



U.S. Department of the Interior
Minerals Management Service
Gulf of Mexico OCS Region

Technical Announcement

May 6, 2002

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Deepwater Gulf of Mexico 2002: America's Expanding Frontier

OCS Report MMS 2002-021

The Minerals Management Service (MMS) announces the availability of the publication *Deepwater Gulf of Mexico 2002: America's Expanding Frontier*. The deepwater Gulf of Mexico (GOM), water depths of 1,000 ft or greater, emerged as an important oil and gas province at the turn of the millennium. Deepwater GOM oil production has exceeded shallow-water GOM oil production for several years now. The number of working rigs in deepwater, and the number of rigs working in ultra-deepwater in particular, has increased steadily. So have the number of producing deepwater fields and the number of deepwater discoveries. Deepwater oil production has risen more than 100 thousand barrels of oil per day and deepwater gas production has risen over 400 million cubic feet of gas per day every year for the last five years. These pronounced increases are expected to continue in view of high levels of exploratory drilling, development activity, pipeline construction, and shore support activities.

The **Introductory** section discusses

- highlights of current deepwater GOM activity.

The **Leasing** section discusses

- historical water-depth and bidding trends in deepwater leasing,
- lease holdings of major oil companies compared with those of nonmajor oil companies,
- the impact of company mergers on deepwater exploration, and
- future deepwater lease activity.

The **Drilling and Development** section discusses

- deepwater rig activity,
- historical drilling statistics,
- the transition to deeper wells and deeper water,
- deepwater development systems, and
- the progress of deepwater infrastructure development.

The **Reserves and Production** section discusses

- historical deepwater reserve additions,
- large future reserve additions associated with recently announced discoveries,
- discoveries in new, lightly tested plays with large potential,
- potential for numerous, large future deepwater field discoveries,
- historical trends in deepwater production,
- deepwater production from various companies, and
- high deepwater production rates.

The **Summary and Conclusions** section discusses

- increasing deepwater oil and gas production and anticipated new fields,
- expected increases in deepwater discoveries; these expectations are based on drilling of the large deepwater lease inventory,
- lags between leasing, drilling, and initial production,
- difficulties evaluating deepwater leases before their terms expire, and
- significant changes since the 2000 report.

The large volume of active deepwater leases, the steady drilling program, and the growing deepwater infrastructure all indicate that the deepwater GOM will continue to be an integral part of this Nation's energy supply and remain one of the world's premier oil and gas basins.

Deepwater Gulf of Mexico 2002: America's Expanding Frontier is a thorough revision and updating of a previous report published early in the year 2000. Copies of this new report can be obtained from MMS, Gulf of Mexico OCS Region, free of charge by referencing OCS Report MMS 2002-021. The entire report can be found on the MMS website: <http://www.gomr.mms.gov/PDFs/2002/2002-021.pdf>. The report will also be available in the near future from the National Technical Information Service. These addresses are provided below.

Minerals Management Service
Gulf of Mexico OCS Region
Public Information Office (MS 5034)

U.S. Department of Commerce
National Technical Information Service
5285 Port Royal Road

1201 Elmwood Park Boulevard
New Orleans, Louisiana 70123-2394
Telephone requests may be placed at
(504) 736-2519 or 1-800-200-GULF
or FAX: (504) 736-2620

Springfield, Virginia 22161
(703) 487-4650 or FAX: (703) 321-8547
Rush Orders: 1-800-336-4700

MMS is the federal agency in the U.S. Department of the Interior that manages the nation's oil, natural gas and other mineral resources on the outer continental shelf in federal offshore waters. The agency also collects, accounts for and disburses mineral revenues from federal and Indian leases. These revenues totaled nearly \$10 billion in 2001 and more than \$120 billion since the agency was created in 1982. Annually, nearly \$1 billion from those revenues go into the Land and Water Conservation Fund for the acquisition and development of state and federal park and recreation lands.

-MMS-GOM-

MMS's Website Address: <http://www.mms.gov>

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