

# IADC Briefing Book

## Arctic Drilling



As easy oil comes to an end and long-term energy demand continues to rise, interest in the Arctic will continue to grow among governments and oil and gas companies. According to the U.S. Geological Survey, the Arctic is believed to contain 13% of the world's yet to be found oil, and 30% of the yet to be found gas. [1] The Arctic contains resources in Alaska (U.S.), Russia, Denmark (Greenland), Norway, Sweden, Finland, Iceland and Canada. Each of these areas presents challenging conditions for finding and developing oil and gas and each has associated environmental, social, legislative and political issues. As with all uses of the Arctic, concerns include effects on sustainable development, climate change, the unique biodiversity of the environments, indigenous people's way of life, and pollution preparedness and response.

### Key Messages

- Hydrocarbon fuels will continue to meet the majority of the world's energy demands for decades. [2] Meeting that demand means pursuing hydrocarbon resources in the Arctic – and doing it safely and responsibly.
- IADC supports those operating in the Arctic who engage with the local communities and work closely with them to minimize impacts and share benefits.
- Oil and gas projects can help sustain Arctic communities and create mutual benefits through long-term cooperation between the region's peoples and the industry.
- Arctic reserves are estimated at more than 90 billion barrels of oil and 1,669 trillion cu ft. of natural gas. Of these, approximately 84% is expected to occur in offshore areas. [3] In 2010, the US Geological Survey estimated that an undiscovered 412 billion barrels of oil equivalent is present in the Arctic, with 78% expected to be natural gas and natural gas liquids. [4]
- Arctic drilling has been successfully undertaken by several Arctic coastal states, such as Canada, Norway and Russia, and has been carried out since at least the early 1970's.
- Successfully drilling in the Arctic will require Arctic countries to work together to achieve consistency, avoid incidents, and mitigate their effects should they occur. The Arctic Council comprises the member states of Sweden, Finland, Iceland, Canada, Russia, the U.S., Greenland and Norway. [5]

### Other Resources

1. U.S. Energy Information Administration: <http://www.eia.gov/todayinenergy/detail.php?id=4650>
2. U.S. Energy Information Administration, International Energy Outlook 2016: [http://www.eia.gov/forecasts/ieo/exec\\_summ.cfm](http://www.eia.gov/forecasts/ieo/exec_summ.cfm)
3. US Geological Survey: <http://pubs.usgs.gov/fs/2008/3049/fs2008-3049.pdf>
4. EIA Study: <http://www.petroleumnews.com/pntruncate/397955058.shtml>
5. Arctic Council: <http://www.arctic-council.org/index.php/en/>