



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

Technical Announcement

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Contact: Barney Congdon
(504) 736-2595

Caryl Fagot
(504) 736-2590

Debra Winbush
(504) 736-2597

Changing Patterns of Ownership and Control in the Petroleum Industry: Implications on the Market for Oil and Gas Leases in the Gulf of Mexico OCS Region, 1983-1999

OCS Study MMS 2003-041

The Minerals Management Service (MMS), Gulf of Mexico OCS Region, announces the availability of a new study report, *Changing Patterns of Ownership and Control in the Petroleum Industry: Implications on the Market for Oil and Gas Leases in the Gulf of Mexico OCS Region, 1983-1999*.

During the past decades, "mega-mergers" have characterized the industry operating in the U.S. including the large and small independents active in the Gulf of Mexico. This study asks the question, "Has consolidation and control in the petroleum industry reduced the extent of competition for, or lowered the value of, oil and gas leases on the Gulf of Mexico OCS?" The study took two approaches toward testing this question. First, it analyzed leases acquired during the 1983 to 1999 period based upon the successful bidder's merger and acquisition experience and then tested for differences in bidding amounts. Second, it made comparisons between majors and non-majors and between those firms listed on MMS's Restricted Bidders List and those that were not. Overall, the study found that neither aggregate measures used by economists to analyze concentrated market and industry structures nor patterns of joint bidding and cooperation among firms active in the offshore Gulf of Mexico suggest either a decrease or a deficiency in the competitiveness of lease sales.

This report is available only in compact disc format. The discs are available from the Minerals Management Service, Gulf of Mexico OCS Region, at a charge of \$15.00 by referencing OCS Study MMS 2003-041. You will be able to obtain this report also from the National Technical Information Service in the near future. Here are the addresses. You may also inspect copies at selected Federal Depository Libraries.

Minerals Management Service
Gulf of Mexico OCS Region
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 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 American Indian leases. These revenues totaled over \$6 billion in 2002 and nearly \$127 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.

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

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