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THE ARCTIC NATIONAL WILDLIFE REFUGE:

A Case Study in Reconciling Nationally Significant
Wildlife Protection, Wilderness and Mineral Potential

Guy R. Martin

Perkins Coie

Washington, D.C.

The Public Lands During the Remainder
of the Twentieth Century

Natural Resources Law Center
University of Colorado School of Law
June 9, 1987

- I. General Background -- Arctic National Wildlife Refuge (ANWR)
- A. Physical description -- Borders the Arctic Ocean and Canada in the far northeastern corner of Alaska. Located between the Prudhoe Bay oil field roughly 65 miles to the west and the Northern Yukon National Park to the east in Canada.
- B. Size -- 19 million acres (approximately the size of South Carolina). Eight million acres are designated wilderness (roughly the size of Massachusetts and Connecticut combined). The 1.5 million acre coastal plain, approximately 8 percent of the Refuge, is the area of potential oil and gas development (the "1002 study area").
- C. Native population -- The village of Kaktovik, located on Barter Island, is within the Arctic Refuge. Most of the approximately 210 residents who live in Kaktovik are Inupiat Eskimos.
- D. Military presence -- In 1947, the U.S. Air Force installed a DEW line station and constructed a runway and hangar on Barter Island.
- E. History -- During the 1880's, Kaktovik was a commercial whaling center. Establishment of a fur trading post in 1923 led to the first permanent settlement.
- F. Climate -- The ground surface is snow covered up to nine months of the year. The average wind chill

factor at Barter Island in February is -80 degrees F (-33 and 15.5 mph wind). The warmest summer month averages +42.9 degrees F. The coastal plain is virtually a desert; average precipitation is 6.28 inches.

- G. Wildlife -- The area has been a national wildlife refuge since 1960 (see history below). The Arctic Refuge provides habitat to a large number of species including the 180,000 caribou in the migratory Porcupine herd, muskox, polar bear, and a variety of migratory birds such as snow geese. The coastal plain does not have significant fish populations.

II. Legal Context of Oil Development in Alaska

- A. 1923 -- President Harding issues an Executive Order to set aside a 23 million acre Naval Petroleum Reserve No. 4 (now NPR-A) on the central North Slope.
- B. 1944 -- Navy institutes a government sponsored exploration program in the NPR. The program is halted in 1953 after disappointing results.
- C. 1957 -- Swanson River oil field discovered in the Kenai National Moose Range. Alaska Statehood movement assisted as fears that the Territory could not support itself are alleviated.
- D. 1958 -- Congress approves the Alaska Statehood Act. Pub. L. No. 85-508, 72 Stat. 339 (1958). The State is entitled to select 104 million acres of public land

(Alaska has 375 million acres). Section 28 of the Act provides that the State shall receive 90 percent of all bonuses, royalties, and rentals from oil and gas leasing of any public lands under the Mineral Leasing Act of 1920 (MLA).

- E. 1960 -- In one of the last actions of the Eisenhower Administration, Interior Secretary Seaton establishes the Arctic National Wildlife Range from 8.9 million acres of public lands.
- F. 1966 -- Interior Secretary Udall imposes a "land freeze" to halt conveyances of Federal public lands until Native claims are resolved.
- G. 1968 -- Oil companies announce Prudhoe Bay discovery. Reserves are estimated at 9.6 billion barrels of oil and 26 trillion cubic feet of gas.
- H. 1968 -- Alaska Natives and the Land is published by the Federal Field Committee For Development Planning in Alaska. The report surveys the status of Alaska Natives and concludes that they have valid claims to lands.
- I. 1971 -- The Alaska Native Claims Settlement Act (ANCSA) becomes law. Pub. L. No. 92-203, 85 Stat. 688 (1971). In return for extinguishing land claims, the Act sets up Native corporations to administer \$962 million and gives them the right to select 44 million acres of land. Twelve regional corporations, based

roughly on cultural boundaries, and 200 village corporations are established.

- J. 1973 -- The Trans-Alaska Oil Pipeline Authorization Act is passed, with Vice President Agnew casting the deciding vote in the Senate. Pub. L. No. 93-153, 87 Stat. 584 (1973). Environmentalists successfully tie up the project in the courts. See Wilderness Society v. Morton, 479 F.2d 842 (D.C. Cir.), cert. denied sub nom. Alaska v. Wilderness Society, 411 U.S. 917 (1973).
- K. 1977 -- The Trans-Alaska Pipeline System (TAPS) becomes operational. The pipeline covers 800 miles between Prudhoe Bay and the port of Valdez. Its capacity is 2.2 million barrels per day. The estimated cost is close to \$11 billion.
- L. 1987 -- The Prudhoe Bay fields produce about 1.7 million barrels of oil per day or 20 percent of U.S. production. No pipeline exists for natural gas production.

III. The Alaska National Interest Lands Conservation Act (ANILCA)

- A. Section 17(d)(2) of ANSCA authorized the Secretary to withdraw up to 80 million acres of public lands for consideration as additions to national conservation system units. 43 U.S.C. §1616(d)(2).

- B. In 1978, after a series of deadlocks in Congress, Secretary Andrus withdrew 110 million acres of Alaska public lands pursuant to Federal Land Policy and Management Act authority. Under the authority of the Antiquities Act, 16 U.S.C. §431, President Carter created 56 million acres of new "National Monuments."
- C. In the lame duck session after the 1980 elections, the House faced a difficult choice: accept Senate amendments to H.R. 39--without amendment or the benefits of a conference committee--or wait until the next Congress to fight the Alaska lands battle in the context of the incoming Reagan Administration and a shift of power to Republicans in the Senate. House leaders reluctantly chose to accept the Senate bill.
- D. In 1980, President Carter signed ANILCA. Pub. L. No. 96-487, 94 Stat. 2371 (1980). The Act added 104.3 million acres to national conservation system units. Thirteen national parks and 16 national wildlife refuges were established or expanded. Of the total land area included in conservation system units in the United States, Alaska has roughly 75 percent of the national parks, 90 percent of the wildlife refuges, 12 percent of the national forests, and about three quarters of the lands designated as wilderness (over 55 million acres).

E. Section 303(2) of ANILCA establishes ANWR. 16 U.S.C. §668dd note. About 8 million acres, roughly the area of the Range established in 1960, is designated as wilderness. A Senate compromise, however, results in special treatment of the potentially oil and gas rich ANWR coastal plain.

IV. The ANWR Coastal Plain: ANILCA's Unanswered Question

- A. The coastal plain is a classic example of the national debate over the appropriate balance between resource development and the protection of environmental quality, including the management of wildlife resources and the preservation of wilderness values. In the midst of the oil crisis of the 1970's, the House voted twice to designate the coastal plain wilderness. The Senate, influenced by Senator Henry Jackson of Washington State, chose to study the issue further, deferring the decision for a later Congress.
- B. Section 1002 of ANILCA requires that the Secretary conduct a comprehensive study of the 1.5 million acre strip (100 miles long and 30 miles wide) along the ANWR coastal plain. 16 U.S.C. §3142. This report to Congress to be completed no earlier than December 1985, was to include the following:
1. the identification, by means other than drilling, of exploratory well areas within the coastal

plain that have oil and gas potential, and an estimate of the volume of the resources;

2. a comprehensive inventory of the fish and wildlife;
3. an evaluation of the adverse effects of further exploration or development;
4. a description of how oil and gas would be transported to processing facilities;
5. an evaluation of the national need for additional supplies of oil and gas; and
6. the Secretary's recommendations with respect to whether further exploration and development of the oil and gas should be permitted and, if so, what additional legal authority is necessary to ensure that adverse effects on fish and wildlife and their habitat are minimized.

- C. Section 1003 of ANWR makes it clear that Congress reserved to itself the decision to open the coastal plain to development:

Production of oil and gas from the Arctic National Wildlife Refuge is prohibited and no leasing or other development leading to the production of oil and gas from the range (sic) shall be undertaken until authorized by an Act of Congress. 16 U.S.C. §3143.

V. ANWR and Alaska Native Corporation Inholdings

- A. As a Native village corporation, the Kaktovik Inupiat Corporation (KIC) was entitled under Section 12 of

ANSCA to select "traditional" lands, including those that may be within conservation system units. 43 U.S.C. §1611. Section 1431 of ANILCA entitled KIC to select additional lands located in ANWR. Pub. L. No. 96-487, §1431, 94 Stat. 2371. Pursuant to these authorities, KIC has selected 92,000 acres within ANWR.

- B. ANSCA authorizes Alaska Native regional corporations to acquire the subsurface estate to village corporation lands, but not if the surface lands are within wildlife refuges. However, in Section 1431(o) of ANILCA, Congress made special provision for the Arctic Slope Regional Corporation (ASRC) to acquire subsurface under the KIC lands in ANWR.
- C. Section 1431(o) addresses ASRC's "future option" to exchange subsurface holdings for subsurface in ANWR. This exchange is made contingent on Congress opening ANWR "for purposes of commercial development (rather than exploration) of oil or gas."
- D. In 1983, Secretary Watt used general exchange authority under Section 1302 of ANILCA, 16 U.S.C. §3192, to exchange 101,000 acres of ASRC surface holdings in the Chandler Lake area of Gates of the Arctic National Park for the 92,000 acres of subsurface estate under the KIC lands in ANWR. By entering into this agreement, the Department of the Interior in effect allowed ASRC to accelerate

exercising this future option in return for sought-after National Park inholdings that otherwise might not have been obtained.

- E. In April 1986, an oil company consortium (Chevron/Standard/British Petroleum) completed a 15,000 foot test well on KIC/ASRC lands in the coastal zone study area. The results are held proprietary.

VI. The Section 1002 Report

- A. On April 20, 1987, Secretary Hodel released the final Arctic National Wildlife Refuge, Alaska, Coastal Plain Resource Assessment. The Secretary recommends to Congress that the entire 1.5 million acre coastal plain be opened to oil and gas leasing. He also recommends opening the 92,000 acres of ASRC/KIC Native inholdings.

1. Assessment of Oil and Gas Resources:

- The Secretary concludes that the 1002 study area is "the Nation's best single opportunity to increase significantly domestic oil and gas production over the next 40 years."
- As a result of extensive seismic studies (but not exploratory wells) the report estimates that economically recoverable reserves could range from a low of 600,000 barrels up to 9.2 billion

barrels. The average mean estimate is 3.2 billion barrels. The area could contain up to 29.4 billion barrels in place.

2. Assessment of Wildlife and Habitat:

- "The Arctic Refuge is the only conservation system unit that protects, in an undisturbed condition, a complete spectrum of the arctic ecosystems in North America The 1002 area is the most biologically productive part of the Arctic Refuge and is the center of wildlife activity."

3. Environmental Impacts Associated with Development:

- Loss of a "significant part" of the calving grounds for the 180,000 caribou in the Porcupine herd and other wildlife habitat.
- A substantial effect on Native culture, hastening changes in lifestyle from one of subsistence use of the land to an industrial society with a cash-based economy.
- Deteriorated air and water quality and industrial commitment of gravel and water resources.
- The wilderness value of the fragile and limited Arctic coastal plain ecosystem would be gone for a century or more.

- The cumulative effects of development surrounding ANWR at Prudhoe Bay, offshore in the Beaufort Sea, and in the MacKenzie Delta area in nearby Canada would have to be "determined by future studies."

4. Transportation of ANWR Oil:

- The proximity of the Prudhoe Bay complex and TAPS, 65 miles west of ANWR, enhance the economic attractiveness of the study area. ANWR oil would come on line in 10 to 15 years, at a time when the pipeline will have extra capacity because of the decline of the Prudhoe fields.

- A 150 mile east/west pipeline would be built to Prudhoe to transport oil from both Federal leases and Native inholdings. The line also could facilitate offshore development.

5. Evaluation of the Need for Domestic Oil:

- With U.S. production declining and OPEC expected to supply up to 60 percent of world production by 1995, ANWR oil is deemed essential to national security.

- The national economy and balance of trade will benefit by up to \$79.4 billion, including Federal revenues of \$38 billion, if ANWR produces 9.2 billion barrels of oil.

6. Secretary's Alternatives:

- In recommending full leasing of the study area, the Secretary considered and rejected the options of: 1) limited leasing (protecting the "core" caribou calving area); 2) further exploration; 3) "no action" (with the effect that activities "compatible" with the Refuge's purposes would be allowed); and 4) wilderness designation.

VII. Major Issues

- A. Administration Credibility -- Environmental groups sued to make the report subject to public comment. See Trustees for Alaska v. Hodel, 806 F.2d 1378 (9th Cir. 1986). A lack of trust for the Administration's concern for environmental protection is apparent. The Secretary's report, by changing Fish and Wildlife Service (FWS) biological estimates that 20 to 40 percent of the caribou would be displaced/decline, creates additional doubts.
- B. Need for ANWR Oil -- Even with enhanced recovery techniques on the North Slope, the ANWR supplies - potentially up to 9.2 billion barrels - would significantly reduce imports and improve the balance of trade.
- C. The Prudhoe Bay Record -- The industry points out that the newer developments, like Kuparuk, use state-of-the-

art technology and minimize impact on the environment. Further, the environmental fears concerning construction of TAPS (caribou, spills, etc.) have not been realized. Environmentalists argue that air pollution, hazardous wastes, and other problems at Prudhoe have not been scrutinized.

D. Cumulative Effects of Development -- The final report lists a wide variety of development projects--Prudhoe, Federal Outer Continental Shelf and State leasing in the Beaufort Sea, and Canadian activity in the MacKenzie Delta--but states that the effects "would have to be determined by further studies."

E. Native Concerns -- Use of the caribou herd is important to the subsistence and cultural needs of Arctic Village and other communities. Yet the Native corporations, especially ASRC/KIC and others interested in land exchanges, see ANWR as an important business opportunity.

F. Canadian Concerns -- The Canadians feel they were not adequately consulted during the drafting of the report. The U.S. is currently negotiating a treaty concerning management of the Porcupine caribou herd, which spends most of its time in Canada. Yet Canada also is actively pursuing development in the Beaufort Sea and transportation of that oil in tankers presents environmental risks.

- G. The Exploration Alternative -- Even promising geological prospects on the North Slope sometimes do not yield recoverable quantities. Industry spent over \$1 billion on the Mukluk project and came up dry. Since only the Chevron/Standard/BP consortium has the advantage of data from an exploratory well on the ASRC/KIC Native inholdings, there is incentive for Congress to proceed cautiously in developing ANWR.
- H. Revenues -- Under the Statehood Act, the State of Alaska receives 90 percent of MLA revenues. The State's recent spending record, as well as other national priorities, may cause Congress to reevaluate revenue sharing. Precedent for reducing the State share to 50% has been set for revenues from NPR-A. The effect of potential additional Native inholdings also will be questioned.
- I. Limited Leasing -- The draft report and many other commentators, including the State of Alaska, want special protection to be given to the "core" calving area. The draft report identified 242,000 acres in the Upper Jago River. In the final 1002 report, the Secretary overturned the draft recommendation on the grounds that this area overlies an estimated 25 percent of the oil reserves.
- J. Native Land Exchanges -- For nearly two years, negotiations have gone on between the Department of

the Interior and as many as five Alaska Native groups regarding land exchanges by which high value wildlife and conservation lands currently owned by Natives in various areas of Alaska would be exchanged for oil and gas rights in ANWR. While not formally a part of the ANWR process, or the 1002 Report, these exchange proposals, not yet public, have become a part of the debate. A suit has been filed by the Trustees for Alaska challenging the exchange process, and seeking injunctive relief, public comment and compliance with NEPA. The State of Alaska has withdrawn from all ANWR land exchange negotiations.

VIII. Status of Congressional Consideration of ANWR

- A. Committee Jurisdiction -- House: The Interior and Insular Affairs Committee is holding a series of hearings on the issues surrounding ANWR. The Subcommittee on Water and Power Resources, chaired by Representative George Miller (D-CA), has primary responsibility for oversight on the Hodel recommendations and a comprehensive study of the issues associated with ANWR. In addition, the Subcommittee on Fisheries and Wildlife Conservation and the Environment Subcommittee of the Merchant Marine and Fisheries, chaired by Representative Gerry Studds (D-MA), has joint jurisdiction. A hearing is scheduled for June 24. Senate: The Energy and

Natural Resources Committee, chaired by Senator Bennett Johnston (D-LA), will hold hearings June 2, 4, 11 and 12.

- B. Legislation Pending -- House: Interior Committee Chairman Morris K. Udall (D-AZ) introduced H.R. 39 to designate the entire Refuge a wilderness area; it currently has 77 co-sponsors. The Interior Committee's ranking Republican, Representative Don Young (R-AK), introduced H.R. 1082 to open the coastal plain to oil and gas exploration and development; the bill has 129 co-sponsors. Representative Walter Jones (D-NC) is anticipated to introduce a compromise bill. Senate: Senators Stevens (R-AK) and Murkowski (R-AK) have introduced S. 1217 to open the 1002 study area to oil and gas activity. No proponent of the Udall bill has been identified in the Senate.
- C. Environmental Interests -- The environmental groups have not taken a uniform position. The Izaak Walton League, and the Alaska Coalition, comprised of most of the major and many smaller environmental organizations including The Wilderness Society and Sierra Club, favor wilderness designation, the approach taken in the Udall bill. The National Wildlife Federation opposes leasing and advocates a Congressional study of the area. The National Audubon Society advocates

wilderness unless additional scientific information clearly confirms that national energy needs demand development of the area.

- D. Industry Interests -- Many of the industry interests have unified in the Coalition for American Energy Security. The Coalition includes the Alaska Oil and Gas Association, the major oil corporations with interests in the area, the Contractor's Association, drilling interests, port associations and the National Association of Manufacturers.
- E. State of Alaska Interests -- The State of Alaska supports opening the 1002 study area to exploration and leasing, with the exception of the "core" calving area for the Porcupine caribou herd. To assess environmental impacts on the herd, the State advocates a seven year study of the calving area to be conducted jointly by FWS and the Alaska Department of Fish and Game. At the end of this period, the Secretary of the Interior would be required to submit a report to Congress on the calving area. Unless Congress votes to close the calving area within ten years after its report is submitted, that area would be made available for leasing.

CHRONOLOGY

HISTORY OF ALASKA AND THE PENDING DECISION
ON THE COASTAL PLAIN OF ANWR

SELECTED DATES AND EVENTS
1867-1987

- 1867 Secretary of State Seward signs treaty to purchase Alaska from Russia for \$7.5 million ("Seward's Folly").
- Treaty of Cession provides that "'uncivilized Native tribes' to be subject to such laws and regulations as the United States may from time to time adopt in regards to aboriginal tribes of that country."
- 1867-84 Alaska is governed, first by the Army, then by the Collector of Customs, then by the Navy.
- 1878 Beginning of salmon industry; first canneries established.
- 1880 First important discovery of gold in Alaska (Juneau).
- 1884 The Organic Act makes Alaska a District with an appointed governor and other officers; protection is provided for lands used and occupied by Natives.
- 1890 Barter Island (site of the current village of Kaktovik) serves as an important commercial whaling stop and key trading post up until 1910.
- 1902 First commercial oil discovery near Katalla on Gulf of Alaska; field produced until 1933.
- 1906 Native Allotment Act provides first opportunity for Alaska Native people to obtain land under restricted title.
- 1912 Alaska becomes a Territory with a two-house legislature; capital in Juneau, Alaska. Alaska Native Brotherhood, first Native association to advance Native interests, is founded in Sitka.
- 1919 Presence of surface oil seeps on Alaska's North Slope, long known to the Natives, is described by Leffingwell in U.S. Geological Survey (USGS) Professional Paper No. 109.

- 1923 By Executive Order, President Harding sets aside a 23 million acre Naval Petroleum Reserve No. 4 on Alaska's central North Slope.
- 1924 Citizenship Act extends citizenship to all Alaska Natives.
- 1926 Native Townsite Act provides opportunity for Natives to obtain restricted deeds to village lots.
- 1934 Provisions of Indian Reorganization Act are extended to Alaska.
- 1940s First elements of Distant Early Warning (DEW) Line system installed on Barter Island.
- 1944 U.S. Navy drills first of several exploratory wells at Naval Petroleum Reserve No. 4 (now the National Petroleum Reserve in Alaska), and discovers natural gas near Barrow, some 500 miles west of Prudhoe Bay.
- 1945 U.S. Coast and Geodetic Survey began mapping the Beaufort Sea coast bringing some employment to natives.
- 1957 Swanson River oil field discovered in Alaska's Cook Inlet and the Kenai National Wildlife Refuge; oil and gas production has taken place in Refuge since 1962.
- 1958 Congress approves the Alaska Statehood Act; any right or claim by the State of Alaska to Native lands is disclaimed; State is entitled to select 102.5 million acres of vacant unappropriated public lands. Statehood Act provides in Section 28 that State is entitled to 90 percent of royalty received from Federal oil and gas leasing of public lands in Alaska under the Mineral Leasing Act of 1920.
- 1959 Court of Claims rules that Indian (aboriginal) title of Tlingit and Haida Indians was not extinguished by actions of the U.S. Government and that they were entitled to compensation for lands taken from them by the United States.
- 1960 Arctic National Wildlife Range (ANWR), consisting of 8.9 million acres, is established by Public Land Order 2214 in December 1960 for fish and wildlife conservation purposes.

- 1961 State land selections under the Statehood Act threaten use of Native lands in the Minto area.
- Inupiat Paitot (North Slope Eskimo group) formed to protect aboriginal land rights.
- 1962 "TUNDRA TIMES", first Statewide Native newspaper, is established.
- 1963 Proposed Rampart Dam construction protested by Native villages along the Yukon River.
- Alaska Task Force appointed by Secretary of the Interior Udall calls upon Congress to define Native land rights.
- 1964 Good Friday Earthquake hits Alaska on March 27th.
- First exploratory well drilled on Federal leases on the North Slope by private industry.
- First State oil lease sale on North Slope is conducted.
- Kaktovik Village, previously moved several times to accommodate military operations on Barter Island, is moved again to its present site.
- 1965 Second State oil lease sale conducted on North Slope, sale includes the Prudhoe Bay discovery area.
- First onshore well drilled in Canada's Mackenzie River Delta.
- 1966 Statewide conference of Native leaders leads to organization of Alaska Federation of Natives (AFN) to advance land claims and other matters of common concern.
- Secretary Udall imposes an informal "land freeze" to protect Native use and occupancy.
- ANWR is included in the National Wildlife Refuge System. Administration of Refuge System permits the use of wildlife refuges for mineral leasing (oil and gas development) so long as such use is "compatible with the purposes for which the area was established."
- 1967 First bills introduced in the Congress to settle the Alaska Native land claims.

Native protests and claims to land encompass 380 million acres of Alaska (some claims are overlapping).

Drilling begins on Prudhoe Bay State No. 1 oil well by Atlantic-Richfield on April 26th.

Prudhoe Bay "discovery" on December 8th by Prudhoe Bay State No. 1 oil well.

1968

Alaska Land Claims Task Force, established by Governor Hickel, recommends 40 million-acre land settlement.

On March 13th oil companies publicly announce discovery well at Prudhoe Bay; field determined to contain an estimated 9.6 billion barrels of crude oil and 26 TCF of natural gas.

Alaska Natives and The Land, a study commissioned by Senate Interior and Insular Affairs Committee's Chairman, Senator Henry M. Jackson, provides first comprehensive compilation of data and information on the demographic, social and economic conditions of the Alaska Native people; report concludes that Alaska Native land claims appear to be valid as a matter of law; proposes a framework for a legislative settlement.

1969

State oil lease auction of lands near Prudhoe Bay on September 10 produces \$900 million in bonus bid revenue for Alaska.

Plans disclosed for construction of 800 mile Trans-Alaska Pipeline from Prudhoe Bay to Valdez, Alaska.

1970

An Alaska Native land claims bill is passed by the Senate, but the Alaska Native people are disappointed in its land grant provisions.

1971

Significantly different bills pass both houses of Congress; resolution of issues requires a conference committee; compromise version is agreed to and passes both House and Senate.

Following acceptance by the AFN convention, President Nixon signs the Alaska Native Claims Settlement Act (P.L. 92-203) (ANSCA) on December 18, 1971.

In Summary, the Settlement Act:

- extinguished Native aboriginal claims to the lands in the State of Alaska;
- granted \$962 million to be paid over ten years to Natives through corporations owned by them;
- granted Native corporations the right to select 44 million acres from Federal domain in Alaska;
- provided for establishment of 12 Native Regional Corporations on ethnic, language and cultural boundaries and assigned responsibilities for administration of the settlement;
- provided for establishment of Native Village Corporations for each of the 200 villages in Alaska;
- provided for enrollment of most Alaska Natives in both a Village Corporation and a Regional Corporation;
- protected Native subsistence uses and vested significant surface estate in Village Corporations; and
- granted all subsurface estate beneath the Villages and other lands to Regional Corporations and assigned them economic development responsibilities.

Section 17(d)(2) of ANCSA (the "D-2 Lands" provision) authorized and directed the Secretary of the Interior to withdraw up to 80 million acres of public lands in Alaska suitable for consideration for inclusion in National Park, Forest, Wildlife Refuge and Wild and Scenic River Systems.

Section 12(a)(2) of ANCSA limited amount of land a Village Corporation located within Wildlife Refuges (including Kaktovik Village) may select to 69,120 acres. Also provided that Regional Corporations may not select subsurface estate of Village lands located within Wildlife Refuge.

1972 Arctic Slope Regional Corporation (ASRC) and Kaktovik Inupiat Corporation (KIC) are formed. Kaktovik Village is located within ANWR, adjacent to Coastal Plain.

North Slope Borough (county government for all of the North Slope) formed under State law; Kaktovik incorporated as a municipality.

1973 Arab Oil Embargo imposed in October; followed by gas lines, price increases and shortages of refined oil products.

Trans-Alaska Oil Pipeline Authorization Act adopted on November 16; legislation needed because of litigation and controversy over impact of pipeline on Caribou; Vice President's vote breaks tie in the Senate.

Emergency Petroleum Allocation Act of 1973 adopted on November 27; provides authority to deal with shortages and major price increases imposed by OPEC cartel.

In response to Section 17(d)(2) of ANCSA, on December 27 Secretary of the Interior recommends 83 million acres of lands in Alaska to Congress for inclusion in Conservation System Units; Congress has five years to act on recommendations.

1975 "Haul Road" providing land access to Prudhoe Bay completed; roadway to revert to state ownership when North Slope production ends.

1976 Congress enacts Federal Land Policy and Management Act of 1976 (FLPMA) in major rewrite of public land laws.

1977 Trans-Alaska Pipeline goes into operation on June 20, moving North Slope crude oil to terminal at Valdez; first oil reaches Valdez on July 28th, 38 days later.

Congress adjourns without enacting legislation to address D-2 lands issue.

1978 In November Secretary Andrus withdraws 110 million acres of public lands in Alaska pursuant to FLPMA.

On December 1, President Carter issues Presidential proclamations to establish 17 new National Monuments containing 56 million acres.

1980

U.S. Geological Survey open file report estimates that ANWR's Coastal Plain could contain as much as 17 billion barrels of crude oil and 34 tcf of natural gas in place, making this an area of Persian Gulf class oil and gas potential.

Alaska National Interest Lands Conservation Act of 1980 (ANILCA) is enacted; ANILCA represents response of Congress to withdrawals and recommendations made under Section 17(d)(2) of ANCSA and subsequent withdrawals and Presidential Proclamations.

ANILCA doubles the size of ANWR to 19 million acres; designates 8 million acres of Refuge as Wilderness; Section 1003 prohibits leasing or development on lands within ANWR until authorized by Act of Congress; and Section 1002 mandates Department of the Interior to study and report to the Congress on oil and gas potential and fish and wildlife values of the Coastal Plain area and permits carefully regulated seismic survey of area's oil and gas potential.

Section 1431(g) of ANILCA permits Kaktovik Village to acquire an additional 23,040 acres (one township) of surface estate within ANWR; Section 1431(o) permits ASRC to acquire, through a land exchange, subsurface estate beneath Kaktovik Village's surface lands within ANWR.

National Petroleum Reserve-Alaska, 23 million acre area in the Central Arctic, opened to competitive oil and gas leasing; royalty split 50-50 with the State of Alaska.

1981

Kuparuk field, the second largest producing oil field in the United States, west of the Prudhoe Bay field, begins production.

1983

On August 9, ASRC and Department of the Interior conclude agreement whereby ASRC grants to the Department 101,000 acres of surface estate within Gates of the Arctic National Park in exchange for 92,160 acres of subsurface estate beneath the surface of lands owned by Kaktovik Village within ANWR and within and adjacent to the coastal Plain.

1984

Group of 22 oil companies participate in two-year \$40 million seismic survey of Coastal Plain study area authorized by Section 1002 of ANILCA.

Approximately 600 line miles of seismic and geophysical data acquired in ANWR Coastal Plain, pursuant to ANILCA Section 1002.

1984-85 Drilling of an exploratory well, 1 KIC Jago River, began on Native lands of the Kaktovik Inupiat Corporation about 14 miles east of Kaktovik Village; drilling completed in April 1986 at 14,500 feet.

An additional 580 line miles of seismic and geophysical data acquired in ANWR Coastal Plain through seismic survey.

1985 Negotiations initiated between Department of the Interior and some Regional and Village Corporations and the State of Alaska to enable Department to acquire inholdings and to consolidate Federal Conservation System Units through exchanges of Native land for mineral interests in some of the Federal lands located in ANWR's Coastal Plain.

Milne Point oil field, north of the Kuparuk oil field, begins production.

1986 On June 3 Congressman Udall introduced H.R. 4922, a bill to designate the 1.5 million acre Coastal Plain of ANWR as Wilderness.

In response, ASRC takes the lead in forming broad based Coalition for American Energy Security to better inform the American public and the Congress of the importance of the oil and gas resources of the Coastal Plain study area to national security and economic well-being.

In August ASRC prepares and distributes report entitled "The Arctic National Wildlife Refuge -- Its People, Wildlife Resources, and Oil and Gas Potential." Report sets forth views of ASRC and its 3,700 Eskimo shareholders on the need to secure permission to develop ASRC's 92,160 acres of Kaktovik lands and the 1.5 million Coastal Plain study area.

In September the 5 billionth barrel of North Slope crude oil moves through the pipeline from North Slope to Valdez.

On November 24 the Department of the Interior releases Draft Resource Assessment and Legislative

Environmental Impact Statement on Coastal Plain of ANWR. Draft report discloses that Coastal Plain contains seven distinct plays with 26 separate oil and gas prospects. These prospects are projected to contain from 4.8 to 29.4 billion barrels of oil with an average or mean estimate of 13.8 billion barrels in place. Estimate of "recoverable" reserves ranges from 600 million barrels to 9.2 billion barrels with an average or mean estimate of 3.2 billion barrels. Draft Report recommends full, but staged, leasing of Coastal Plain for oil and gas exploration and development, with caribou calving areas to be leased last.

Lisburne oil field on the North Slope begins production.

1987

Public hearings held in early January in Kaktovik, Anchorage and Washington, D.C. on Department of the Interior's Draft Report and LEIS.

On January 6 Congressman Udall introduces H.R. 39, a bill to designate the 1.5 million acre Coastal Plain as Wilderness.

State of Alaska releases geophysical report on Coastal Plain which contains similar, but slightly more modest projections than those compiled by the Department of the Interior on the Coastal Plain's oil and gas potential.

On February 2, Oil & Gas Journal article on Coastal Plain, notes "unconfirmed reports of good oil shows" in Kaktovik exploratory well, and quotes industry officials on "enormous potential" of Coastal Plain study area and potential "opportunity of participating in some billion barrel oil fields."

On February 11 Congressman Young introduces H.R. 1082, a bill to authorize competitive leasing, exploration and development of the oil and gas resources of the Coastal Plain in a manner consistent with protection of the area's environment, fish and wildlife resources and the needs of subsistence users.

On February 24 a Federal Advisory Council, the National Petroleum Council, transmits report to the Secretary of Energy on Factors Affecting U.S. Oil &

Gas Outlook. Report concludes that crude oil imports could rise from 27 percent in 1985 to 50 percent by 1990 and to 60 percent by 1995.

State of Alaska schedules lease sale in June 1987 for Camden Bay in State waters just north of and adjacent the Coastal Plain.

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