



National Commission on the  
BP DEEPWATER HORIZON OIL SPILL  
AND OFFSHORE DRILLING

# National Commission on the Deepwater Horizon Oil Spill and Offshore Drilling

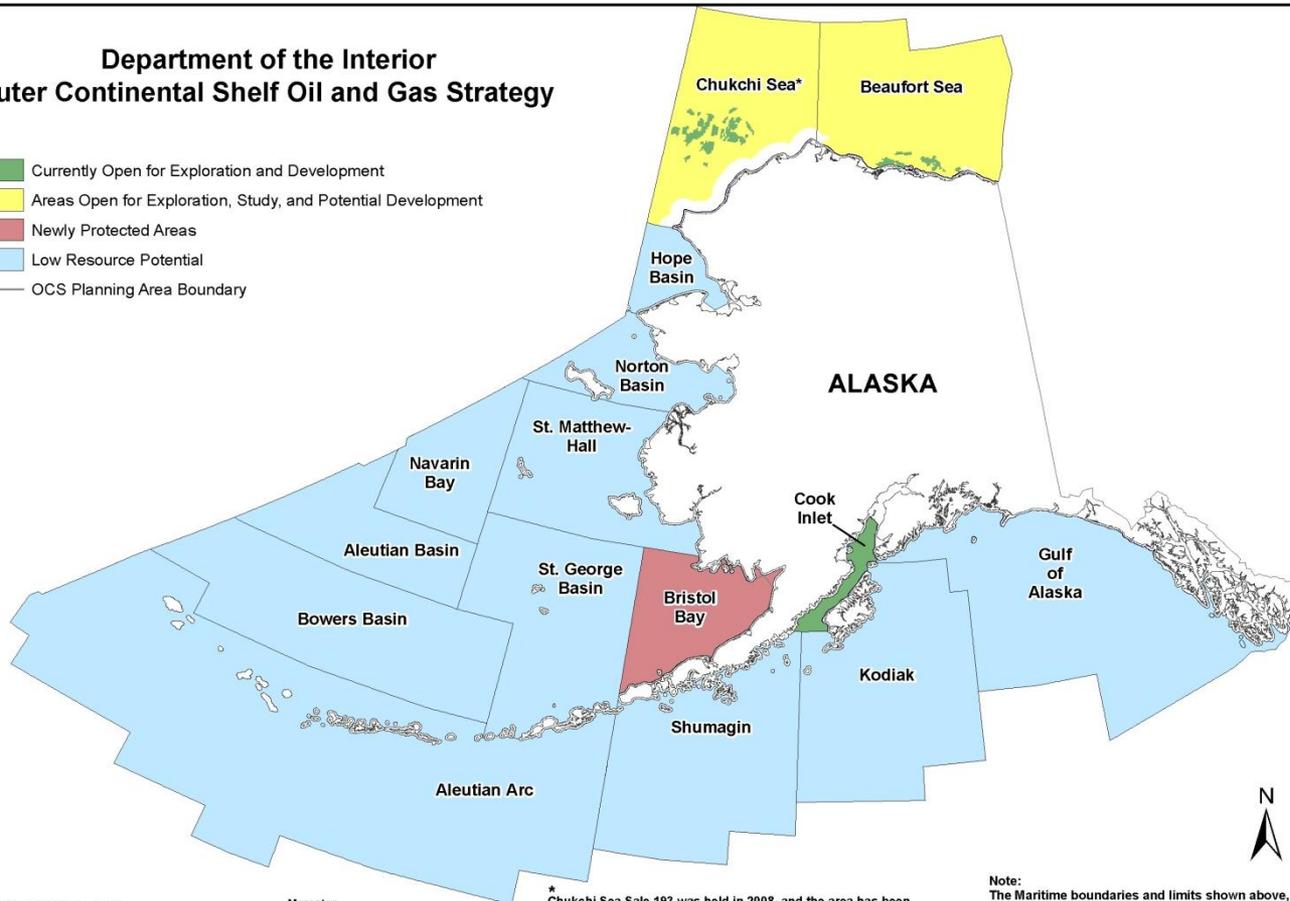
Staff Presentation:

## Future of Offshore Drilling – Arctic Issues

Presented on  
December 2, 2010

**Department of the Interior  
Outer Continental Shelf Oil and Gas Strategy**

- Currently Open for Exploration and Development
- Areas Open for Exploration, Study, and Potential Development
- Newly Protected Areas
- Low Resource Potential
- OCS Planning Area Boundary



0 40 80 120 160 200 Miles  
0 20 40 80 120 160 200 Nautical Miles

Mercator  
North American Datum 1983

\* Chukchi Sea Sale 193 was held in 2008, and the area has been designated for study in the next 5-year EIS, but there are no further Chukchi sales on the current 5-year schedule.

Note:  
The Maritime boundaries and limits shown above, as well as the division between planning areas, are for initial planning purposes only and do not prejudice or affect United States jurisdiction in any way.



**Alaska Outer Continental Shelf Planning Areas (March 2010)**



# Background: Arctic Conditions

- Alaskan Arctic characterized by extreme cold, excessive darkness, fog, and ice
- Chukchi and Beaufort Seas covered by varying forms of ice for 8-9 months of the year
- These conditions create challenges for research, oil and gas activities, and oil spill response efforts



AP Photo/U.S. Coast Guard, Prentice Danner



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# Background: Arctic Ecosystem

- Globally significant populations of birds, marine mammals, and fish
  - Highly diverse marine mammals: seals, cetaceans, whales, walruses, and polar bears
  - Several million birds migrate through the AK Arctic, also important area for breeding and feeding



Photo: USGS



Photo: USFWS – Brad Benter



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# Draft Staff Findings

*Issues that should be considered as decisions are made related to Arctic oil and gas development.*



Sakhalin Field in Russia

Photo: Bloomberg



# Finding: Baseline Science Data Gaps

- Arctic research is difficult and expensive
- Scientific research and traditional knowledge are expanding understanding of the Arctic
- Good information exists for a few species/certain times of the year
- A more comprehensive understanding of species, habitats, and physical processes in the Beaufort and Chukchi Seas over the entire year is needed



Photo: Canada DFO

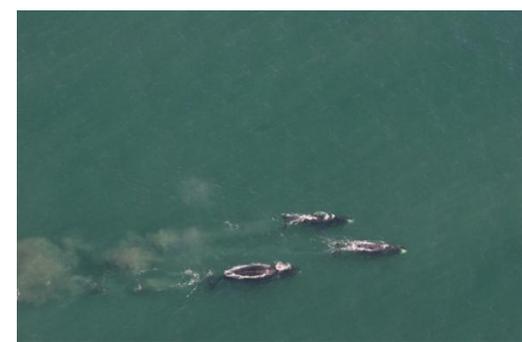


Photo: NOAA



# Finding: Oil Spill Response Gaps

- Arctic conditions could make oil spill response difficult and dangerous
- Response methods from the Gulf of Mexico cannot be transferred to Arctic and expected to work the same way
- Limited field research has been conducted related to oil spill response in cold weather/water and ice conditions
- More information needed on the effectiveness and safety of Arctic oil spill response methods





# Finding: Federal Presence

- There is large deficiency in federal capabilities for oil spill response oversight in the Arctic
- The distance of the U.S. Coast Guard personnel and resources from the Arctic makes federal search and rescue operations difficult



# Finding: Drilling Differences

- Exploratory Drilling vs. Year-Round Production
  - Can be large differences in risk levels and time frames
  - Likely require a different scale of scientific information and oil spill response capability
  - Question of what government and industry need to be able to demonstrate in advance of each type of activity



# Finding: Subsistence Resources

- Inupiat Eskimos in the Alaskan Arctic have survived via subsistence hunting and fishing for thousands of years
- Whaling is important for both subsistence and cultural reasons
- Offshore oil and gas activity could negatively impact subsistence species and harvest, but could also provide economic benefits to native communities

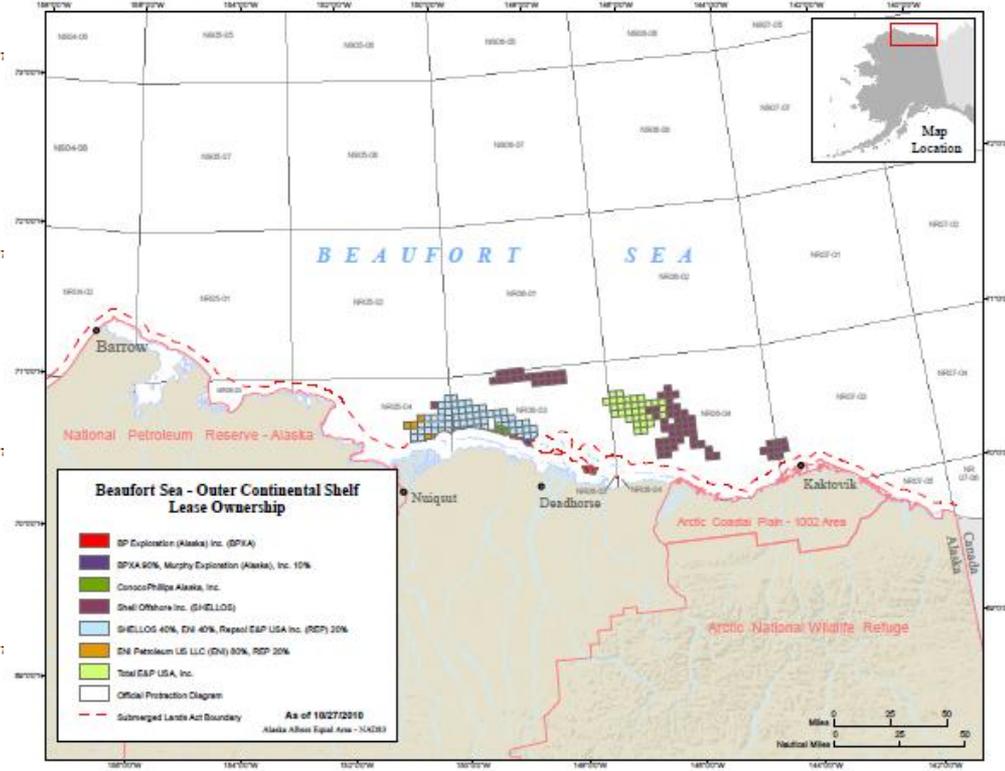
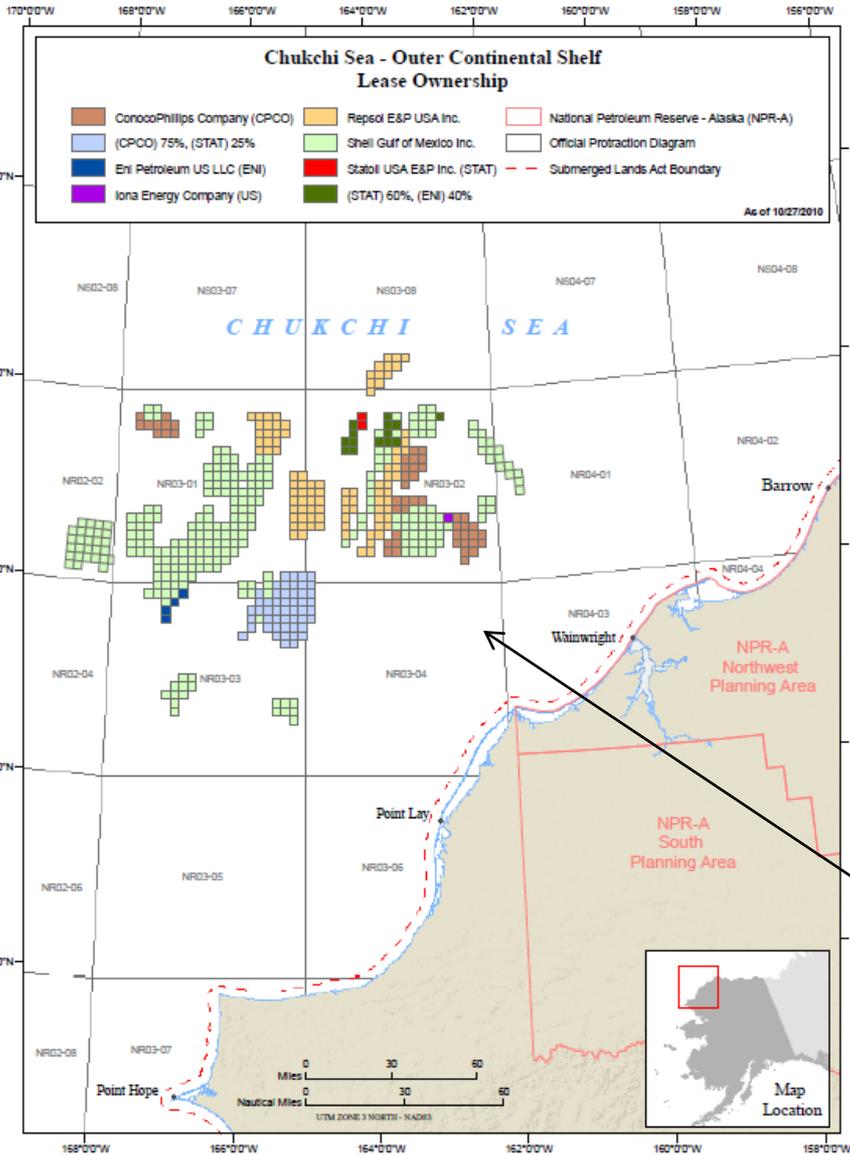


Photos ©by Bill Hess



# Finding: Economics

- Onshore oil and gas production in Alaska has declined and is expected to continue declining
- Arctic offshore resources viewed as one potential replacement:
  - USGS estimates that as much as 80% of undiscovered oil and gas in the Arctic is offshore
  - Arctic offshore oil could extend the lifetime of the Trans-Alaskan Pipeline, providing economic benefits to Alaska via jobs and revenue
  - Arctic offshore resources could provide energy security and economic benefits to the United States



The 2008 lease sale for the Chukchi Sea resulted in over \$2.6 billion in total high bids, including over \$2.1 billion from Shell.