsible development, sadly, the environmental lobby has successfully pitted the Gwich'in Indians from Interior Alaska against the North Slope Iñupiat.

Unfortunately, we feel that we have more in common with them and have sought an amicable solution for years. We have invited them north to see our communities and visit with our people. Those invitations have been extended at least a dozen times to no avail.

The opposition will tell you that this place is sacred to the Gwich'in because it is the calving ground of the Porcupine caribou, and they are caribou people. The residents of Kaktovik, too, are dependent upon caribou for survival- because it fills the freezer and puts food on the table. The calving grounds are in the backyard of the Kaktovikmiut. It is in the best interest of Kaktovik to also sustain this herd so that it may migrate through Canada's oil rich Eagle Plain Basin and back into the Gwich'in territory of Alaska.

ASRC is not here to debate this issue on the merits of "sacredness". To us, all of our lands are sacred. All across the North Slope, including the Coastal Plain, these lands contain sod-house ruins and graves of our ancestors. These sites can be trace from thousands of years to the memory of people alive today.

It is unfortunate that the environmental lobby continues to promote half-truths or allow for the misrepresentation of history. History shows that the Iñupiat opposed development when oil was first discovered in Alaska, but then realized that our people needed a seat at the table to protect our subsistence lifestyle and practices. The Iñupiat were proactive and formed the North Slope Borough, our county form of government, to ensure that seat at the table had authority. We have worked alongside the industry to ensure development takes place on our terms, with the appropriate protections incorporated into development projects so as to perpetuate sustainable wildlife populations, including the caribou. Conversely, history will also show that when the Gwich'in leased their lands for oil and gas exploration and development in the 1980's, no protections for the caribou were incorporated into their lease agreements. Further, while the Gwich'in chose to serve as the face of the environmental lobby, residents of their communities have worked in our companies for decades. These are companies that work in **our** backyard and service Alaska's oil industry.

History will show that it has been our desire for over two decades to work with the Gwich'in, and that invitation remains open today.

ASRC strongly recommends the Committee look at the human rights aspect of this issue from the lens of the Kaktovikmiut. As the aboriginal environmental stewards of their backyard, there is no better perspective.

CONCLUSION

On the North Slope, we believe that exploration and production can be conducted safely. The reality is that the survival of our region and the development of our communities today depend on continued exploration and production. Without this economic driver, our communities will need access to greater government subsidies and programs in order to be sustained. We speak in favor of a safe and expeditious opening of the 1002 Area. It will be good for our region, our state and our country. Thank you for the opportunity to provide comments today.