

# Panel on Hot Spots in Offshore Oil and Gas

The Gulf of Mexico  
at the Offshore Technology Conference

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Good Morning.

It is my pleasure to be part of this panel presentation at the OTC regarding hot spots in exploration and production around the World and focus on the Gulf of Mexico.

The Gulf of Mexico area certainly is one of the hot spots. A look at the conference agenda at the OTC these last few days only reinforces that. That agenda has discussions on eight specific projects or developments -- and four of the eight are located in the Gulf of Mexico. These are Genesis, Ursa, Baldpate and Morpeth.

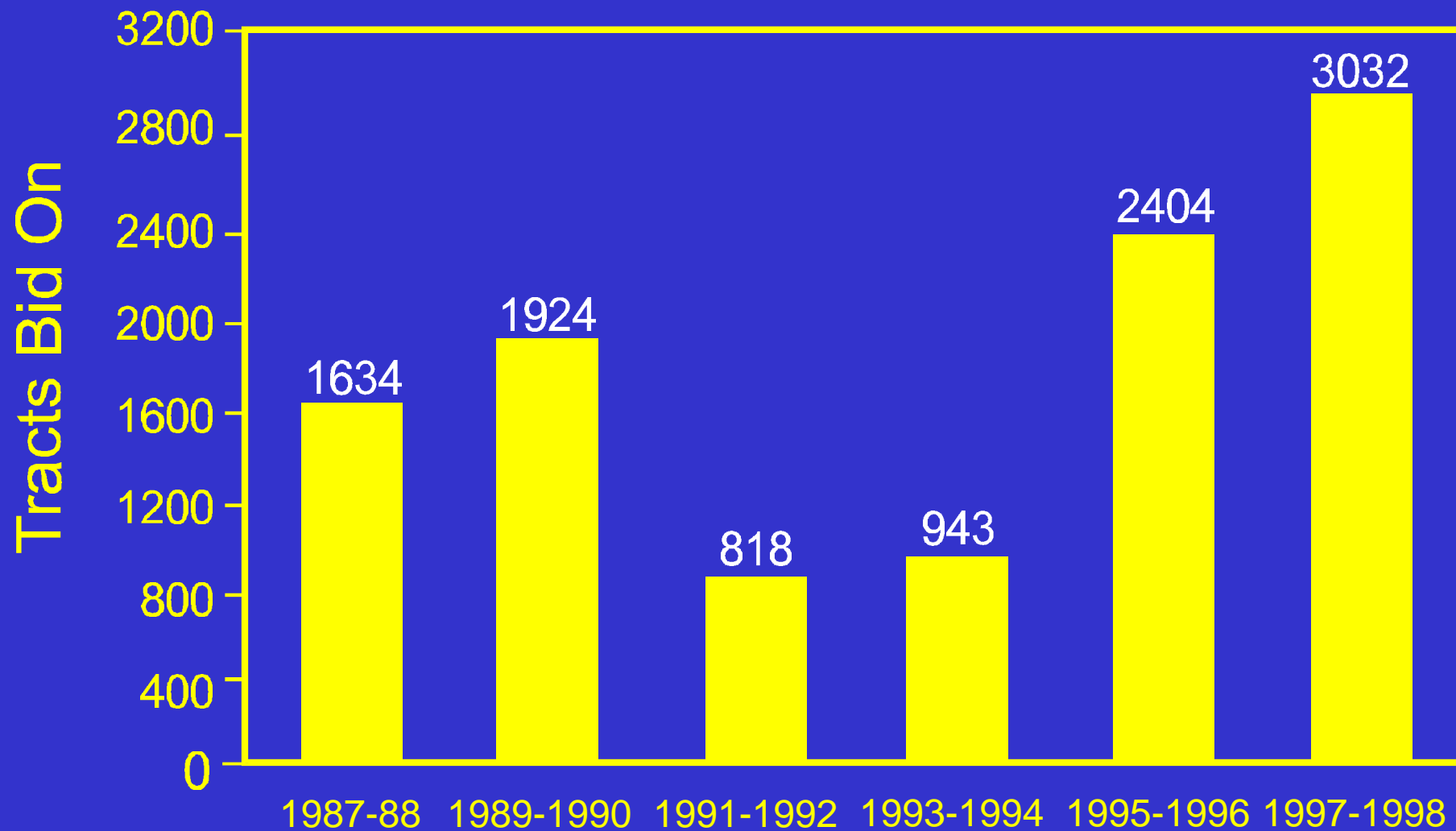
For today's talk about the Gulf of Mexico I want to focus on four areas: the current Gulf situation, production forecasts for the GOM, consideration of FPSO's in the GOM, and the Eastern Gulf of Mexico Sale proposed to be held in 2001.

# Current Situation

# Gulf of Mexico OCS Region Planning Areas



# 12 Year Bidding Trend in the Gulf of Mexico



# Deepwater Exploratory Wells in Gulf of Mexico

1996	72
1997	104
1998	122

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# Production Forecasts for the Gulf of Mexico

# 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



# 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

# Recent Subsalt 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

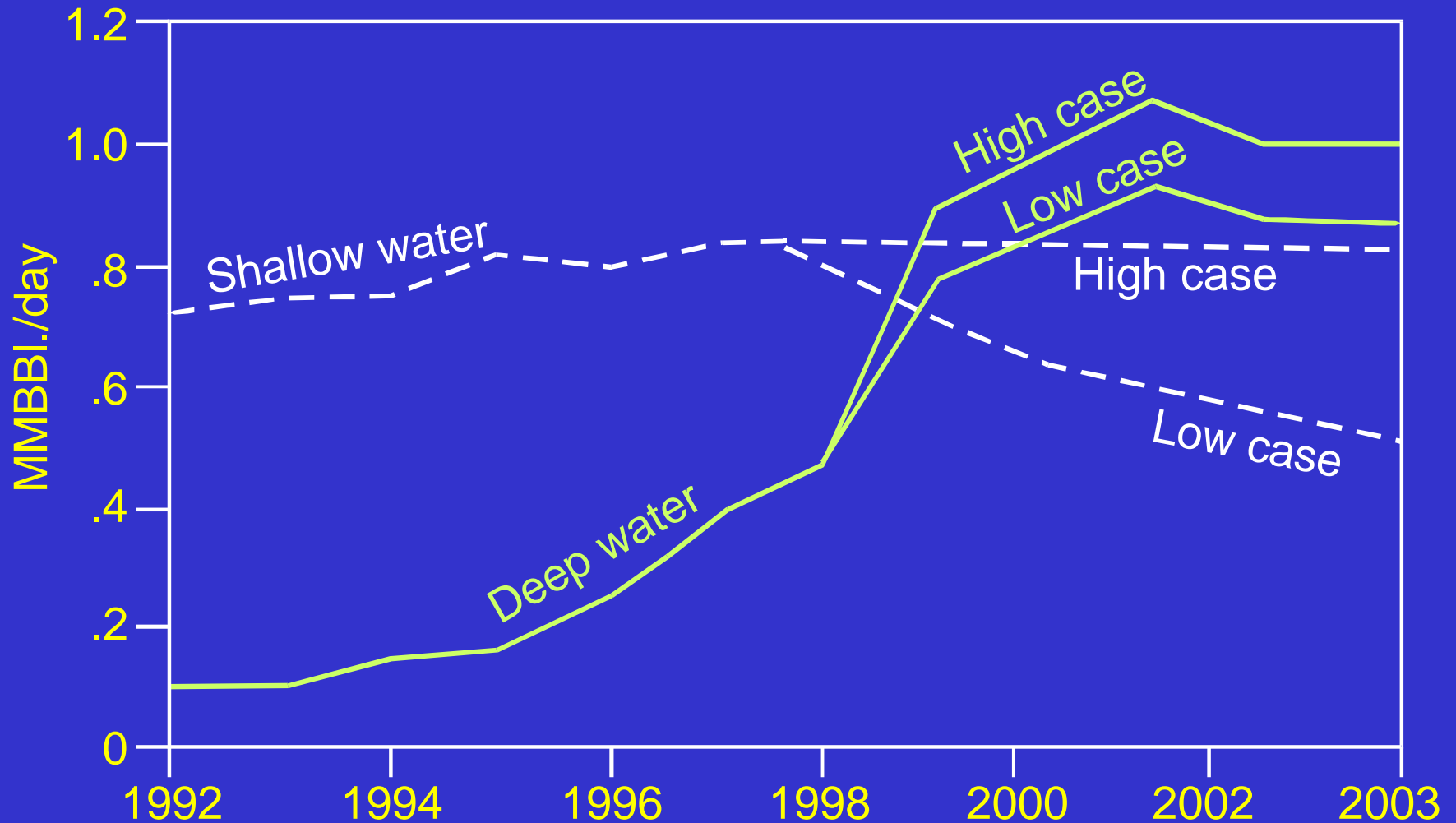
## Hickory

- Anadarko
- GI 116
- 320 feet Water

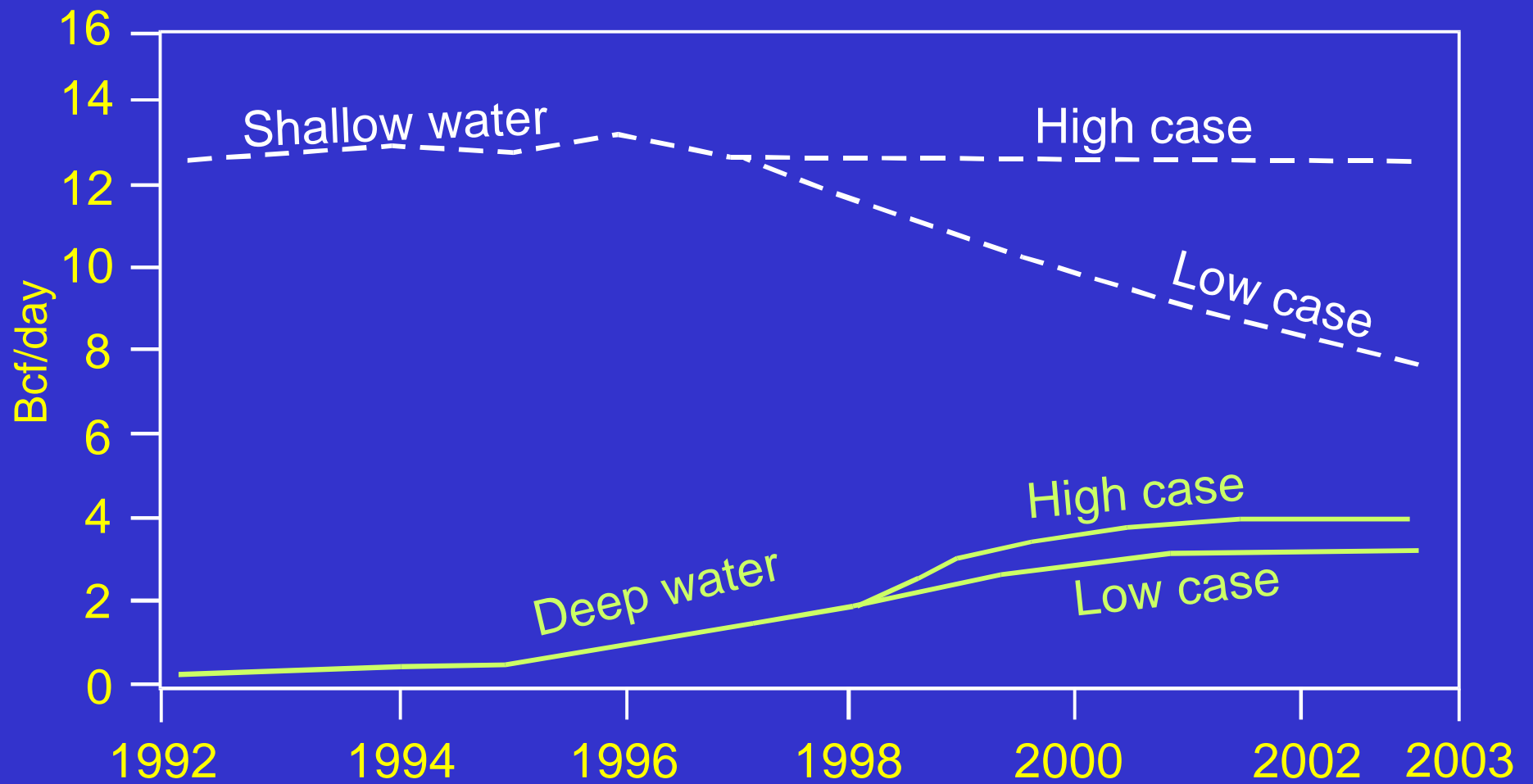
# Gulf Production Forecast

- 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)

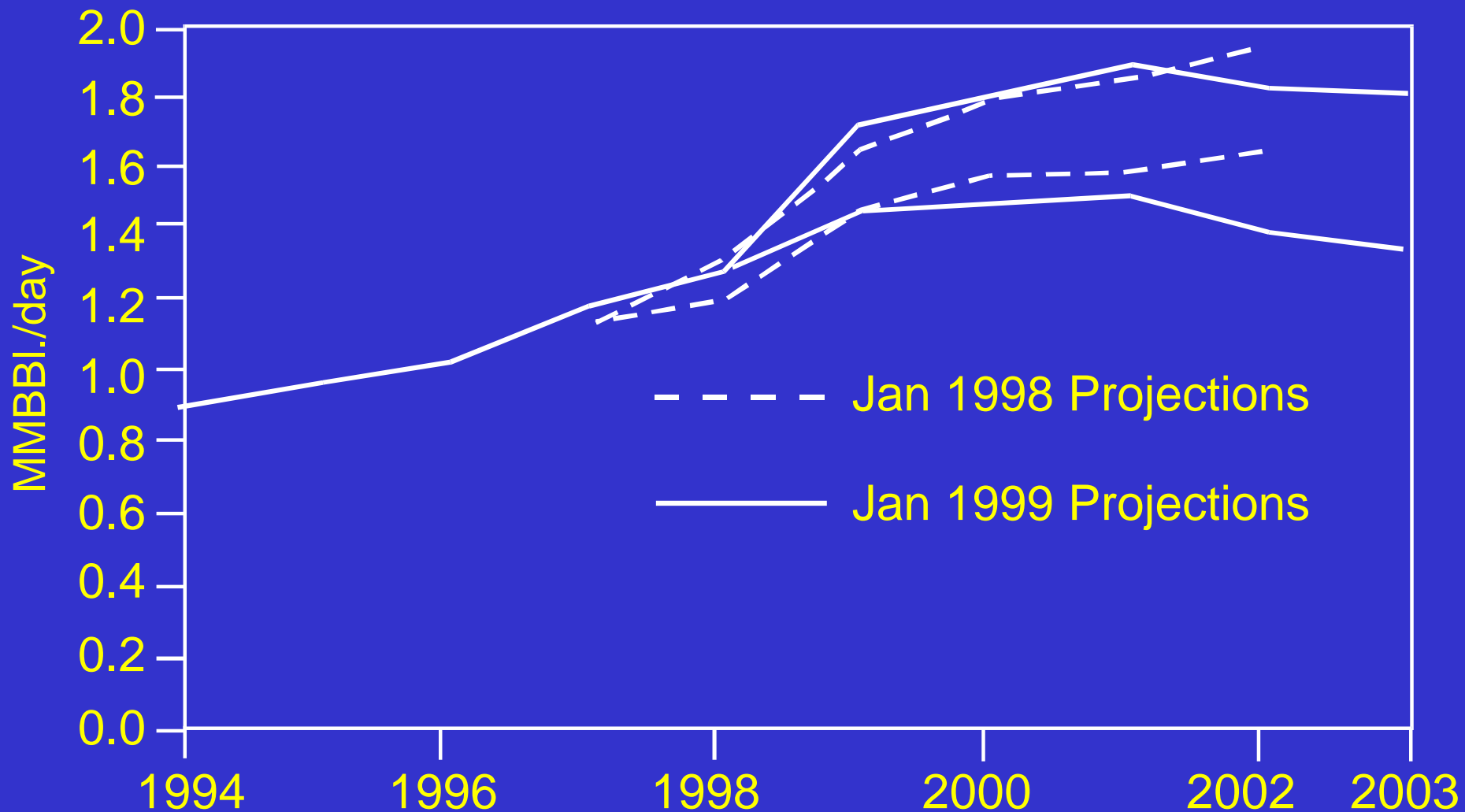
# Oil Production in the Gulf (1992 - 2003)



# Gas Production in the Gulf (1992 - 2003)



# Current Production Forecast vs. Previous



# FPSO's in the Gulf of Mexico

# 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 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

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Eastern Gulf Sale in 2001.

# 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. 1999
Public Hearings	Sept. 2000
Final EIS	June 2001
Sale	Dec. 2001