In 2008, the United States Geological Survey released the first wide-ranging assessment of circumpolar oil and gas resources. The Arctic, it concluded, contains approximately 90 billion barrels of oil, 1,669 trillion cubic feet of gas, and 44 billion barrels of natural gas liquids, with roughly 84% likely to be found offshore. In search of the next Prudhoe Bay, the international oil majors rushed North, spending billions on leases and seismic drilling in the Beaufort and Chukchi Seas. While drilling has not yet commenced (and has been slowed considerably by regulatory and technical difficulties), an array of academics, journalists, and commentators have begun to frame this push as part of an increasingly dangerous, international competition for Arctic resources.

This portrayal of development as a “race” between circumpolar nations, arming in preparation for a resource-fueled conflict, is fundamentally misinformed. North American development is better considered a case of how disconnected resource extraction is from broader questions of Arctic security and militarization. The exploration currently taking place in the Arctic is not occurring in an ambiguous “no-man’s land” where states might perceive a need to compete for access – it falls entirely within national territorial waters or exclusive economic zones, with clearly scripted ownership of resources according to international law. Attempts to link resource development to the well-publicized Canadian-Russian-Danish disagreement over the Lomonosov Ridge and the North Pole is certainly distorted and inappropriate. While the status of the seabed at (and around) the North Pole remains uncertain in legal terms, this disputed part of the Arctic basin lies nearly 2,000 km from the nearest Canadian, American, Danish, or Russian exploration activity. Experts do not expect this area to hold any significant hydrocarbons and, even if it does, drilling in the central Arctic Ocean would be prohibitively expensive according to any rational economic calculus.

The fact that each Arctic coastal state has a stake in developing northern deposits within its jurisdiction means that all have a vested interest in promoting and working within existing international legal frameworks. Conflict in the Arctic would destabilize the region and derail the financing that the Arctic states (and Russia in particular) need to fund development. The five Arctic coastal states emphasized their shared interest in maintaining a peaceful, stable context for development in their Ilulissat Declaration in May 2008. Despite the hostile diplomatic atmosphere created by the Russian conquest of the Crimea, there is no indication that any Arctic state intends to move away from the existing international framework when it comes to asserting its sovereign rights or substantiating its legal claims.

The most substantive dispute related to resources in the North American Arctic is in the Beaufort Sea, where Canada and the United States have a longstanding disagreement over the maritime boundary. Canada’s long-held and consistent position is that the 1825 Treaty of St.
Peterburg establishes the maritime boundary along the 141st meridian of longitude. The US argues that the maritime boundary should follow an equidistance line from the coast, resulting in a disputed maritime area measuring approximately 6,250 square nautical miles. The United States and Canada have both offered oil and gas exploration licenses and leases in the disputed zone, but neither country has allowed exploration or development in the area pending resolution of the dispute. Technical discussions to resolve this matter have moved slowly, but the discovery of a large oil field within the disputed area could force the issue. Even if such a situation arises, an open conflict between two close allies, both of which claim the other as their “premier partner” in the Arctic, is highly unlikely. A 2010 maritime delimitation agreement, resolving a similar dispute between Norway and Russia in the Barents Sea, provides a more likely precedent of how a longstanding dispute can be amicably put to rest when political interests demand a resolution.

Before the tempo of hydrocarbon development quickens in the North American offshore Arctic, several core issues will have to be addressed. Both Canada and the United States will have to clarify their environmental regulations, drilling requirements, and corporate liability laws. Indigenous concerns will have to be allayed and appropriate forms of participation worked out, particularly in Canada. New infrastructure will have to be established to support safe and sustainable operations. In short, many hurdles remain to be overcome before the Beaufort and Chukchi Seas are developed on a massive scale. Of these likely hurdles, international conflict is not one of them.

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