



April 2000

Deepwater Gulf of Mexico: America's Emerging Frontier

OCS Report MMS 2000-022

The Minerals Management Service (MMS) announces the availability of the publication **Deepwater Gulf of Mexico: America's Emerging Frontier**. (*Internet Note: PDF file size 14.4 MB; If you experience problems when opening in browser, right click on the link, for Explorer click Save Target As, for Netscape click Save Link As, and save to a local directory. Open saved file in Acrobat Reader.*) ([Click here to download data files for selected figures](#)). The deepwater Gulf of Mexico (GOM), water depths of 1,000 ft or greater, has emerged as an important oil and gas province. A major milestone recently passed when deepwater GOM oil production surpassed shallow-water GOM oil production. This trend in increasing deepwater production is expected to continue, along with high levels of exploratory drilling, development activity, pipeline construction, and shore support activities. Deepwater GOM field discovery sizes have been several times larger than the average shallow-water field discoveries, and the deepwater fields have also been some of the most highly prolific producers in the GOM.

The report is divided into five sections.

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 nonmajor oil companies,
- the impact of company mergers on deepwater exploration, and
- future areas of 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 including subsea completions, and
- the progress of deepwater infrastructure development.

The **Reserves and Production** section discusses

- historical deepwater reserve additions,
- 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,
- large future reserve additions associated with recently announced discoveries,
- discoveries in new, lightly tested plays with large potential,
- expected future increases in deepwater discoveries based on drilling of the large deepwater lease inventory,
- limited deepwater rig availability,
- long lag times between leasing, drilling, and initial production, and
- difficulties evaluating deepwater leases before their terms expire.

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 emerge as an integral part of this Nation's energy supply and remain one of the world's premier oil and gas basins.

Copies of this report can be obtained from MMS, Gulf of Mexico OCS Region, at a charge of \$10 by referencing OCS Report MMS 2000-022. The entire report can be found on MMS website: <http://www.gomr.mms.gov/homepg/whatsnew/techann/000022.pdf>. The report will also be available in the near future from the National Technical Information Service. These addresses are provided below.

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Gulf of Mexico OCS Region
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1201 Elmwood Park Boulevard
New Orleans, Louisiana 70123-2394
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