

The Lower Tertiary Play: Leasing Activity and New Opportunities in the Ultra-Deep Water Gulf of Mexico

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The Lower Tertiary section in the ultra-deep waters of the Gulf of Mexico has been the target of a rapidly evolving exploratory play over the past several years. Discoveries have been announced on multiple prospects in the Walker Ridge and Alaminos Canyon protraction areas, and on at least one prospect in the Keathley Canyon protraction area. The late Paleocene to early Eocene (Wilcox equivalent) reservoirs are interpreted to be laterally extensive sheet sands that were deposited in a deep water environment. These reservoirs are distributed across a play area that is largely covered by the allochthonous Sigsbee salt canopy, and many exploratory opportunities are believed to remain in the poorly-imaged subsalt environment. While leasing activity has been strong in the play area over the past several OCS lease sales, the Minerals Management Service anticipates a heightened level of interest for near-term sales. Over 700 active leases in the ultra-deep water that were awarded in 1996, 1997, and 1998 are expected to expire and become available for the 2007 and 2008 Central and Western sales in the Gulf of Mexico. A large number of these tracts will fall in the eastern section of Keathley Canyon, which will not be offered for lease until March 2008 due to the realignment of the Central and Western planning area boundary.