



# Remarks of Brad Raffle ACES 2014 Conference Washington DC December 2014

# Oil and Gas Potential of the Arctic

- 30% of undiscovered gas
- 13% of undiscovered oil
- 85% is offshore
- 45% is in Alaska and Canada

# Significant Exploration Investment expected over the Next Decade; \$100B

- ConocoPhillips
- Shell
- ExxonMobil
- Statoil
- Cairn
- Gazprom

# Declining production on Alaska's North Slope

- Presents a challenge for the Trans-Alaska Pipeline System
- Risk of stranded North Slope oil
- Oil and gas employs 1 in 3 Alaskan workers

# As Global demand for Oil and Gas escalates, Arctic resources will likely be needed by Mid Century

- 20 years to bring fields to full production

# Many Challenges

- Economic
  - Too expensive to produce in comparison to other areas

# Many Challenges (continued)

- Environmental
  - Spill risks
  - Delicate and poorly understood ecological systems
  - Pipeline construction
  - Blowouts in cold and icy waters
  - New DOI rules will help

# Many Challenges (continued)

- Physical-Logistical
  - Remoteness from markets
  - Lack of infrastructure
  - Pack ice and icebergs
  - Short drilling season
  - Access to equipment
  - Depth restrictions



# Many Challenges (continued)

- Indigenous people
- Political Challenges

# Many Challenges (continued)

- Boundary Disputes

# Many Challenges (continued)

- Lease Terms in the U.S.

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