



Oil and Gas Leasing in the Arctic National Wildlife Refuge

1. The first oil and gas lease sale in the Arctic Refuge sold less than half of the 1 million acres offered

On January 6, 2021, the Department of the Interior (DOI) reported results from the first of two auctions for leases to develop oil and gas in the Arctic National Wildlife Refuge (ANWR). Of the 22 parcels available, 11 received bids but only 9 parcels, covering 440,000 acres, were eventually sold.

2. Proponents of oil and gas development in the Arctic Refuge claimed lease sales would generate \$1 billion in federal revenue - taxpayers received less than 1% of that

Oil and gas leasing in the Arctic Refuge was authorized in the 2017 Tax Act as an attempt to generate \$1 billion in revenue. The first sale resulted in \$8.2 million for federal taxpayers. After 2 companies later rescinded their leases, federal receipts dropped to \$6.7 million.

3. There is little industry interest to explore and develop oil and gas in ANWR

The only entity that holds leases in ANWR is a public corporation run by the state of Alaska. The two private companies that also bid during the first ANWR lease sale rescinded their leases in 2022. Two other oil companies with existing leases within the nonfederal lands portion of the Arctic Refuge, Chevron and Hilcorp, exited their claims in 2021. Most recently, Exxon Mobil announced to its investors that the company has no plan to pursue exploration activities within ANWR. Meanwhile, major U.S. and international banks -including Wells Fargo, Goldman Sachs,



Morgan Stanley, Citibank, and Chase- and an increasing number of insurance companies have announced they will no longer finance oil businesses in the Arctic Refuge.

4. There are no active federal oil and gas leases in the Arctic Refuge

On September 6, 2023, DOI announced the rescission of the remaining seven federal oil and gas leases in the Arctic Refuge. The leases were held by the Alaska Industrial Development and Export Authority (AIDEA), a public corporation of the State of Alaska, and represented the only remaining leases from the initial auction in January 2021. In its announcement, DOI pointed to serious flaws and legal deficiencies in the underlying analysis for the January 2021 lease sale.

5. As current law requires another lease sale before 2025, taxpayers may lose more if leasing in the Arctic Refuge goes forward

The 2017 Tax Act (P.L. 115-97) required at least two lease sales in the Coastal Plain: one within four years of the law's enactment (by December 2021) and a second within seven years of enactment (by December 2024). Given the little industry interest and poor prospects demonstrated by the first lease sale, taxpayers will likely receive little revenue for future lease sales while being saddled with environmental liabilities associated with drilling.