**To:** Interested Parties

**From:** Center for American Progress

**Re:** What to Expect for the Arctic National Wildlife Refuge Lease Sale

The Trump Administration is attempting to hold the first oil and gas lease sale in the Arctic National Wildlife Refuge this winter – a rushed process marked by a shoddy EIS with [significant scientific deficiencies](https://www.americanprogress.org/issues/green/news/2019/01/10/464819/interior-department-cutting-corners-ignoring-science-arctic-national-wildlife-refuge/) and [gaps](https://www.americanprogress.org/issues/green/news/2019/06/26/471433/trump-administration-suppressing-science-public-opinion-drill-arctic-refuge/). This memo outlines the potential timeline for a lease sale and identifies 15 oil and gas corporations that are most likely to participate. We are hopeful this memo is a helpful roadmap to covering the Trump Administration’s unprecedented and high stakes effort to drill for oil in the refuge.

**Timeline:**

Below is the expected process and timeline leading up to a lease sale in the Arctic Refuge. It is based largely on [comments](http://www.petroleumnews.com/pdfarch/302300271.pdf) from Interior’s Assistant Secretary for Land and Minerals Management Joe Balash, as well as the NPR-A leasing process. For reference, the documents and timelines for previous NPR-A lease sales can be [found here](https://www.blm.gov/programs/energy-and-minerals/oil-and-gas/leasing/regional-lease-sales/alaska).

**Early September**

* The BLM is likely to release the ***final EIS for the leasing*** program in early September, according to recent [comments](http://www.petroleumnews.com/pdfarch/302300271.pdf) from Balash. This document will identify a “preferred alternative,” and we expect the Trump administration to select an aggressive leasing plan. Note that all three action alternatives in the draft EIS contemplate leasing more than 1 million acres in the Coastal Plain (including two alternatives that offer the entire 1.6 million acres), which is far larger than the 400,000 acres required by the Tax Cuts and Jobs Act of 2017.

**October**

* The final step in the environmental review process involves BLM issuing a ***Record of Decision*** (ROD), which will be released as early as 30 days after the Final EIS. The document will specify what areas of the Coastal Plain will be available and what stipulations should be attached to leases.
* The ***call for nominations***, the first step of the lease sale process, will likely happen shortly after - in fact, as early as the same day as - the release of the Final EIS or ROD. It will include an open comment period to allow interested parties to nominate or comment on available tracts. (An example of what this step looks like for the NPR-A is [here](https://www.blm.gov/sites/blm.gov/files/uploads/Oil_Gas_Alaska_2019_NPR-A_Call_for_Nominations_Comments_Worksheet.pdf) and [here](https://www.federalregister.gov/documents/2019/06/20/2019-13095/call-for-nominations-and-comments-for-the-national-petroleum-reserve-in-alaska-2019-oil-and-gas).)

**November**

* After the nominations’ comment period, the BLM will release a***notice of lease sale*** and a ***detailed statement of sale***, which will include maps of parcels up for lease, an explanation of the bidding procedure, and a lease sale date. During the time between the notice of the lease sale and the actual sale, companies can submit sealed bids to the BLM (they will remain confidential until the sale).

**December**

* At least 30 days from the detailed statement of sale, the ***lease sale*** can officially take place. The sale will likely be webcast from the BLM office in Anchorage, and results should be published the same or next day. The Interior Department may attempt to coordinate/combine the Arctic Refuge lease sale with one in the works for December 11 [with the State of Alaska](https://www.alaskapublic.org/2019/05/30/interior-arctic-refuge-lease-sale-still-on-track-for-2019/).

**Post-lease sale**

* The BLM formally issues the leases after internal review; the step can take a few months.
* Before a company can conduct exploration or development activities on their leases, it must submit applications and Plans of Operations which will kick off a NEPA analysis.

**Companies to keep an eye on** *(in alphabetical order)*

We rounded up the top 15 companies that we think are most likely to bid if a lease sale occurs in the Arctic Refuge. This list includes the majors, as well as other companies who have been active on the North Slope. Not listed here, but still worth keeping in mind because they were part of the [group of companies](http://www.petroleumnews.com/pntruncate/375664924.shtml) that funded the original (and only) 2D seismic survey of the refuge in the 1980’s are Hess, Marathon, Murphy, Oxy, Shell, and Total. Further, Jade Energy, Pantheon Resources, Glacier Oil and Gas Corporation, Atlantic Richfield Co, and Savant Alaska, have also shown interest in North Slope leasing.

We should also state the obvious that industry interest for the Arctic Refuge is particularly hard to predict. Most companies have stayed mum during the EIS process. They must weigh, among other things, the huge expense and risk of new development in the Arctic; the certainty of costly and protracted litigation; and the uncertainty of whether there are any oil and gas resources.

* **88 Energy**
	+ 88 Energy is an Australian-based oil and gas company. In 2014, with Burgundy Xploration, 88 Energy [acquired](http://88energy.com/about-us/strategy/) a “significant working interest” in “Project Icewine” on state lands on the North Slope, which expanded their gross acreage for the project to roughly 528,000 acres. In December 2016, the two companies picked up hundreds of thousands more acres for Icewine at an Alaska lease sale. In 2015, 88 Energy signed an agreement with [Fairweather Science](http://88energy.com/wp-content/uploads/2016/07/160415-OperationUpdateFastTrackDrilling.pdf) to fast track permitting for a well on the Project Icewine acreage. DOI’s Senior Advisor for Alaskan Affairs, Steve Wackowski, was formerly the [Operations Manager](https://www.linkedin.com/in/steve-wackowski-3092b650/) for Fairweather Science on Tulugaq II, an Anchorage-based venture with companies that conduct seismic testing.
* **Arctic Slope Regional Corporation**
	+ [ASRC](https://www.americanprogress.org/issues/green/reports/2018/08/09/454309/powerful-arctic-oil-lobby-group-youve-never-heard/) is an Alaska Native regional corporation that has spent millions of dollars over the past two decades to convince Congress to overturn the prohibition on drilling in the Arctic Refuge. Today, the ASRC owns the subsurface rights to more than 92,000 acres of land within the coastal plain thanks to a controversial 1983 land deal between the DOI and the ASRC known as the Chandler Lake exchange. The acres have been subsequently leased to Chevron and BP. ASRC also owns [21 federal leases](https://www.alaskapublic.org/2016/11/17/alaska-native-corporation-acquires-leases-arctic-waters/) in Arctic waters.
	+ The company spearheaded the application to conduct a 2019 seismic survey of the Coastal Plain that would put the region’s polar bears and sensitive tundra environment at risk before drilling even takes place. ASRC is also one of just a handful of oil companies with knowledge of the results of the only test well to have been drilled in the refuge.
* **Armstrong Oil and Gas and Lagniappe Alaska**
	+ Armstrong Oil and Gas is a Colorado-based oil and gas company owned wholly by William Armstrong, who in 2017 made an oil discovery in the North Slope with minority partner Repsol SA. Their stake was later [sold](https://www.hartenergy.com/exclusives/armstrong-selling-stake-largest-us-oil-discovery-decades-30487) to Oil Search.
	+ [Lagniappe Alaska, also owned by Armstrong](https://www.adn.com/business-economy/energy/2019/02/21/north-slope-drillers-seek-little-pockets-of-oil-and-alaskas-next-game-changing-field/), picked up nearly [200,000 acres](https://www.frontiersman.com/news/new-company-dominates-north-slope-lease-sale/article_1587f988-eb0b-11e8-8015-ef2f73498b04.html) adjacent to the Refuge during Alaska’s annual lease sale in November 2018.
* **BP**
	+ BP began pumping oil from their Prudhoe Bay field in 1977 and today own resources in Alaska that netted [$916 million](http://www.alaskajournal.com/2019-04-09/bp-reports-916-million-alaska-profit-%E2%80%9818) in profits last year. Although the company [pulled out](https://www.nytimes.com/2002/11/26/business/bp-pulls-out-of-campaign-to-open-up-alaskan-area.html) of a pro-Arctic Refuge drilling lobbying group in 2002 over fears of blowback, they stepped up Arctic lobbying efforts after Trump’s election and called the opening of the Refuge a “big policy victory.” BP is also one of just a handful of oil companies with knowledge of the results of the only test well to have been drilled in the refuge and have active leases on ASRC lands.
	+ BP was responsible for the largest oil spill on the North Slope to date in 2006 when 267,000 gallons of crude oil spilled at the Prudhoe Bay facility. In 2017, BP’s Alaska unit reportedly had at least [27](https://oilprice.com/Energy/Crude-Oil/BPs-Dangerous-Track-Record-In-Alaska.html) serious safety incidents, and, over the last five years, BP has reported 474 oil and hazardous substance spills on the North Slope. Most recently, BP is [under investigation](https://www.reuters.com/article/us-bp-alaska-wells/alaska-officials-probing-bp-oil-gas-wells-at-prudhoe-bay-after-spill-idUSKCN1P909H) after crude oil was found to be leaking from a well they shut in 2017.
* **Brooks Range Petroleum Corporation**
	+ Brooks Range Petroleum Corporation (BRPC) is an Alaskan-based company with [61,000 acres](https://brooksrangepetro.com/index.html) in 3 core areas of the North Slope. BRPC anticipates getting oil flowing from their “[Mustang project](http://www.alaskajournal.com/2019-04-19/brooks-range-closing-mustang-startup)” in summer 2019.
	+ In 2015, the company spilled 60 gallons of hydraulic oil and 168 gallons of drilling mud in separate incidents in Alaska’s North Slope.
* **Burgundy Xploration**
	+ Burgundy Xploration is a Houston-based company that co-owns “Project Icewine” with 88 Energy. In December 2016, the company picked up hundreds of thousands of acres at an Alaska lease sale to expand the project. In 2015, Fairweather Science applied for an Icewine exploratory well on Burgundy’s behalf.
* **Caelus**
	+ Caelus is a Texas-based company with multiple wells in the North Slope and is active in buying speculative leases in the Alaskan Arctic.
	+ In June 2017, the company reported a spill on the North Slope that included over [7,000 gallons](https://www.adn.com/business-economy/energy/2017/08/10/a-caelus-spill-at-nuna-is-bigger-than-originally-thought/) of diesel and other petroleum products. According to the company, only about 3 gallons of oil actually leaked off the pad.
* **Chevron**
	+ In 2007, Chevron began exploring four wells on the North Slope; their first Alaskan project in 25 years. The company also held a 25 percent ownership in the Point Thomson field until ExxonMobil bought out their interest in 2012. Chevron also recently acquired Anadarko Petroleum, who, along with ConocoPhillips, bid on [six tracts](https://www.blm.gov/sites/blm.gov/files/uploads/OilandGas_Alaska_NPR-A_Lease_Sale_2017_Bid-Recap.pdf) in the NPR-A in 2017. Chevron is one of just a handful of oil companies with knowledge of the results of the only test well to have been drilled in the refuge and have active leases on ASRC land.
	+ Chevron has been responsible for [significant](https://www.huffpost.com/entry/chevron-accused-by-ecuado_n_813117) oil spills around the world, and has reported one spill on the North Slope in the last 5 years.
* **ConocoPhillips**
	+ [According](http://www.conocophillips.com/operations/alaska/) to the company’s website, they are “Alaska’s largest crude oil producer” and have 1.3 million net undeveloped acres of leases in the state, holding major interests in large North Slope oil fields. In 2016, the company bid [$18.5 million](https://www.eenews.net/stories/1060107147) for leases in the NPR-A. In [2018 t](https://www.blm.gov/sites/blm.gov/files/uploads/OilandGas_Alaska_2018_NPR-A_Lease-Sale-Bid-Recap.pdf)hey acquired nearly 50,000 acres in the NPR-A, nearby the other leases they already held.
	+ In 2012, ConocoPhillips [paid](https://www.adn.com/alaska-news/article/conocophillips-will-pay-alaska-312000-after-north-slope-oil-spills/2012/12/18/) state and federal regulators $312,000 over North Slope spills in 2006 and 2007. In the last five years, ConocoPhillips has reported 444 oil and hazardous substance spills on the North Slope.
	+ ConocoPhillips has expressed interest in the refuge to the media, with their CEO notably [saying](https://twitter.com/elizharball/status/1128368151530369025?s=21) “We have not opposed the drilling -- or the opening of the 1002 area in ANWR... ”
* **Elixir Petroleum and Emerald House LLC**
	+ Elixir, an Australian company, holds a 100% working interest in several leases covering over 35,000 acres in the southern portion of the NPR-A, according to the [company’s website](http://www.elixirpetroleum.com/alaska-project-peregrine).
	+ Emerald House is an Alaska-based subsidiary of Elixir Petroleum. In December 2018, they acquired [10 leases](http://www.alaskajournal.com/2018-12-12/npr-sale-draws-limited-interest-one-new-company) in the National Petroleum Reserve-Alaska.
* **ExxonMobil**
	+ ExxonMobil [is](https://corporate.exxonmobil.com/locations/united-states/alaska) “one of the top three producers of oil and the largest holder of discovered gas resources on Alaska’s North Slope.” They began producing on their Point Thomson field in 2016, which reportedly holds roughly 25 percent of known gas reserves on the North Slope. The company has been advocating for a pipeline that could carry natural gas to the Cook Inlet for export. In 2019, ExxonMobil and BP [committed](https://www.alaskapublic.org/2019/05/30/bp-and-exxonmobil-commit-up-to-20-million-to-alaska-lng/) up to $20 million to an Alaskan-run LNG project that would transport gas from the North Slope to state ports.
	+ In the last five years, ExxonMobil has reported 55 oil and hazardous substance spills on the North Slope.
* **Hilcorp**
	+ Hilcorp is a Texas-based company with interests in Milne Point Unit, Northstar Island, and Endicott Island on the North Slope. The company planned to spend [$340 million](http://www.alaskajournal.com/2019-01-15/hilcorp-plans-340m-investment-alaska-2019) in Alaska this year and also plans to [build](https://www.washingtonpost.com/energy-environment/2018/10/24/trump-administration-just-approved-plan-drill-oil-alaskas-federal-waters-its-major-first/?utm_term=.2070cae3ac4f) a gravel island east of Prudhoe Bay near the Arctic Refuge to tap into a reservoir potentially containing 150 million barrels of oil.
	+ In 2015, they were fined $100,000 for Clean Water Act [violations](https://insideclimatenews.org/news/09082017/hilcorp-alaska-oil-gas-offshore-drilling-arctic-expansion-environment-violations) following a 10,000-gallon crude oil and produced water spill at Milne Point. They were fined $200,000 in a separate incident at the facility when three subcontractors [nearly died](https://insideclimatenews.org/news/09082017/hilcorp-alaska-oil-gas-offshore-drilling-arctic-expansion-environment-violations) from a nitrogen leak. By late 2015, the Alaska Oil and Gas Conservation Commission had noted [25 instances](https://insideclimatenews.org/news/09082017/hilcorp-alaska-oil-gas-offshore-drilling-arctic-expansion-environment-violations) of regulatory violations and called the company’s conduct “inexcusable.” In the last five years, Hilcorp has reported 102 oil and hazardous substance spills on the North Slope.
* **NordAq Energy Inc.**
	+ NordAq Energy is an Alaska-based oil and gas company that has acquired [several leases](http://www.alaskajournal.com/business-and-finance/2013-11-07/alaskan-independent-nordaq-energy-dominates-state-federal-north) on the North Slope, including, most recently, [a lease](http://www.alaskajournal.com/2018-12-12/npr-sale-draws-limited-interest-one-new-company) in the NPR-A during the state’s December 2018 sale.
	+ In 2017, the company ran into trouble with a $771,000 [fine](https://www.adn.com/business-economy/energy/2017/01/17/state-agency-proposes-771000-fine-against-a-cook-inlet-independent-over-unplugged-wells/) for failing to plug two Cook Inlet wells (later [reduced to $50,000](https://www.peninsulaclarion.com/news/state-reduces-fine-for-nordaq-wells-2/)) and a [lawsuit](https://www.adn.com/business-economy/energy/2017/02/27/claiming-millions-of-dollars-went-missing-an-alaska-exploration-company-sues-2-former-executives/) against its former CEO over improper spending.
	+ NordAq worked with Fairweather Science in the Cook Inlet on permitting and environmental baseline studies.
* **Oil Search**
	+ Oil Search is a Papua New Guinea-based oil and gas company with a branch in Alaska. In May 2019, the company received federal [approval](https://twitter.com/ElizHarball/status/1131623221344649217?s=20) for their Pikka Development Project on the North Slope.
	+ Between January 2019 and April 2019, Oil Search Alaska spilled roughly 20 gallons of hydraulic oil in Alaska’s North Slope.
* **Repsol**
	+ Repsol is a Spanish company that has been an active player in Alaska since 2008. In May 2018, they [claimed](https://www.bloomberg.com/news/articles/2018-05-15/repsol-said-to-end-pursuit-of-oil-growth-amid-energy-transition) they would stop growing their oil portfolio, but in November of that year the company spent [$13 million](http://www.alaskajournal.com/2018-11-15/state-nets-281-million-slope-beaufort-sea-lease-sales) buying up remaining leases around the Pikka unit which it hoped to begin [producing](http://thecorner.eu/financial-markets/repsol-reinforces-its-exploration-position-in-alaska-with-12-blocks/76810/) in 2021.
	+ In 2013, the company spilled roughly [6,600 gallons](https://www.reuters.com/article/us-repsol-alaska/repsol-suffers-spill-at-alaska-exploration-well-state-idUSBRE93900X20130410) of crude oil, produced-water and other fluids at a potential North Slope exploration site.