

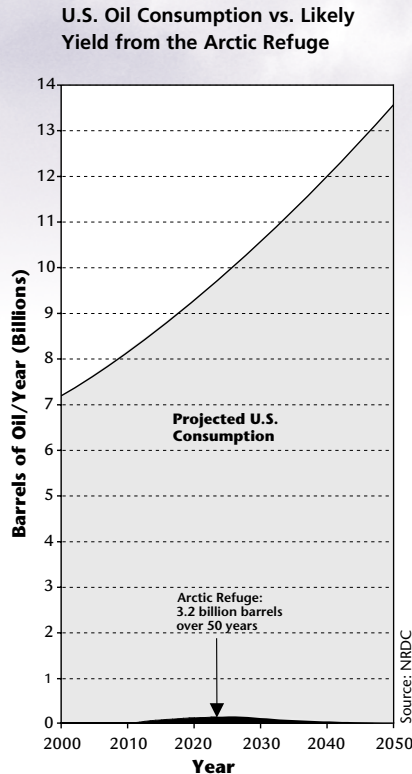
# THE ARCTIC NATIONAL WILDLIFE REFUGE

## Drilling in the Refuge vs. Energy Efficiency

**I**s there economically recoverable oil in the Arctic National Wildlife Refuge?

The U.S. Geological Survey (USGS) recently determined that the refuge may contain roughly 3.2 billion barrels of oil that could be economically recovered and brought to market, assuming a price of \$20 per barrel. But it would take 50 years to extract it all, and during that time, the oil would satisfy only 1 percent of projected U.S. demand. Moreover, it is far from certain that oil will remain above that price for the next 50 years. If the price drops below \$20 per barrel, there might not be *any* economically recoverable oil in the refuge.

Proponents of drilling claim that 16 billion barrels of oil could be recovered from the refuge's coastal plain. But USGS says there is less than 1 chance in 20 that the coastal plain contains that much oil—and only a portion of it could be recovered economically. How can drilling proponents overstate the case by so much? They are ignoring the costs



of exploration and production, which are substantially higher in the Arctic than in other regions. Such costs make most of this oil too expensive to recover, even if it could be found in the quantities predicted.

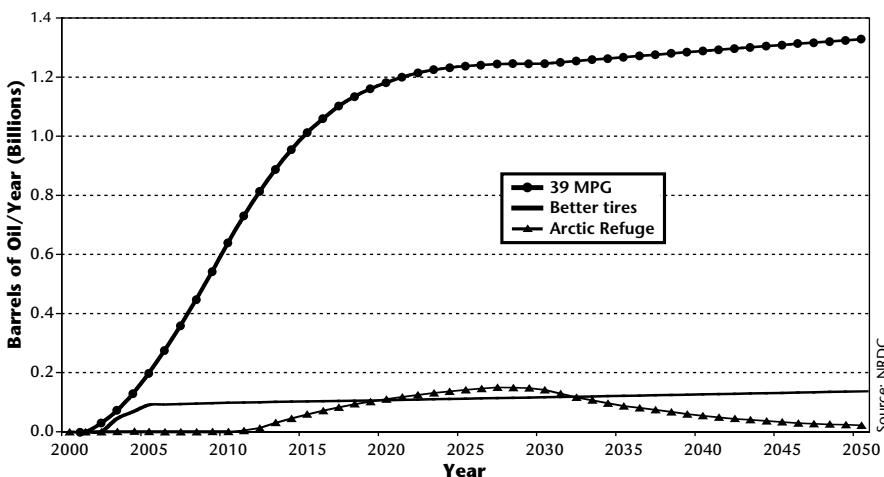
*Wouldn't producing any amount of oil in the refuge lower oil and gasoline prices?*

More than 3 billion barrels of oil—the amount that might be extracted from the refuge—sounds like a lot. But the United States uses 7.1 billion barrels of oil per year, so those 3.2 billion barrels are less than a six months' supply. What's more, oil from the refuge would take roughly 10 years to begin reaching the market. Since oil prices are set on the world market and other nations have vastly larger reserves and lower production costs, whatever oil is recovered from the refuge will not lower prices at the pump, nor will it contribute to our energy security.

*Would today's new oil-development technologies eliminate environmental harm to the refuge?*

Oil development—no matter how carefully it is done—would harm large portions of the refuge. Exploration and production would not be confined to a limited area; it would range across as many as 35 separate fields, affecting wildlife habitat on hundreds of thousands of acres interspersed between sprawling oil facilities and pipelines. Habitat would be further disrupted by industrial activity associated with airports, permanent production and support facilities, housing, and the gravel roads needed to connect the drilling sites. All this industrial activity would fragment the coastal plain, harm dozens of rivers, and disrupt critical birthing, denning, and breeding habitats. ►

Annual Savings from Higher Fuel Economy vs. Annual Oil Production from the Arctic Refuge



## Won't we run out of oil in the existing North Slope oil fields soon?

Proponents of drilling often claim that new sources of oil will be needed for the Trans-Alaska Pipeline. Yet there are still significant oil reserves in existing developed areas. The state of Alaska projects that from 1999 to 2020, another 5.7 billion barrels of oil could be produced from the Prudhoe Bay production area, seven adjacent fields, and nearly 50 satellite fields near the existing oil fields. In addition, the West Sak oil field, which overlays the existing production area, contains 15 to 20 billion barrels of oil. While yields at the Prudhoe Bay production area are declining, even conservative projections predict another 40 years of production from the North Slope, without even considering the Arctic Refuge.



## Does America need the oil?

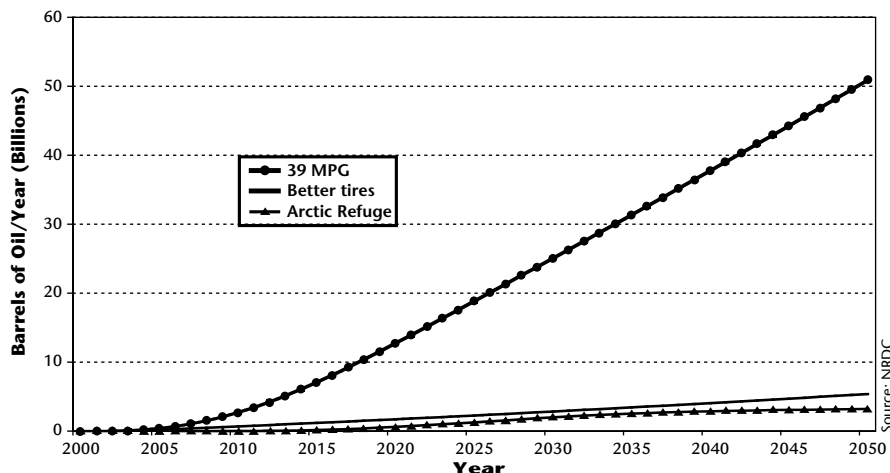
The United States currently consumes approximately 19.6 million barrels of oil a day. Coastal-plain oil production would likely peak in 2027 at 150 million barrels per year—not even 2 per-

cent of projected U.S. consumption for that year.

Proponents of drilling in the Arctic National Wildlife Refuge refuse to acknowledge the reality that the United States cannot drill its way out of its energy problem. America has 5 percent of the world's population, but consumes nearly a quarter of the world's oil supply. It has already extracted most of its available oil. The conclusion is obvious: the United States can better meet its energy needs—and do more to help American consumers—by cutting its demand.

For example, simply upgrading the quality of replacement tires to match that of tires that come as standard equipment on new cars would save 5.4 billion barrels of oil over the next 50 years—70 percent more than the total amount of oil likely to be recovered from the Arctic Refuge over the same period. Updating fuel efficiency standards to reflect the capabilities of modern technology would produce even greater savings. Increasing fuel efficiency standards for new passenger vehicles to an average of 39 miles per gallon over the next decade would save 51 billion barrels of oil over the next 50 years—more than 15 times the likely yield from the Arctic Refuge.

Cumulative Savings from Higher Fuel Economy vs. Cumulative Oil Production from the Arctic Refuge



Natural Resources Defense Council  
40 West 20th Street, New York, NY 10011  
212 727-2700 fax: 212 727-1773  
www.nrdc.org



122 C Street, NW, Suite 240, Washington, DC 20001  
202 544-5205 fax: 202 544-5197  
e-mail: info@alaskawild.org



122 C Street, NW, Suite 240, Washington, DC 20001  
202 628-1843 fax: 202 544-5197  
www.alaskacoalition.org