



Update on the Gulf of Mexico OCS

**OCS Policy Committee
May 27, 1999**

**Chris Oynes
Regional Director**

MMS

Update

Sale 172 Update

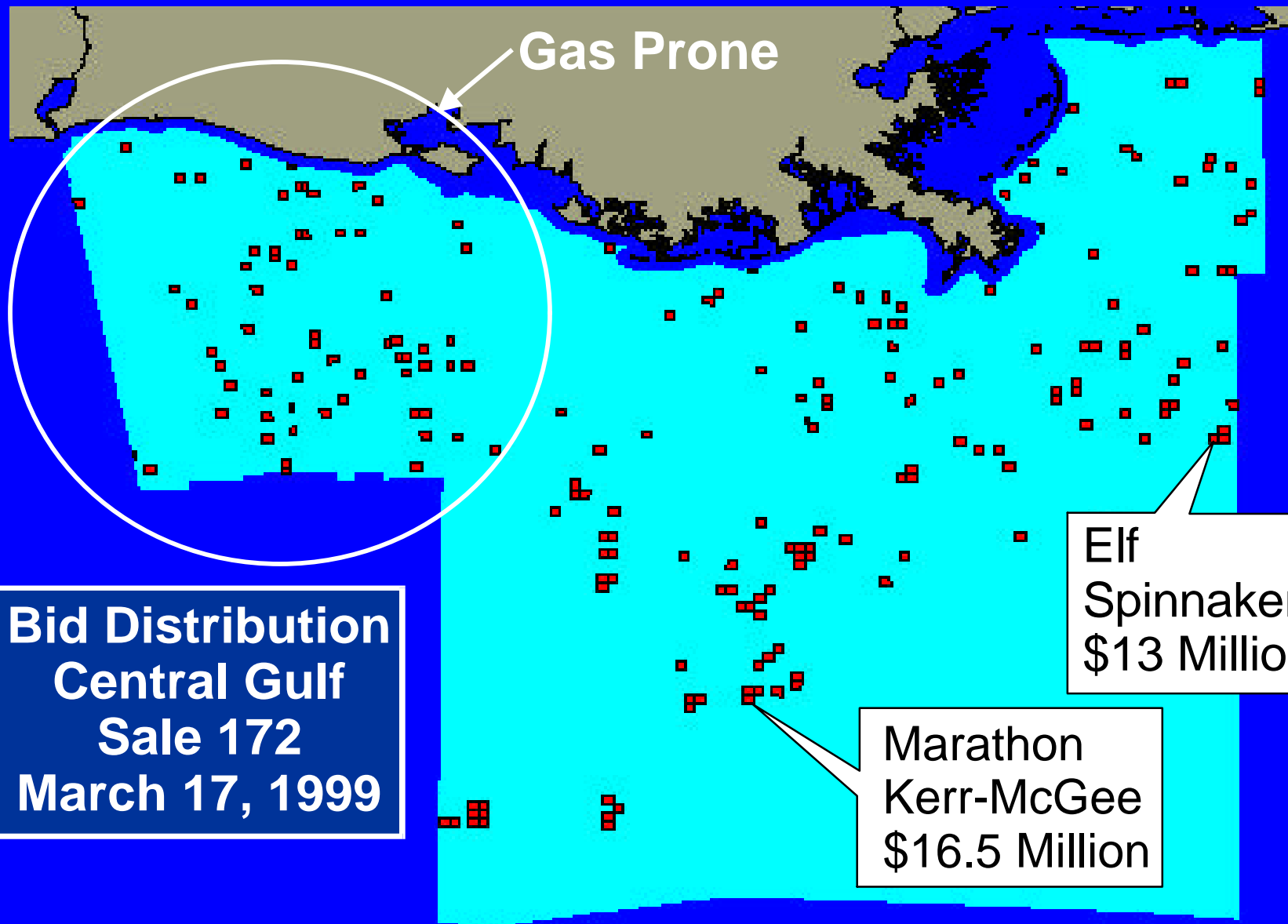
Deepwater Gulf Activity

Production Trends

Eastern Gulf Sale 181

Update on Manteo

Sale 172 Update



Gas Prone

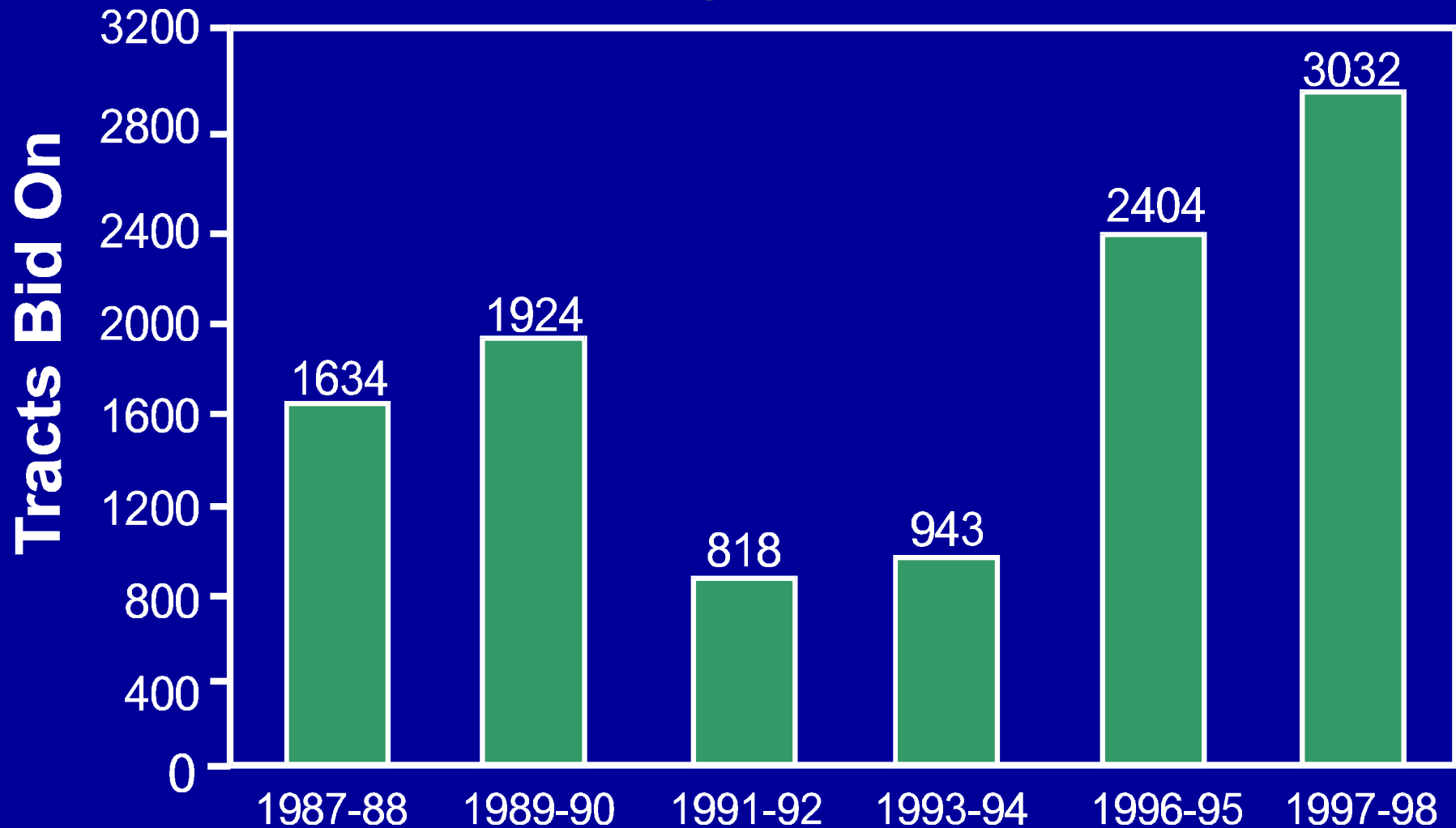
**Bid Distribution
Central Gulf
Sale 172
March 17, 1999**

Elf
Spinnaker
\$13 Million

Marathon
Kerr-McGee
\$16.5 Million

Deepwater Gulf Activity

12 Year Bidding Trend in the Gulf of Mexico



Deepwater Exploratory Wells in the Gulf of Mexico

1996	72
1997	104
1998	122

1999 New Gulf Deepwater Production

Project	Operator	Depth	Type
Allegheny	British Borneo	3,186 ft.	TLP
Angus	Shell	2,045 ft.	SS
Black Widow	Mariner	1,850 ft.	SS
Gemini	Texaco	3,393 ft.	SS
Llano	EEX	2,700 ft.	SS

Ursa



1999 New Gulf Deepwater Production

Project	Operator	Depth	Type
Macaroni	Shell	3,684 ft.	SS
Marlin	Amoco	3,238 ft.	TLP
Pluto	Mariner/BP	2,828 ft.	SS
Ursa	Shell	3,916 ft.	TLP

Production Trends

Recent Sub-salt Discoveries

Penn State - Amerada Hess and Oryx
- GB 216
- 1450 feet Water

Tanzanite - Anadarko
- EI 346
- 314 feet Water
- one of the highest flow rate wells

Hickory - Anadarko
- GI 116
- 320 feet Water

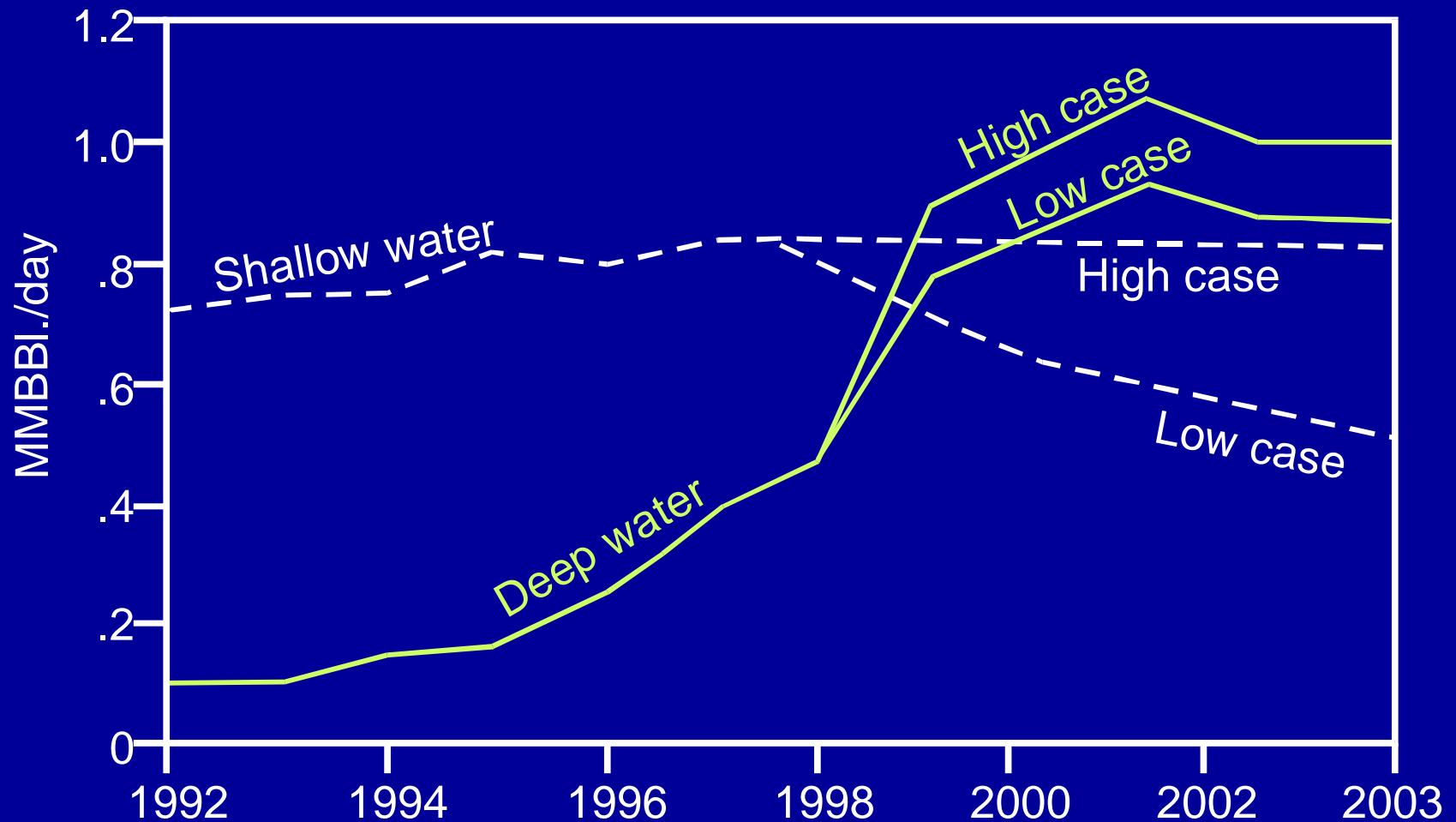
Genesis



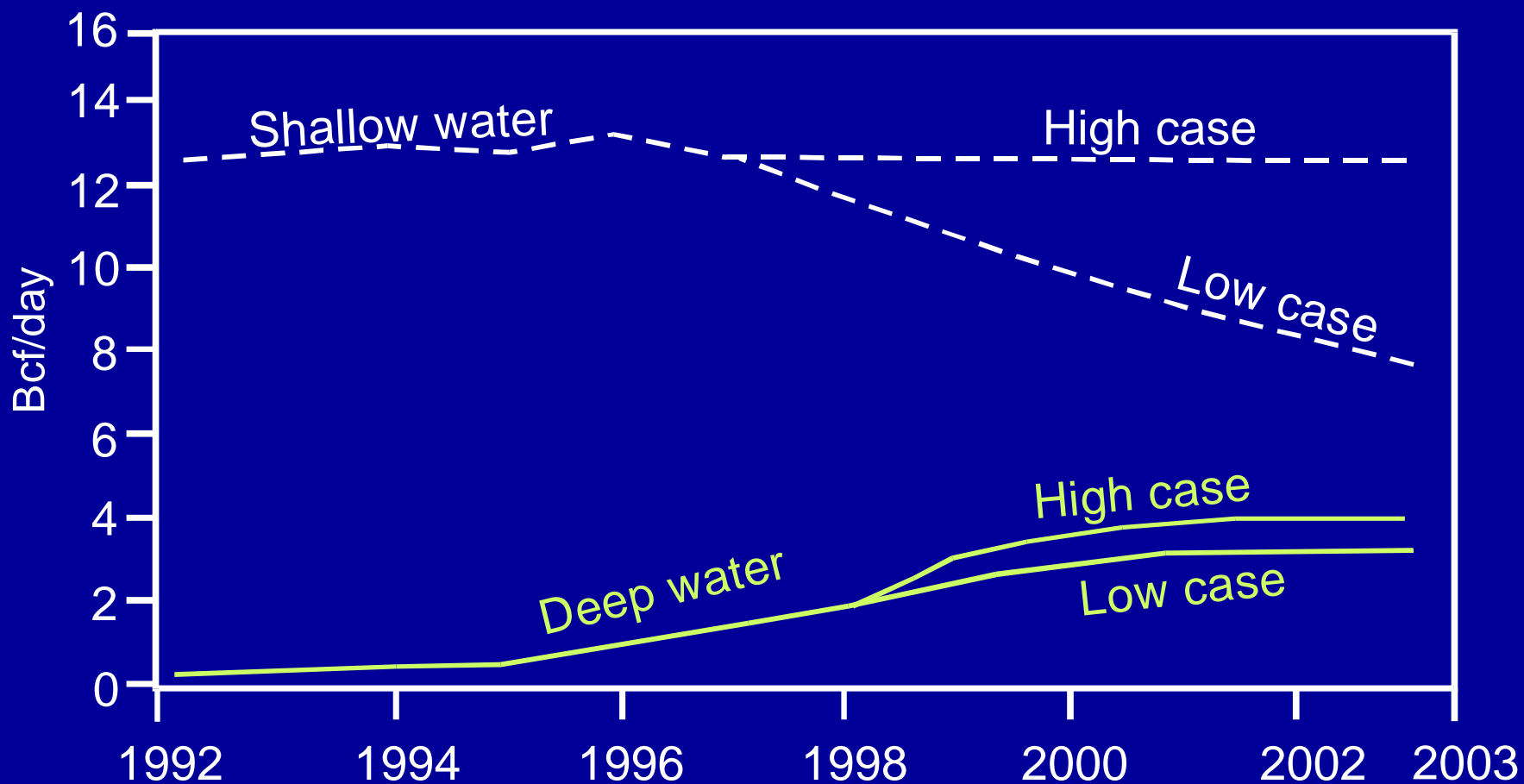
Gulf Production Forecast

- MMS has recently updated its oil and gas production forecast through 2003 in the Gulf of Mexico (MMS 99-0016).
- Oil Production
 - In 1995 945 MBOPD
 - In 2003 either:
 - 1.6 MBOPD (low case)
 - or
 - 1.9 MBOD (high case)

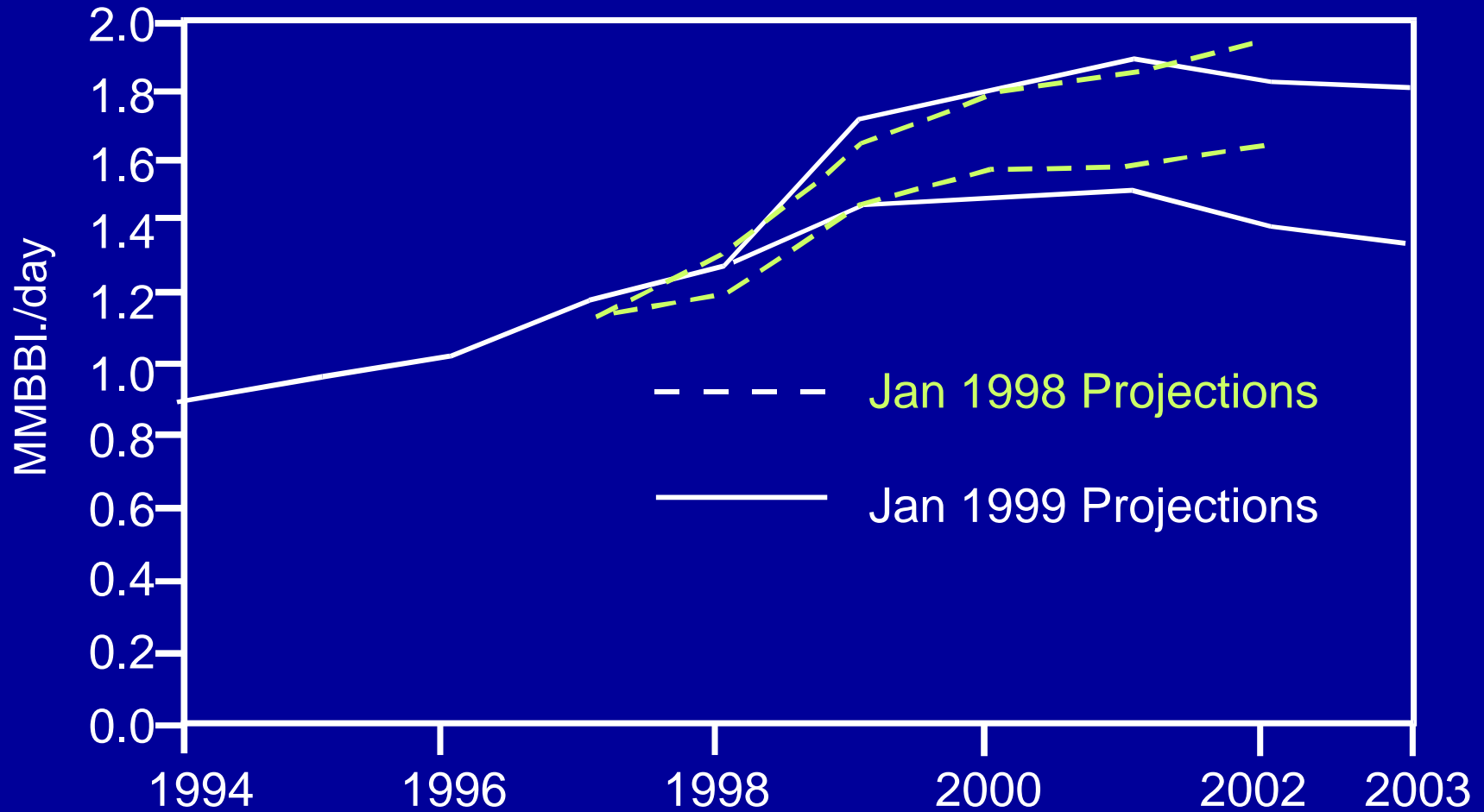
Oil Production in the Gulf (1992 - 2003)



Gas Production in the Gulf (1992 - 2003)



Current Production Forecast vs. Previous



FPSO

- **Several companies have urged the use of FPSO's in the Gulf of Mexico**
- **None have been installed in the Gulf of Mexico**
- **Need to clear hurdles so that FPSO's can be a development option**
- **Need for a programmatic EIS is clear**
- **Deepstar funded-- MMS managed contract**

FPSO



FPSO EIS General Schedule

(Subject to change)

Award Contract	May 3, 1999
Publish Notice of Intent	May 1999
Public Scoping Meeting	June 1999
Draft EIS Available	April 2000
Public Hearings	May 2000
Final EIS	October 2000

Eastern Gulf Sale 181

Gulf of Mexico OCS Region Planning Areas



Gulf of Mexico OCS Region Planning Areas



Eastern Gulf Sale 181 Timing

Call for Interest	Jan. 1999
Area Identification Issued	May/June 1999
Draft EIS Published	Aug. 2000
Public Hearings	Sept. 2000
Final EIS	June 2001
Sale	Dec. 2001

Atlantic Update

Leases Off North Carolina

