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November 23, 2010

Bureau of Ocean Energy Management, Regulation and Enforcement
3801 Centerpoint Drive, Suite 500
Anchorage, Alaska 99503-5820

Attention: Regional Director, Alaska OCS Bureau

Reference: Chukchi Sea Draft SEIS

Subject: Support for Alaska OCS Development / OCS Lease Sale 193

Gentlemen:

Price-Gregory International supports the exploration and development of Alaska's Beaufort and Chukchi Sea Outer Continental Shelf energy resources – specifically Chukchi Lease Sale 193. We offer the following points for your consideration:

- Lease Sale 193 should be affirmed as held in 2008. The SEIS provides sufficient information and analysis to support an informed decision affirming Sale 193.
- Rescinding the leases and allowing a de facto moratorium to continue will harm Alaska's economy and discourage future industry investment, without a corresponding benefit to the environment.
- Sale 193 is critical to Alaska's future economy and the nation's long-term energy security.
- The Chukchi OCS is an important future source of U.S. energy supply with up to 29 billion barrels of oil and 209 trillion cubic feet of natural gas potentially in place. The Chukchi Sea is considered the most prospective unexplored offshore basin in the country.
- The goal of Lease Sale 193 was to produce oil from the Alaska OCS and boost domestic production from potential world-class energy deposits. OCS production has the potential to refill the Alaska oil pipeline, which is now operating at one-third of its 1988 peak flow.
- Oil and gas production resulting from Sale 193 will occur under the world's highest safety and environmental standards. Activities will be governed by stringent lease stipulations identified in the FEIS and SEIS. Numerous mitigation measures, including seasonal operating restrictions, will minimize potential impacts, and conflicts avoidance mechanisms will protect subsistence whaling and other harvest activities.
- Industry has committed to unprecedented provisions for prevention and spill response that go above and beyond what is required by law. These provisions, combined with a stringent permitting process, give Alaskans a high level of confidence that exploration and development can occur safely and without harm to polar bears and other species.

- Drilling in the Arctic offers distinct differences than deepwater exploration and development in the Gulf of Mexico. The pressure encountered in deepwater drilling is multiple times greater than in Alaska where wells would be in very shallow water. There are also major differences in well designs, as well as fundamental differences in the geology of the regions. All of these contrasts should lead BOEM to conclude that exploration should move forward in the Chukchi.
- There has never been a blowout in the Alaska or the Canadian Arctic that resulted in an oil spill. Thirty wells have been drilled in the Beaufort and five in the Chukchi – all without incident. These wells were drilled in the 1980s, utilizing older technology compared to what exists today.
- The North Slope and the offshore are now perhaps the most studied energy basins in America. In the past decade, over 250 studies have been funded in the Arctic, with the majority focused on the Beaufort and Chukchi Seas.
- According to a University of Alaska study, new OCS production in Alaska would provide an annual average of 35,000 jobs in Alaska with a total payroll of more than \$72 billion over the next 50 years.
- New offshore oil and gas development in Alaska would also generate thousands of new high-paying jobs throughout all 50 states – in manufacturing, computer technology, construction and maintenance.
- Demand for energy is continuing to rise and the U.S. requires continued development of America's oil and gas resources as the nation transitions to the new energy sources of the future.
- Given the impact of high energy prices on Americans and their economy, the U.S. has a moral obligation to develop domestic energy sources, both onshore and offshore.

Without question we need to focus our energy production, conservation and efficiency efforts inside our own country. We also need to transition to alternative energy sources and reduce our dependence on foreign oil. This transition, however, will take time, and domestic resources offer us the best opportunity to bridge that gap. They will allow us to increase our energy independence and national security and decrease the amount of money we transfer to foreign economies. Development of Alaska's OCS and North Slope Gas resources offer us the best opportunity to realize this goal.

Very truly yours,

PRICE-GREGORY INTERNATIONAL, INC.



Will Chinn
Project Development Manager