

Update to GOM Fact Book Data and Analysis

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The shale revolution has had an incredible impact on the North American energy complex. While the shale revolution has been restricted to numerous areas throughout the U.S., this revolution has had enormous implications for the infrastructure that has historically supported oil and natural gas production in Gulf of Mexico (“GOM”) offshore areas. Many infrastructure sectors along the GOM are seeing a resurgence in importance due to the billions in new capital investment, particularly in petrochemical production. The increase in higher quality, US-sourced crudes has also resulted in the development of new crude oil pipelines and increased refining capacities move to, and along, the GOM. New production sources in the Midwestern U.S. and Appalachian region is causing many large natural gas pipelines that historically moved gas from the Gulf to the northeast, to re-orient their flows in a north-south or bi-directional basis. Lastly, new capacity for the export of natural gas along the GOM is being developed. Thus, while the offshore GOM has been forced to compete with these new sources of relatively lower cost crude and natural gas, the GOM infrastructure that has historically supported this offshore production has seen a second life of investment as the U.S. moves to becoming a major international energy exporter.