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Deepwater Gulf of Mexico 2006: America's Expanding Frontier
OCS Report MMS 2006-022

The Minerals Management Service (MMS) announces the availability of the publication *Deepwater Gulf of Mexico 2006: America's Expanding Frontier*. This report, an up-to-date review of the deepwater frontier through 2005, is the latest edition of this popular biennial deepwater report published by MMS.

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. Exploratory drilling in the deepwater increased in 2005 despite the disruptions caused by Hurricanes Katrina and Rita. In addition, the deepest well in the Gulf of Mexico was drilled in 2005 to a measured depth of 34,189 ft (10,423 m) at the Knotty Head discovery. The large volume of active deepwater leases, the steady drilling program, and the growing deepwater infrastructure 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.

This report is divided into five sections.

The Background section discusses

- highlights of current deepwater GOM activity,
- new discoveries,
- technology concerns,
- the existing deepwater infrastructure, and
- LNG projects.

The Leasing and Environment section discusses

- historical water-depth and bidding trends in deepwater leasing,
- leaseholdings of major oil companies compared with those of nonmajor oil companies,
- future deepwater lease activity,
- royalty relief under Energy Policy Act of 2005, and
- environmental activity.

The Drilling and Development section discusses

- deepwater drilling activity,
- historical drilling statistics,
- the transition to deeper wells and deeper water,

- high-pressure, high-temperature environments,
- deepwater development systems,
- subsea trends,
- Independence Hub, and
- pipelines and HIPPS.

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,
- historical trends in deepwater production,
- comparison of shallow-water and deepwater production,
- effects of Hurricanes Ivan, Katrina, and Rita on production, 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 and drilling and between drilling and initial production,
- difficulties evaluating deepwater leases before their terms expire, and
- significant changes since the 2004 report.

Copies of this report can be obtained from MMS, Gulf of Mexico OCS Region, free of charge by referencing OCS Report MMS 2006-022. The entire report can be found on the MMS website: <http://www.gomr.mms.gov/homepg/whatsnew/techann/2006/2006-022.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
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 Public Information Office (MS 5034)
 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

U.S. Department of Commerce
 National Technical Information Service
 5285 Port Royal Road
 Springfield, Virginia 22161
 (703) 487-4650 or FAX: (703) 321-8547
 Rush Orders: 1-800-336-4700

MMS Main Website: www.mms.gov
 Gulf of Mexico Website: www.gomr.mms.gov

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