REPUBLICAN ENERGY ARGUMENTS = NONSENSE

DEMOCRATS SUPPORT DRILLING. WE BELIEVE THAT THE OIL AND GAS COMPANIES SHOULD DRILL ON THE 68 MILLION ACRES OF LAND CURRENTLY UNDER LEASE BEFORE DEMANDING MORE DRILLING RIGHTS.

- Oil and gas companies hold leases to 68 million acres of federal land and waters that currently are NOT producing oil or gas, according to the Minerals Management Service (MMS) and the Bureau of Land Management (BLM).
- 81% of estimated oil and gas resources on federal lands and the Outer Continental Shelf (OCS) are available for development.
- *These reserves are equal to 107 billion barrels of oil and 658 trillion cubic feet of natural gas -- and are 10 times the amount of the economically recoverable oil that could be produced from opening up the Arctic National Wildlife Refuge (ANWR), and more than 14 years of current U.S. oil consumption (7.5 billion barrels per year).*

INDUSTRY IS ONLY USING A FRACTION OF ITS OCS LEASES.

- There are 7,740 leases covering 44 million acres on the Outer Continental Shelf. Only 1,655 leases covering 10.5 million acres are in production, 33.5 million acres are not.

COMPANIES HOLD NEARLY 10,000 PERMITS THAT ARE NOT IN PRODUCTION.

- 47.5 million acres of federal land on-shore are currently being leased on the continental United States (lower 48), only 13 million acres are producing oil and gas.
- BLM has issued 28,776 permits to drill on on-shore public land since 2004, and 18,954 wells were actually drilled. Companies have nearly 10,000 permits that are not in domestic production.

DRILLING IN THE ARCTIC NATIONAL WILDLIFE REFUGE IS AN ABSOLUTE RED HERRING. IT WILL DO VIRTUALLY NOTHING TO REDUCE GAS PRICES.

- Drilling proponents say there are up to 16 billion barrels of oil under the Arctic refuge's coastal plain. In fact, there is a 5% chance that that is true. There is a 95% chance that there is far less oil in ANWR – the mean estimate is 10.4 billion barrels, which is less than the 10.6 billion barrels estimated in the NPR-A, that is currently open for leasing.
- It would take 10 years for any Arctic refuge oil to reach the market. And, even assuming drilling proponents' best case scenario, the refuge would produce only 300,000 to 600,000 barrels per day when production peaks – a small fraction of the 21 million barrels of oil that America consumes each day.
- In 2025, the Energy Information Administration (EIA) estimates – under drilling proponents' best case scenario – opening ANWR would decrease gas prices by only 1.8 cents per gallon.

REFINING IS NOT AN ISSUE – REFINERIES ARE RUNNING BELOW CAPACITY.

- The 2005 energy bill allows states to request expedited permitting from EPA on behalf of a refiner. No refiner has asked that those provisions be used.
- We have idle capacity now. According to the EIA, America has 328,000 barrels per day of idle refining capacity. As of July 4, our refineries were running at 89.1% capacity, much lower than historic refinery utilization at the same time in the previous 10 years.

Prepared by the Office of Majority Leader Steny Hoyer, 7/16/08

INDUSTRY IS FINDING OIL ON AVAILABLE LANDS TODAY

- 53% of exploratory wells have been successful. This is a significant improvement from the past: 35 years ago, less than one in five wells was successful. Ten years ago, it was still one in three. Now, the industry is hitting pay dirt more than 50% of the time they drill a well. This means that the industry has a much better idea of where oil is now than they did even 10 years ago. And it means that the land they are leasing is not some barren wasteland like some Republicans would have you believe, but actually very productive land that they should continue to drill before asking for more.

DRILLING ON AVAILABLE LANDS IS EASIER THAN DRILLING IN OCS AND ANWR

- The Arctic and deep water are the most challenging drilling environments in the world. It is true that oil companies are producing in Prudhoe Bay and leasing in the NPR-A now, and also drill now in the deep water areas of the Gulf of Mexico, but those are sizeable investments.