



THE STATE  
of ALASKA  
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The Honorable Pete Stauber, Chairman  
House Committee on Natural Resources  
Subcommittee on Energy and Mineral Resources  
1324 Longworth House Office Building  
Washington, DC 20515-6201

December 18, 2023

Re: H.R. 6285 *Alaska's Right to Produce Act of 2023*

Thank you for the opportunity to provide testimony before your committee on November 29, 2023, in support of this important legislation. On December 4, 2023, you asked a follow-up question on the importance to Alaska of production from federal lands:

*How important to the State of Alaska has energy production in the NPR-A been and how important is it to the State that responsible energy production in the 1002 Area of ANWR be allowed?*

The development of both of these areas are critical to Alaska's future, and we believe will be an increasingly important part of U.S. domestic energy production and international supply.

While leasing – that does generate direct federal and state revenue – has occurred in the National Petroleum Reserve – Alaska (NPR-A) for a significant period, major developments have only recently started to come online in the Petroleum Reserve. This production is generating a different scale of direct revenues and providing long-term opportunities and jobs both for regional community residents and across the State and country. Colville Delta developments in the joint state/federal Colville River Unit, the Greater Mooses Tooth Unit, and the just-initiating Willow project have the potential to grow in importance and profile in the years ahead, generating hundreds of millions in the near term and hopefully tens of billions of dollars in the years ahead in direct federal, state, and local revenues. This includes significant funds that go directly to communities in the NPR-A under the State's Impact Mitigation Fund program. As we learn more about the NPR-A's prolific resources, it is increasingly clear it is one of the United States' most important and prospective energy basins and assets.

Similarly, the prospective exploration and development of the 1002 Area holds major potential and consequence for the State of Alaska. The U.S. Geological Survey has estimated that the Area contains billions of barrels of technically recoverable hydrocarbons, with the potential to generate billions and billions in revenues for the federal, state, and local governments. As modern, infinitesimal impact and high-tech exploration techniques have not been deployed in the 1002 Area, we are poised to learn a tremendous amount of confirmatory information if statutorily-approved exploration and development is allowed to proceed. If these historical estimates are confirmed and development proceeds using

sophisticated modern techniques, the 1002 Area will be a new chapter in economic activity and energy security contributions for Alaska.

A few additional points for consideration are included below:

Importance of NPR-A energy production to Alaska and the U.S.:

1. NPR-A has been set aside for nearly a century for its energy production potential.
2. Future NPR-A production is a critical part of stemming throughput decline in the nationally critical Trans Alaska Pipeline System (TAPS) energy infrastructure system. This has direct economic, operational, and safety benefits to all North Slope activity. Depending on the production profiles of these fields, they may account for a quarter or more of all throughput in TAPS.
3. Further expansion of leasing, exploration, and development in NPR-A is critical to maintaining this infrastructure, the health of Alaska's economy, and the nation's energy security. In addition to direct revenues and jobs, it supports local infrastructure, broader economic activity, and a networked set of benefits across the State.
4. The NPR-A mitigation grant fund directly benefits indigenous communities and residents with-in the NPR-A. Over its history it has provided over \$200 million to these communities. It is the ultimate actual expression of environmental justice that the Biden Administration purports to endorse but constantly frustrates in Alaska. Property taxes on oil and gas infrastructure are also the primary source of revenue for the North Slope Borough.

Importance of allowing ANWR energy production for Alaska and the U.S.:

1. There is very little modern data, especially drilling and 3D seismic data, applicable to the 1002 Area of ANWR. Modern techniques should be approved and deployed immediately, consistent with both existing law and the intent of H.R. 6285 to confirm the potential and long-term value of the Coastal Plain to the U.S.
2. Based on the information known to date, the U.S. Geologic Survey has identified that the Area contains, as a mean estimate, billions of barrels of oil. (*see, e.g.*, EIA "Analysis of Projected Crude Oil Production in the Arctic National Wildlife Refuge" referencing U.S.G.S. estimates, available at <https://www.eia.gov/outlooks/aeo/anwr.php>)
3. Claims of lack of industry interest in ANWR should be understood as a recognition of how difficult and expensive it is to work with federal agencies for permitting exploration and development, and not any refutation of this potential or its consequence for Alaska and the U.S.
4. In sum, producing oil and gas in ANWR is important to the indigenous communities of the North Slope, the State's economy, and to national energy and strategic security.

Please let me know if we can be of further help in providing information to the Committee.

Sincerely,



John C. Boyle III  
Commissioner  
Alaska Department of Natural Resources