

BOEM ENVIRONMENTAL STUDIES PROGRAM: ONGOING STUDIES

BOEM OCS Region: [Gulf of Mexico](#)

Planning Area: Gulfwide

Title: History of Gulf of Mexico Offshore Petroleum Industry, Phase III: Deepwater Developments (GM-08-07)

Total Cost:
\$499,979.00

Period of Performance: FY 2008-2012

Conducting Organization: University of Houston

BOEM Contact: [Dr. Harry Luton](#)

Description:

Background: The foundation for this research study has been laid by the findings of several past BOEM (formerly MMS)-funded efforts. Most importantly, this study builds on two prior history studies, which resulted in the *Assessment of Historical, Social, and Economic Impacts of OCS Development on Gulf Coast Communities* (MMS 2001-026, MMS 2001-027) and the *History of the Offshore Oil and Gas Industry in Southern Louisiana* (MMS 2004-049). The first two studies generated more data than could be analyzed in the study period. The second study, for example, produced audio recordings and transcripts of more than 450 oral history interviews by the time of its conclusion. In addition, though the first study looked across the Gulf with comparisons among east Texas, south Louisiana, and south Alabama, it provided only a general overview of historical patterns and periods. The second study provided a deeper look, but it was focused on southern Louisiana and the period from the 1930s through the 1960s. This study will broaden that look, both spatially and temporarily.

The deepwater era is different in several ways from the formative era. Leasing policies and exploration strategies evolved to meet new geologic, economic, and technological challenges. Fabrication and installation practices had to be modified to address new water depths and the increasing scale of projects. Over time, more of the infrastructure installed in the Gulf was built overseas, marking the internationalization of the Gulf of Mexico offshore business. The nature of work changed with increasing automation on platforms and the geographic dispersal of workers. Finally, the oil price collapse of the mid-1980s forced the radical restructuring of offshore business and uniquely affected communities all along the Gulf Coast and every aspect of the industry. New deepwater discoveries beginning in the mid-1990s revived the business and set off a new rush for leases and development, but in a way that differed markedly from earlier periods of expansion.

The Gulf of Mexico remains the primary laboratory for technological innovation and regulatory practices. As offshore oil assumes a high profile in national development strategies around the world, any effort to analyze the political, social, and economic aspects of offshore exploration and development must use the Gulf of Mexico as a historical precedent or basis of comparison. This study of the history of the deepwater era will build on our historical understanding of the earlier period and provide the first comprehensive

historical investigation of important new trends over the last thirty years. It should be of considerable use to those who are responsible for planning and managing the development of offshore oil and gas reserves and understanding the consequences of such development on coastal institutions and the economy.

Objectives: This study will have similar objectives to the prior history studies:

- to document the strategies and objectives of the companies involved;
- to ascertain the cumulative effects of offshore development on the coastal landscape, and community and family relationships;
- to describe how technology and managerial innovations enabled the development of reservoirs in deeper and deeper water depths; and
- to study how the policies and regulations of the government agencies with responsibilities in state and the federal jurisdictions were developed to explore how these aspects of the story were related and effected each other.

Methods: To collect and transcribe oral histories, develop a text database of transcripts and other relevant materials covering the offshore oil and gas industry and those it has affected during the deepwater era and who have been affected by the industry in that period. To review comparative materials from the North Sea, Gulf of Guinea, and offshore Brazil. To develop detailed analytical papers that will cover prominent themes in the deepwater era history and extend subjects analyzed in History I and II. Proposed analytical papers include:

1. modern history of OCS leasing from the 1962 lease sale to the late-1990s sales;
2. history of digital seismic exploration technology;
3. evolution of offshore production from fixed to floating platforms/structures;
4. a business history case study of how a particular community or segment of the industry experienced the bust of the 1980s and revival of the 1990s-2000s;
5. evolution of the offshore labor force from the 1960s through the 1990s;
6. impacts of the evolving industry on local landscapes; and
7. patterns of community response to the industry and its impacts.

Products: Recorded and transcribed oral histories, technical reports, published papers.

Importance to BOEM: This research addresses several programmatic needs: (1) BOEM is charged by NEPA with documenting the social and economic effects of the industry. The NRC noted that the GOMR's fifty-year history of offshore oil provides a natural laboratory for studying its effects. To "calibrate" this laboratory, the changing dynamics of the industry (such as technological evolution, changes in business practices, changes in financing) must be documented and analyzed; (2) NEPA charges BOEM with assessing cumulative effects of the industry. This history is the commutative effects as well as the current "baseline"; (3) associated with the baseline issue, BOEM the Science Committee and others have requested BOEM to synthesize its socioeconomic research findings. This study will involve a wide range of experts in synthesizing this material; (4) the study will help distinguish the effects of onshore oil from offshore oil, and offshore oil from the OCS; (5) the social and economic effects of the offshore industry are often defined abstractly, in terms of literature on other industries in other regions. This study will serve as a "scoping" vehicle. Effected parties will define the salient social and economic issues in a

non-adversarial milieu. It will provide the agency with effective outreach to other Federal, state institutions, communities.

Current Status: Initiation of the Cooperative Agreement and year one research tasks was delayed. However, work is now proceeding and BOEM and expects a 2012 completion for the study.

Final Report Due: April 2011

Publications: none

Affiliated WWW Sites: http://www.gomr.BOEM.gov/homepg/regulate/environ/history_louisiana.html
[history_louisiana.html](http://www.gomr.BOEM.gov/homepg/regulate/environ/history_louisiana.html)

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