Submitted by:
Eric F. Myers, Policy Director
Audubon Alaska
441 West 5th Avenue, Anchorage, Alaska 99501

Testimony before the U.S. House of Representatives
Subcommittee on Energy & Mineral Resources

HR _____ "The National Petroleum Reserve Alaska Access Act"

June 16, 2011

Thank you for the opportunity to provide testimony to the Subcommittee on Energy and Mineral Resources on the topic of today's hearing.

My name is Eric Myers and I serve as the Policy Director for Audubon Alaska. Today I am representing the National Audubon Society. With more than 450 chapters across the country and more than one million members, volunteers and supporters, Audubon has a long history of involvement with the National Petroleum Reserve Alaska (NPRA) and advocates for responsible and balanced approach to resource development in Alaska, which includes the only Arctic ecosystem in the United States.

Audubon is not categorically opposed to oil and gas development and recognizes that we are all consumers of energy. At the same time, Audubon supports a careful and measured approach to resource development in America's Arctic that should include a commitment to the conservation and protection of special areas and exceptional biological values.

Today's hearing is focused on the NPRA, the largest single land management unit in the United States. Established by President Harding in 1923, the NPRA was originally intended to help meet the Navy's needs as it converted from coal to oil. In 1976, Congress enacted the Naval Petroleum Reserves Production Act (NPRPA) and removed management of the NPRA from the Navy and transferred it to the Department of the Interior (DOI) while expressly requiring the protection of exceptional surface values.

At more than 22 million acres, the NPRA spans a large portion of the entire North Slope. The NPRA is larger than 12 states; were it a state, it would fall somewhere between South Carolina and Maine in size. Audubon believes that within such a vast landscape it is both reasonable and appropriate that there be a balance of development and conservation.

This is the position that Congress itself has endorsed in the statutes that govern the NPRA. The mandate for balance has also enjoyed bi-partisan support as reflected in the NPRA management actions taken by both Democratic and Republican administrations.

The NPRPA requires the Secretary of the Interior to determine whether and/or where to lease lands in the NPRA for oil and gas development while also requiring "maximum protection" of areas identified as having "significant subsistence, recreational, fish and wildlife, or historical or scenic value." In the 1976 legislation Congress itself identified two areas in particular – the Teshekpuk Lake and the Utukok River Uplands – as deserving of "maximum protection" because of the exceptional biological values in these areas.[1]

Congress appropriately provided a mandate for balanced resource management of the NPRA directing that the Secretary "shall include or provide for such conditions, restrictions, and

[1] 42 USC § 6504

prohibitions as the Secretary deems necessary or appropriate to mitigate reasonably foreseeable and significantly adverse effects on the surface resources of the National Petroleum Reserve in Alaska." [2] As recognized in the first Integrated Activity Plan (IAP) prepared for the Northeast Planning Area, the NPRPA "encourages oil and gas development in NPRA while requiring protection of important surface values." [3]

Congress has thus expressly provided that while energy development is an important reason for the initial establishment of the NPRA it is not a mandate to the exclusion and detriment of other important values and public interest priorities such as protection of the natural ecosystems that support subsistence.

In keeping with the American ethic of balanced land management Congress has recognized that in the NPRA the value of the Nation's public lands includes more than the just the wealth and economic gain that can be extracted.

Special Areas and Exceptional Biological Resources in the NPRA

The NPRA has a remarkable diversity of ecosystems that remain intact at the landscape scale that are also essential to supporting a wide range of subsistence harvest activities for more than 40 communities spread across northern and western Alaska.

The NPRA and the immediately adjoining Arctic waters sustain exceptional natural resources and values. These include: fish resources, marine mammals (seals, whales, walrus, polar bears), migratory birds, large mammals (caribou, moose, wolverine, wolf, grizzly bear and other furbearers); threatened and endangered species; rare Arctic ecosystem types (e.g., sand dunes); designated Important Bird Areas; archeological, anthropological, and paleontological resources; and wilderness/wild river values.

The NPRA includes four existing designated Special Areas recognized by the BLM as having extraordinary biological values. These include: Teshekpuk Lake, the Utukok River Uplands, Kasegaluk Lagoon and the Colville River. As noted, Congress specifically recognized the Teshekpuk Lake and Utukok Uplands areas as warranting "maximum protection" when it enacted the NPRPA in 1976 and past presidential administrations as philosophically disparate as those of former President Jimmy Carter and former President George W. Bush have embraced the need for protection of these areas.

Exceptional biological values in existing Special Areas include the concentrated calving grounds of two of Alaska's largest caribou herds (i.e., the Western Arctic Caribou Herd and the Teshekpuk Lake Caribou Herd); vitally important nesting, molting and staging habitat for migratory waterfowl, seabirds and shorebirds; essential habitat for various marine mammal species including polar bear, walrus, spotted seal, and beluga whale; internationally recognized raptor nesting concentrations; and exceptional predator populations including grizzly bears, wolves and wolverine.

A particular focus of Audubon's work in the past ten years has been to assure the protection of the unique assemblage of biological resources found in the vicinity of Teshekpuk Lake, the largest freshwater lake on the North Slope and the third largest lake in Alaska. The Teshekpuk Lake Special Area includes the most important goose molting habitat in the Arctic and provides vital habitat for tens of thousands of geese that gather annual in the area, including Brant, Greater white-fronted geese, Snow geese, and Canada geese. In the fall, the waterfowl that rely

[2] 42 USC § 6506a

[3] 1998 NE NPRA Final IAP/EIS, Vol 1: Introduction - Purpose and Need, p. I-1

on the wetlands in this area migrate back south to their wintering grounds across the Lower 48 states. Teshekpuk Lake has been recognized and designated as an Important Bird Area of Global Significance for the many breeding and migrating birds that rely upon the area.

The area around Teshekpuk Lake also includes the concentrated calving and insect relief areas for the Teshekpuk Lake Caribou Herd which provides a critical subsistence harvest resource for North Slope communities. The Western Arctic Caribou Herd Working Group, an organization comprised of subsistence users from small communities across northern and western Alaska, has identified and recommended that the lands surrounding Teshekpuk Lake should not be leased or developed for oil and gas.

Over time, the unique values of the Teshekpuk Lake area have been acknowledged and set aside for protection by both Democratic and Republican administrations.

Oil and Gas Leasing & Exploration in the NPRA

Consistent with the Congressional requirement to "conduct an expeditious program of competitive leasing of oil and gas in the Reserve" [4] the BLM has conducted numerous oil and gas lease sales within the NPRA. Management plans for the Northeast Planning Area (4.6 million acres) and Northwest Planning Area (8.8 million acres) have been completed that govern approximately 13.4 million acres, including the lands within the NPRA regarded as having the greatest oil potential.[5]

- There have been ten lease offerings in the NPRA since 1982 in which nearly 6.8 million acres have been leased.
- Half of those lease sales were in the past decade and the vast majority of the 13.4 million acres within the Northeast and Northwest Planning areas have been offered for lease multiple times.
- There have been four lease sales in the Northeast Planning Area alone (1999, 2004, 2008, and 2010).
- The most recent NPRA lease sale offering was conducted by the Obama Administration less than a year ago in August 2010.

The Obama Administration has announced it will conduct annual lease sales in the NPRA, with another sale anticipated before the end of this calendar year.

Recent activities in the NPRA include extensive 3–D seismic survey work and the completion of 30 exploration wells on federal and Native land.

Hydrocarbon Potential in the NPRA

In October 2010, the United States Geological Survey (USGS) updated its 2002 analysis of the hydrocarbon potential of the NPRA and substantially revised downward the estimate of technically recoverable oil in the NPRA. The USGS analysis of drilling and seismic data found an

[4] 42 USC § 6506a

[5] An Integrated Management Plan for the South Planning Area was initiated by BLM but subsequently suspended. Resource assessment indicated that the South NPR-A planning area contains very limited oil reserves or approximately 2 percent of the undiscovered oil in NPR-A. See: http://www.blm.gov/ak/st/en/prog/planning/npra_general/south_npra.html

unanticipated and abrupt transition from oil to gas approximately 15–20 miles west of the Alpine oil field along with poor reservoir quality in key formations.

> U.S. Geological Survey (USGS) geologists have interpreted results of exploratory drilling to show that formations thought to be oil prone are actually gas prone. The new data have also indicated that actual reservoir quality is inferior to the reservoir quality inferred in the 2002 assessment (Houseknecht and others, 2010). The change in paradigm results in a decline in the estimated mean value of undiscovered oil from 10.6 billion barrels of oil (BBO) to 895 million barrels of oil (MMBO). [6]

The updated USGS estimate of 895 MMBO of *technically* recoverable oil (mean estimate) in the NPRA is less than ten percent of the prior 2002 estimated quantity of oil. The USGS also estimated undiscovered technically recoverable natural gas resources of 52.8 TCF (mean estimate). This estimate also resulted in a downward revision but remains at roughly ninety percent of the natural gas estimated in the prior 2002 assessment.

In May 2010, USGS published its estimate of undiscovered hydrocarbon resources in the NPRA that can be *economically* recovered (i.e., commercially developed at a range of market prices). This analysis further reduced the prospect of significant oil development in the NPRA.

At a price of $90 per barrel ($10 per MCF gas price) and an estimated 895 MMBO of technically recoverable oil, USGS projects economically recoverable reserves of 502 MMBO (mean estimate) under a scenario with a 10-year delay for gas pipeline capacity and 358 MMBO with a 20-year-delay assumption. (The USGS anticipates a 10-year to 20-year delay between expenditures for discovery of gas accumulations and production that would rely upon construction of a new gas pipeline.)[7]

NPRA Hydrocarbon Potential in the Context of National Energy Demand

Considerable attention has been given of late to the rising price of gasoline. It has been argued in some quarters that more aggressive development of NPRA will help “lower energy costs” but this claim is can not be supported objectively.

The “Drill Baby Drill” rhetoric most famously associated with Alaska’s former Governor will not bring down the price of gasoline at the pump. Any such representations do a great disservice to the American public, misleading consumers and providing a false hope that will not be realized.

The price of oil is driven by international market considerations that are well beyond the ability of NPRA development to influence. Even assuming the most robust USGS estimate of oil reserves as informed by the most current data, there is simply not enough oil volume to move prices downward to any significant degree.

---

[6] United States Geological Survey, “Economic Analysis of the 2010 U.S. Geological Survey Assessment of Undiscovered Oil and Gas in the National Petroleum Reserve in Alaska” (May 2010)

[7] Because of limited oil potential and high costs, the USGS has concluded that future oil development in the NPRA will be a by-product of gas exploration and exploration for gas will drive the discoveries of oil. The USGS analysis concluded that at a market price in the conterminous United States of $8 per thousand cubic feet (MCF) and with the assumption of a 10-year pipeline delay, the economic non-associated gas resources at the 95th-fractile, mean, and 5th-fractile estimates are predicted to be 4.5 TCF, 17.5 TCF, and 39.4 TCF, respectively. In the case of a 20-year pipeline delay, the economic gas resources at the 95th-fractile, mean, and 5th-fractile estimates are predicted to be 0.9 TCF, 7.3 TCF, and 24.5 TCF, respectively. With a superabundance of relatively inexpensive natural gas in the Lower 48, however, prospects for construction of a natural gas pipeline from the North Slope are poor as reflected by the recent cancellation of BP and Conoco-Phillips efforts to build the Denali Pipeline project. See: http://www.adn.com/2011/05/17/v-printer/1867232/bp-conoco-drop-bid-for-alaska.html

Putting the oil potential of the NPRA into the larger national context, the United States consumes 19.58 MMBO per day or approximately 587 MMBO per month.[8] The total economically recoverable oil in the NPRA identified by the USGS is insignificant: the entire projected economically recoverable reserves of 502 MMBO[9] (mean estimate) accounts for less than one month of consumption for the United States.

To address the issue of excessively high oil prices attention should be directed to curtailing rampant speculation in oil markets. As reported recently by the head of the Commodity Futures Trading Commission, nearly 9 of 10 traders in oil are financial speculators and not actual end users of oil.[10]

If reducing the price of gasoline at the pump is the goal, attention should be concentrated on the Wall Street banks and hedge funds that are driving up oil prices through excessive speculation which may account for a significant fraction of the price.[11]

Declining Industry Interest in the NPRA

The oil industry's "on-the-ground" actions reinforce the conclusion that the NPRA has only limited oil potential. As a result of the many past lease sales, nearly 6.8 million acres have been leased across large portions of the NPRA, extensive 3-D surveys have been conducted, and exploration wells have been drilled.

However, in the past several years, the industry has been abandoning leases in the NPRA at a record pace, reinforcing the conclusion that the NPRA is fundamentally a gas province; that key formations hold more gas than oil; and there is poorer reservoir quality than originally anticipated. Of the nearly 6.8 million acres previously leased, approximately three-quarters of the tracts have been given up by the industry.

Limited oil potential in the NPRA, combined with the glut of natural gas in Lower 48 markets and the superabundance of natural gas already available from developed fields on the North Slope, has rendered the NPRA an area of limited appeal.

No exploration wells were drilled in the NPRA during the winter of 2010-2011 and there are no pending applications to drill additional exploration wells.[12] In the most recent NPRA lease sale (August 2010), 1.8 million acres were offered. Only a few individual tracts were leased within the vicinity of already unitized areas.

---

[8] *Annual Energy Outlook 2011*, Energy Information Administration http://www.eia.gov/forecasts/aeo/excel/fig93.data.xls See: Figure 93 (figure data)

[9] USGS mean estimate assuming only a 10-year delay in gas pipeline access. United States Geological Survey, "Economic Analysis of the 2010 U.S. Geological Survey Assessment of Undiscovered Oil and Gas in the National Petroleum Reserve in Alaska" (May 2010).

[10] K. Hall, "Chief regulator says speculators swamping oil, grain markets", Anchorage Daily News (June 10, 2011) http://www.mcclatchydc.com/2011/06/09/115551/key-regulator-speculators-swamping.html

[11] The impact of speculation on oil prices has also been noted by the government of Saudi Arabia. Diplomatic cables between the Saudis and the former Administration show speculation has been raised in meetings between U.S. and Saudi officials, in one-on-one meetings with American diplomats and at least once with former President George W. Bush himself. Saudi officials have conjectured that speculation represented approximately $40 of the overall oil price when oil was at its height. http://www.mcclatchydc.com/2011/05/25/114759/wikileaks-saudis-often-warned.html See also: http://www.mcclatchydc.com/2011/05/13/114190/speculation-explains-more-about.html

[12] Ted Murphy, BLM Alaska State Office (personal communication)

Notably, industry lease relinquishments have included tracts both on federal lands within the NPRA as well as leased areas in State of Alaska coastal waters immediately adjacent to the NPRA. Leases were most recently relinquished in Smith Bay and Harrison Bay, state waters along the north coast of the NPRA.

Future Development Within the NPRA and the Proposed CD-5 Road/Bridge Project

While the NPRA has limited prospects as a major oil province, there is interest on the part of Conoco-Phillips Alaska Inc. (Conoco) in developing some "satellite" oil resources associated with the existing Alpine oil field that is located within the Colville River Delta immediately to the east of the NPRA.

This includes the so-called "CD-5 project", a proposal by Conoco to build a permanent all-weather surface road from the Colville River Delta with a bridge and suspended pipe over the Nigliq Channel to access the CD-5 production drilling pad inside the NPRA. (The Nigliq is a large channel in the Colville River Delta defining the westernmost edge of the Delta and the eastern boundary of the NPRA.)

There is no question that oil and gas development on Alaska's North Slope will continue far into the future and Audubon fully anticipates development of the Cononco satellite prospects on the eastern edge of the NPRA. The essential issue in the case of this development is not *whether* oil and gas development will take place in the NPRA, but rather *where* and *how* it will occur.

The proposed road and bridge project would be the first permanent oil production road and infrastructure within the NPRA and the manner in which this project proceeds has important implications for future development of the NPRA. The CD-5 project proposal is not only relevant in terms of "opening" NPRA, the project design has very significant implications for the Colville River Delta, an area with unique biological qualities found nowhere else on the North Slope.

The all-weather road and bridge proposal has a long history of controversy because it is at odds with prominent representations made by the oil industry regarding development of Alpine as a roadless project in order to prevent damage to the exceptional ecological values of the Colville River Delta. To this day, Conoco-Phillips touts roadless Alpine oil field development on its website:

> Alpine **-** The company continues to develop environmentally-sensitive and technologically advanced approaches to oil extraction, including the Alpine field on the Western North Slope. The $1.3 billion initial construction cost resulted in a *roadless development* that operates more like an offshore development. In winter, an ice road is constructed from Kuparuk to the main Alpine facility to transport supplies for the rest of the operating year.[13]
>
> Directional drilling, zero-waste discharge, *roadless development* and other innovations minimize the Alpine development's environmental footprint on the Arctic.[14]

The importance of maintaining the biological integrity of the Colville River Delta was a key consideration during the original Alpine oil field development process. This included a specific provision that future development in the Delta adhere to a roadless design unless either a more

[13] http://alaska.conocophillips.com/EN/about/operations/Pages/index.aspx (emphasis added)

[14] http://www.conocophillips.com/EN/about/worldwide_ops/country/north_america/pages/alaska.aspx (emphasis added)

environmentally preferred alternative was developed or roadless development was determined to be infeasible (Special Condition 10).[15]

The project, as proposed by Conoco, with a permanent all-weather road, bridge and suspended pipeline over the Nigliq channel stands in sharp contrast to the commitment to roadless development at Alpine. The high-quality habitats in the Colville River Delta have long been recognized for their unique value. The Colville River drains nearly one-third of the North Slope and the United States Fish and Wildlife Service (USFWS) has identified the Delta as the largest and most productive river delta in northern Alaska. The EPA has identified the Colville delta as an Aquatic Resource of National Importance.

After careful review, the Alaska District of the Army Corps of Engineers (Corps) concluded that the Conoco project proposal was not the "least environmentally damaging alternative" (or LEDPA) as required by the Clean Water Act. The Corps found that there are other, less damaging project design alternatives that would accomplish the purpose of accessing the CD-5 site to produce oil. These alternatives include a roadless alternative with a pipeline under the Nigliq channel using horizontal directional drilling (HDD) which the Corps has identified as feasible and practicable.

The administrative record before the Corps reflects a long history of opposition to Conoco's proposed project design by both the EPA and the US Fish and Wildlife Service (USFWS). It should also be noted, as recently reported by the *Wall Street Journal*, that the CD-5 permit denial was "a rare step by the Alaska district engineer, who has denied just two of nearly 3,000 permit applications, including the Conoco proposal, since he took command in June 2009."[16]

The Colville River Delta provides habitat for nearly 80 species of birds and is within the range of three species listed as threatened under the Endangered Species Act (Spectacled eider, Steller's eider, and polar bear), is an area used by another Endangered Species Act candidate species (Yellow-billed loon), and the Delta provides important habitat for hundreds of thousands of migratory shorebirds. In addition, the Colville River Delta has been designated an Important Bird Area (IBA) of Continental Significance and the area contains approximately 70 percent of the fish overwintering habitat on the North Slope. Spotted seal and beluga whale are known to seasonally occur in the Nigliq channel

Of particular note are concerns about the impact a permanent road would have on the Colville River Delta surface flow hydrology that is essential to the long-term health and productivity of the Colville River Delta. Construction of a road would disrupt this surface flow which is vital to the long-term maintenance and health of the Delta's habitat.

The proposed bridge and suspended pipeline also present the risk of a catastrophic spill. The Nigliq channel can carry significant discharge volumes (most of the flow) when an ice jam occurs in the main channel during breakup. If even a relatively minor leak in the pipeline should occur concomitant with a seasonal flood event the potential for a major spill exists. While an HDD alternative is not without risk, proper design, maintenance and monitoring can limit the risk of leaks. An under-channel pipe would not be vulnerable to a complete catastrophic failure.

Another concern about the Conoco proposal is that the road would allow the Colville River Delta to become the main staging area for future development in the NPRA. Industrialization of the Delta is a long-anticipated concern of itself – further wetlands fill, additional laydown pad, facility

---

[15] Letter from M. Combes, Environmental Protection Agency to Col. K. Wilson, United States Army Corps of Engineers, dated June 9, 2009.

[16] http://online.wsj.com/article/SB10001424052702304563104576357800795837470.html "Bureaucratic Rift Stalls Alaska Well", *Wall Street Journal* (June 2, 2011)

construction, loss of habitat, disruptive operations, traffic, etc. – and the fundamental reason for inclusion of the roadless development stipulation. As the CD-5 project is proposed, Conoco would create an operations center for future development of the eastern NPRA in the center of the most hydrologically active and resource rich river delta in Alaska's arctic.

Consistent with the Clean Water Act, the Corps determined that there are other practicable alternatives that meet the need of the project – to transport hydrocarbons from CD-5 back to the Alpine for processing – that would have less adverse impact on the aquatic ecosystem.[17]

When the Alpine project was first developed there were many representations, as reflected to this day on Conoco-Philips' website, about roadless development. The CD-5 proposal now being advanced contradicts that commitment. As articulated in comments by the EPA in correspondence to the Corps dated June 9, 2009 regarding the Conoco's proposal:

> As you are aware, EPA is not opposed to continued exploration and development of oil and gas resources in the NPR-A. EPA is firm in our understanding that this can occur in a reasonable manner through the construction of alternatives that are the least environmentally damaging. During EPA's evaluation of the applicant's previous proposal EPA found a road-less alternative to be the least environmentally damaging practicable alternative (LEDPA). … EPA believes there are practicable alternatives that do not involve a bridge and road crossing of the Nigliq Channel and CRD [Colville River Delta] that have less adverse effect on the aquatic environment. … [A]n alternative that includes use of the existing airstrip in Nuiqsut, development of a "Nuiqsut hub" for logistical operations with road access to CD-5 drill site via the proposed Kuukpik spur road, and HDD of the pipeline under the Nigliq Channel warrants a detailed analysis.[18]

Many of the foreseeable impacts that would follow from approval of a permanent road, bridge and elevated pipeline would be avoided with an alternative road configuration using and developing infrastructure at and around Nuiqsut. A more complete analysis of the Nuiqsut Operations Center (NOC) alternative is needed. This alternative has never been given detailed analysis by the BLM. In the 2004 Alpine FEIS process, the NOC alternative was regarded as not "economically viable" and eliminated from detailed consideration.[19]

Since the time the Alpine Final EIS was completed, the price of oil has more than doubled and oil company profits have soared. Substantive consideration of the NOC alternative is especially relevant because of the Memorandum of Agreement between Conoco and Kuukpik Corporation that calls for the construction of a new road that will connect Nuiqsut and the CD-5 platform.

Written comments jointly prepared by the Kuukpik Corporation, the Native Village of Nuiqsut and the City of Nuiqsut express clear support for expansion of oil field support services in the Nuiqsut area so that the community can develop "as the main hub supporting future oil and gas activities in NPR-A"[20] providing a competitive advantage to Nuiqsut-based businesses and generating local employment opportunities. These comments note that expanded use of the existing Nuiqsut

---

[17] "U.S. Army Corps of Engineers denies permit application for CD-5 drill pad", U.S. Army Corps of Engineers, Alaska District Public Affairs Office, Press Release No. 10-02 (February 5, 2010)

[18] Letter from M. Combes, Environmental Protection Agency to Col. K. Wilson, United States Army Corps of Engineers, dated June 9, 2009.

[19] Alpine Satellite Development Plan Final EIS http://www.blm.gov/eis/AK/alpine/eisdoc/final/07sec02.pdf Section 2.6.8 (September 2004)

[20] Kuukpik Corp., Native Village of Nuiqsut and City of Nuiqsut to US Army Corps of Engineers, letter dated July 21, 2009.

airport and "[s]hifting air traffic out of the far more sensitive wildlife habitat of the Delta to the already developed area around Nuiqsut would be very beneficial."[21]

The history of oil development on the North Slope has been one of incremental industrial sprawl. The Clean Water Act appropriately requires that the least environmentally damaging practicable alternative be identified.

The ultimate decision on how the CD-5 project proceeds will provide an important measure of whether the promise for responsible development is kept.

"The National Petroleum Reserve Alaska Access Act"

There are several elements to the draft legislative proposal under review by the Subcommittee (HR ___ "The National Petroleum Reserve Alaska Access Act"). These include provisions that would:

- enact a fundamental change to existing policy and law in the NPRPA that would undermine the requirement for balance that Congress has appropriately established in law for management of the NPRA, the nation's single largest land management unit;

- compel oil and gas leasing in areas irrespective of their exceptional biological value or sensitivity;

- establish arbitrary fixed timelines for permit decisions and other authorizations regardless of their complexity;

- require the Department of the Interior to engage in extensive and wasteful planning about speculative rights of way in the NPRA; and

- require the Department of the Interior to undertake a redundant study of hydrocarbon resources within the NPRA after having just recently completed such an analysis.

For all of the reasons discussed above, Audubon does not believe the provisions of this draft legislative proposal are either necessary or beneficial and would urge the Subcommittee to defer further action on the proposal.

Conclusion

1. **Balance**: Under current law, the Congress has appropriately recognized that the NPRA contains more than just potential hydrocarbons, including extraordinary surface values of national significance. Congress has properly required that oil and gas development in the NPRA should proceed in a manner that balances energy development with other public interests in the protection and conservation of the NPRA's special areas and exceptional biological resources.

2. **Leasing & Oil Potential**: The BLM has diligently undertaken a leasing and exploration program, as directed by Congress, having held numerous oil and gas sales, leased more than 6.8 million acres (an area the size of Massachusetts) and overseen seismic survey work and exploration as intended by Congress. The NPRA will undoubtedly make a future contribution to the Nation's oil supply but only in modest quantity. Seismic and drilling results have shown that the NPRA is largely a gas province with relatively little oil development potential.

[21] Ibid.

3. **Protection of Special Areas**: With enactment of the NPRPA, Congress explicitly called for the protection of special areas in the NPRA, specifically identified the Teshekpuk Lake and the Utukok River Upland areas as well as recognized that other areas with important surface values should also be identified and protected. Over time, recognition of the need to conserve the exceptional biological areas in the NPRA has been embraced by both Democratic and Republican administrations.

Finally, it should again be noted that Audubon recognizes that there will be future oil development in the NPRA. As future development proceeds there are important issues of national interest regarding where and how that development is undertaken.

In the NPRA, the nation's largest land management unit, Audubon believes there is both room as well as need to balance future development with strong protection of special areas and extraordinary biological values.