



Memorandum

To: Senators

From: Charles Davidson
Chairman, President and CEO, Noble Energy, Inc., and
Chairman, Domestic Petroleum Council

Date: June 21, 2005

Subject: Offshore Energy Resources: Essential for America

Today's need for domestic energy supplies, especially natural gas – and the modern technology to produce them safely and cleanly – provide a sound basis for allowing states to consider offshore exploration and production. The Alexander Amendment should be approved.

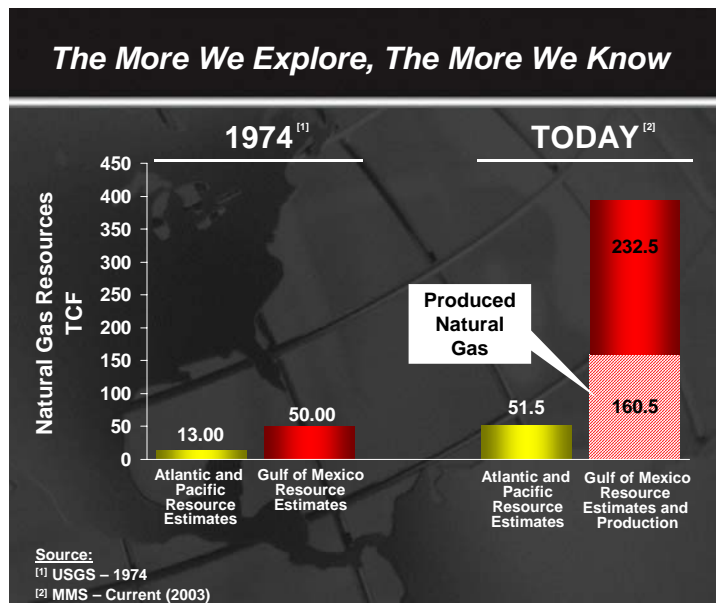
Today's 21st Century geoscience and supercomputer technologies allow better success in finding natural gas and oil, more accurate targeting of wells – meaning fewer, more successful ones.

Extended reach drilling and subsea completions, with wells and equipment on the seabed, mean that fewer facilities are required, and they are more likely to be over the horizon or onshore, producing energy from 30, 40, or more miles away.

Such American technology is the best in the world and is deployed globally – except off the 90 % of the U.S. coastline under moratoria restrictions where it could be making an energy supply and price difference.

The resource potential offshore will only be determined by exploration. But consider: Current natural gas resource estimates in moratoria areas off the Atlantic and Pacific Coasts are approximately the same as those of the Gulf of Mexico in 1974. Since then – from the areas in which exploration and production have been allowed – we have already produced more than three times the 1974-estimated natural gas and the latest government estimates are that we estimate almost five times as much gas remains to be produced from the Gulf! The more we explore, the more we know.

The outstanding environmental record of U.S. companies offshore is well recognized as *...technologies are allowing the offshore industry to venture into deeper waters than ever before, while protecting marine life and subsea habitats...**



Please support the Alexander Amendment to provide state-option offshore energy.

* Clinton Administration DOE report: *Environmental Benefits of Advanced Oil and Gas Exploration and Production Technology*, 1999.