

Alaska Business

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Commuting to the North Slope

Getting to work by plane, just another day in the life of an oilfield worker

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A Boeing 737-700 owned by Shared Services Aviation is seen at Ted Stevens Anchorage International Airport. Shared Services is a co-venture of ConocoPhillips and BP. Its three jets and two propeller aircraft are 50 percent owned by each company, but ConocoPhillips operates the service.

IMAGE COURTESY OF CONOCOPHILLIPS

When employees of ConocoPhillips and BP leave Anchorage to go to work, they make a commute that's unusual even by oil and gas industry standards.

The only practical way to get to work for thousands of employees each week is aboard a company airplane. Shared Services Aviation, the air transportation service for two of the three major oil companies in Alaska, operates three Boeing 737-700 jet airplanes out of Ted Stevens Anchorage International Airport.

Viewed from the airport terminal, Shared Services Aviation looks and acts much like a commercial airline. Employees go through TSA checkpoints and line up at gates that look just like those at Alaska Airlines and Delta Airlines. On board the planes, the flight attendants—who are ConocoPhillips' employees—deliver safety briefings and serve passengers peanuts during the flight. “Besides there not being a cocktail, it's very much like a commercial airline,” says Kevin Robbins, ConocoPhillips' Aviation Alaska manager.

Because these workers are headed to their jobs at North Slope worksites where corporate policy forbids alcohol, it makes sense alcohol is also not allowed on the shuttle taking them there. Shared Services also has a dress code that separates it from the commercial flying world. During the winter months employees may be denied boarding if they're not wearing heavy coats, gloves, and warm hats. It's cold and dark in the winter, and employees need to be prepared for the extreme conditions they will likely encounter as soon as they leave the warm jet fuselage.

History of Cooperation

Unlike much of rural Alaska, most North Slope oilfields are connected to the Alaska road system. The Dalton Highway leads north along the trans-Alaska pipeline from Fairbanks to Deadhorse, near the Prudhoe Bay oilfield. Private

gravel roads, or in some cases seasonal ice roads, stretch out from Deadhorse to most outlying oil fields.

But while these roads are useful for construction and for hauling equipment and supplies, ground transportation over the 850 miles between Anchorage and Deadhorse isn't a practical way to get thousands of highly-paid employees to work.

A corporate air service takes the guesswork out of getting employees to job sites, says Dennis Parrish, director of customer and operations support for ConocoPhillips Alaska.



A de Havilland Canada DHC-6 Twin Otter owned by Shared Services Aviation at the Ugnu-Kuparuk private airport.

IMAGE COURTESY OF CONOCOPHILLIPS

Shared Services Aviation

“That’s one thing about corporate aviation: you look at the assets, the individuals you’re transporting, what they’re costing you to be on the payroll, and also how expensive the project is and how timely you need to get the project completed,” Parrish says. “It’s very important that our staff get to work for any number of reasons and so it’s better to have control of our own destiny and get our people where we want them when we want them.”

Parrish operated an air taxi and an air freight service before going to work for ARCO in 1988. At that time ARCO had its own separate aviation department called the Alaska Shuttle.

Before 1992, oil companies each figured out their own transportation to get their employees to work. Shared Services started as a combined effort between ARCO and BP. At that time the service flew Boeing 727-100s, which are jets capable of landing on gravel runways.

Today, BP and ConocoPhillips each own 50 percent of Shared Services’ five-aircraft fleet. ConocoPhillips operates the service.

Even within the large multinational world of ConocoPhillips’ business, Shared Services stands out. The only other comparable service Robbins is aware of is a much smaller corporate air taxi that shuttles employees back and forth between ConocoPhillips’ headquarters in Houston and the Phillips Petroleum Company’s former headquarters in Bartlesville, Oklahoma.

Shared Services is not an airline and cannot sell tickets for its flights. But if it were, it would be a respectably-sized airline by Alaska standards. In June 2017 ConocoPhillips logged eighty-four passenger airplane landings at Ted Stevens Anchorage International Airport, according to airport statistics. That’s about 50 percent of United Airlines’ traffic into Anchorage that month and about 5 percent of the passenger landings of the state aviation behemoth

Alaska Airlines. According to ConocoPhillips, Shared Services transports more than 16,000 passengers a month.

Another significant oil and gas company in the Alaska aviation scene is Hilcorp, which landed planes in Anchorage ninety-nine times in June 2017. Hilcorp operates both on the North Slope and off the Kenai Peninsula in Cook Inlet.

The Trip

About an hour and forty minutes after leaving Anchorage, Shared Services employees reach Deadhorse Airport or the privately owned Ugnu–Kuparuk Airport forty miles west of Deadhorse.

From Deadhorse or Kuparuk some employees board Shared Services' two smaller airplanes for east-west service to sites including the Alpine oil field, the village of Nuiqsut, or to ice runways built in different parts of the North Slope each winter. The company uses its de Havilland Canada DHC-6 Twin Otter or its CASA 212 for these flights.

Both the Deadhorse and Kuparuk airports have long paved runways but lack many of the amenities of Anchorage's airport. In Kuparuk there's no heated jetway that links passengers to the terminal, and, more importantly, neither Deadhorse nor Kuparuk have hangars large enough to house a Boeing 737.

Because of this, Shared Services holds itself to particularly high maintenance standards to avoid expensive and difficult field maintenance work on the Slope, Parrish says.

"If you're flying in an airline, they're allowed to have certain equipment items not in commission. It's legal for an airliner to fly from LA to Boston and have a

couple of things that it would be nice to have not work. We don't do that because we're flying to the North Slope of Alaska," Parrish says.

In one incident last winter, a Shared Services pilot landed a jet at Kuparuk as weather closed in. Passengers were at the airport waiting to board the plane but saw it land and then take off again without them because of the risk that the plane might get stuck on the North Slope.

"Our captain made a great choice in conjunction with our dispatch to go, 'I've got to get this jet out of here right now because it's going to be stuck here in ten minutes.' So they started up the jet and launched it empty, much to the dismay of the passengers because they'd been working for two weeks and wanted to get home," Robbins says.

Unlike an airline, Shared Services can't cancel a flight.

"If we lose two days due to weather, those employees still need to be transported, we just need to play catch-up," Robbins says.

In general, ConocoPhillips uses two of the 737s to make about nineteen round-trip flights to the North Slope each week, he says. The company keeps the third jet and its crew ready in Anchorage in case of a backlog of passengers from delayed flights.



A Boeing 737-700 owned by Shared Services Aviation at the Ugnu-Kuparuk private airport.

IMAGE COURTESY OF CONOCOPHILLIPS

Demand for Transportation

Alaska's oilfield workers come predominantly from out of state (about one-third of the workforce) and Alaska's largest population centers. Most need transportation from Anchorage to the North Slope. As of 2015, 65 percent worked on the North Slope, followed by 26 percent in Anchorage and 7 percent on the Kenai Peninsula, according to an analysis of oil industry jobs written by State Economist Neal Fried for the February 2017 Alaska Economic Trends.

According to Fried's analysis, the state's oil industry hit its record employment numbers not in 1988, the year of highest production, but more recently in 2015.

The number of Alaska oil jobs, he says “peaked at 14,100 in 2014 and 2015. It was a remarkable run, especially considering production was just one quarter of what it had been in 1988.” Fried’s analysis covers only direct oil industry employees and not the large support industry, including jobs in security, catering, transportation, and pipeline transportation.R

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