

THE PETROLEUM INDUSTRY- ALASKA COMPARED TO OTHER STATES

By Brit Harvey

Seven tables are presented which compare various aspects of the Alaska petroleum industry to other major producing states.^{1/} As revealed by these data, the Alaska industry does not conform to the lower-48 norm. The primary causes of this dissimilarity are the following:

1. The pattern of land ownership in Alaska differs from that of other major producing states. Alaska's oil lies almost entirely below land or waters owned by governments. Lower-48 states are typified by diverse ownership and resulting royalty payments. Government lease sales are the dominant means to secure exploratory acreage in Alaska, whereas lower-48 exploration frequently involves complicated negotiation with multiple land-owners.
2. Alaska production occurs exclusively in difficult drilling areas, where costs are high. Exploration in Alaska requires large capital expenditures, longer lead times, and expensive, frontier technology.
3. Alaska production is dominated by Prudhoe Bay, the largest petroleum accumulation discovered in North America. Alaska is considered the most likely state in which to find further large fields.
4. Alaska's oil industry is composed almost entirely of large corporations. Other states' oil industries are a combination of large multi-national corporations, smaller independents, and individual wildcatters operating in a variety of niches within the industry.
5. Alaska is primarily a producing and transporting state, with only relatively minor refining and wholesale or retail trade.

^{1/} All tables are from *The Oil Industry in Your State-1982*, by the Independent Petroleum Association of America.

Rotary Rigs Active 1972-1981

Rank 1981		72	73	74	75	76	77	78	79	80	81
1	Texas	325	376	508	637	853	779	855	770	987	1317
2	Oklahoma	91	115	146	178	186	233	258	245	397	698
3	Louisiana	216	205	203	227	231	292	388	347	427	456
4	Kansas	25	28	44	57	51	68	76	66	120	197
19	Alaska	5	5	9	14	14	15	16	14	14	22

Total Wells Drilled 1972-1981

Rank 1981		72	73	74	75	76	77	78	79	80	81
1	Texas	8088	8494	9808	12483	12740	14759	15037	16149	19253	23940
2	Oklahoma	2519	2403	3189	3796	4393	4976	5859	6362	9073	11329
3	Kansas	2458	2114	2825	3398	3977	3933	4322	4306	5161	6865
4	Louisiana	3093	2940	2830	3098	3476	3398	3767	4078	4956	5575
26	Alaska	31	35	38	67	81	72	75	73	134	141

Note: Includes wells in state waters, does not include wells in federal waters.

Crude Oil Production 1972-1981 (Thousands of barrels daily)

Rank 1981		72	73	74	75	76	77	78	79	80	81
1	Texas	3556	3547	3457	3347	3250	3117	2942	2789	2670	2607
2	Alaska	199	198	193	191	173	463	1229	1400	1616	1609
3	Louisiana	2436	2278	2020	1783	1657	1542	1459	1341	1281	1236
4	California	948	920	885	882	890	957	951	965	976	1054
5	Oklahoma	567	523	487	446	441	428	412	393	410	422

1981 Estimated Average Petroleum Industry Employment

1981 Rank		Total	Extraction	Trade	
				Wholesale	Retail
1	Texas	421622	278896	26724	36279
2	California	153658	37969	16469	61405
3	Louisiana	134770	94721	6588	9438
4	Oklahoma	121990	92100	7900	5200
40	Alaska	8467	7064	307	835

Note: Total includes extraction, refining, transportation, and trade employment.

**State and Local Severance Taxes Paid by
Petroleum Industry in 1981**

Rank		Taxes Paid	Per Capita
1	Texas	\$2,204,602,015	\$149
2	Alaska	1,170,090,000	2,840
3	Louisiana	803,148,950	186
4	Oklahoma	601,846,204	194
5	Mexico	369,331,199	278

**Geophysical Crew Months Worked
1972-1981**

Rank 1981		72	73	74	75	76	77	78	79	80	81
1	Texas	606	686	989	929	942	722	1095	1213	1438	1745
2	Louisiana	388	315	357	377	347	318	560	665	654	501
3	Montana	73	62	155	40	85	57	155	135	202	388
4	Wyoming	126	264	363	353	239	183	211	366	274	317
13	Alaska	84	64	184	176	129	34	16	30	37	82

Note: Due to long summer daylight hours, crews are more productive per month worked in Alaska.

Estimated Cost of Drilling and Equipping Wells, 1980

	Well Depth	Cost/Well	Cost/Foot
Alaska			
Onshore	10,415 Ft.	\$3,862,092	\$370.80
Offshore (State Waters)	12,000	2,334,000	194.50
Offshore (Federal Waters)	10,427	3,851,406	369.38
Louisiana	6,565	1,041,498	158.65
Texas	5,349	376,527	70.39
Oklahoma	4,774	326,746	68.44
Gulf of Mexico (Federal Waters)	11,031	4,652,969	421.80
Total U.S. Average, Onshore and Offshore	4,774	367,682	77.02