

1955-1995

PARTNERS & PIONEERS

"Forty years ago, South America was making some mighty attractive offers to the oil companies, and Alaska already had a long history of dry wells. ARCO couldn't give us much to work with, but they sure gave us a big job.



Bill Bishop, 1958

We were way back in the Kenai Moose Range, so we had to be careful about the habitat. We even crossed creeks in special ways, and we couldn't do the kind of seismic testing everybody else was using back then.

It wasn't easy deciding where to put the test well. We only had 33 seismic readings, and they were all pretty weak.

I dug the heel of my boot into the dirt and said "Drill here," knowing we didn't have much going for us except gut instinct, and any luck we'd earned along the way."

1902 Alaska's first commercial oil discovery, near Katalla. Fire destroys the site in 1933. Total production in 31 years is equivalent to 2 hours of throughput on the Trans-Alaska pipeline.

1916 The first bill proposing statehood is introduced...43 years too soon.

1921 Oil companies begin surveying land north of the Brooks Range.

1944 World War II speeds the need for Arctic oil exploration. In the next 9 years, the Navy drills 36 test wells, with no significant discoveries.



Swanson River test well, 1957

1955 Bill Bishop, exploration geologist for ARCO, arrives in Alaska. Anchorage's only paved streets are from 4th Avenue and G Street to 15th.

"There weren't any roads where we had to go."

A lot of the equipment had to be flown in by helicopter, and in those days a helicopter was still a pretty new contraption."

1956 It's a bone-chilling day in November on the Kenai Peninsula. Bishop chooses a drill site for ARCO's Swanson River test well. Bishop flies over the forest in a Piper Super Cub, trailing toilet paper from the window to mark a 23-mile path for road-construction crews to follow. The road to the test site costs \$250,000 in 1957-dollars. It's the beginning of ARCO's \$12 billion investment in Alaska.

1957 January 1. A red-bark hemlock marks the drilling site. July 23. ARCO announces discovery of oil at Swanson River, at a depth of 2 miles, about 20 miles northeast of Kenai. The well produces 900 barrels a day, with estimated recoverable reserves of 218 million barrels.

1958 Congress grants statehood to Alaska. The state's first governor, Bill Egan, credits Swanson River with providing the economic justification for statehood.



Early ARCO offices, Anchorage

1959 January 3. Alaska becomes the 49th state. Oil leases in Alaska increase from just under 2 million acres in 1957 to over 33 million acres by the end of 1959.

1963 Exploration teams arrive on Arctic coast near Prudhoe Bay.

"If we had drilled 100 yards away, we'd have missed Swanson River altogether. We could have plugged the 166th consecutive dry hole in Alaska. We came that close."

1967 The last test well planned for the North Slope will be drilled this year. So far, 11 test wells have come up dry.

1968 January. ARCO's last-chance well finds oil on the North Slope. March. ARCO announces discovery of Prudhoe Bay, largest oil field in North America.



Alaska Night celebration, 1962

1974 Arab oil embargo creates gas station lines. Construction begins on the Trans-Alaska Pipeline.

1977 June 20. The first Prudhoe Bay oil flows through the pipeline.

1981 ARCO's Kuparuk River field, 40 miles west of Prudhoe Bay, goes into production. Kuparuk is the nation's second-largest oil field, producing approximately 300,000 barrels a day.

1983 ARCO and Prudhoe Bay's other owners install a \$2 billion waterflood project to increase reserves by a billion barrels.

1988 After peaking at almost 2 million barrels per day, North Slope production begins to decline.

1989 ARCO announces discovery of the Pt. McIntyre field near Prudhoe Bay. The field is now producing more than 120,000 barrels a day, ranking just behind Prudhoe Bay and Kuparuk.

1990 The GHX I gas handling facility is installed at Prudhoe Bay. The \$400 million project adds 400 million barrels of new oil reserves and increases daily production by 100,000 barrels.

1993 Work begins on GHX II. This \$1 billion project adds an additional 400-million barrels of reserves at Prudhoe Bay.

1995 ARCO receives approval for the Large Scale Enhanced Oil Recovery project at the Kuparuk River field, which will add 160 million barrels of new reserves.



Bill Bishop's bronzed boots, Anchorage Museum