Offshore Energy: Essential for America

Did you know?...

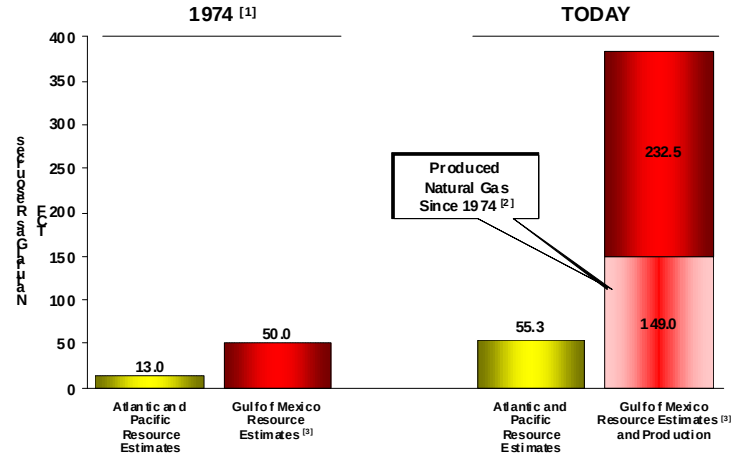
Energy resources <u>currently unavailable</u> because of offshore oil and natural gas leasing moratoria could be enormous – and that claims to the contrary turn logic on its head.

Offshore resource estimates are based on available knowledge.

So, for areas in which modern exploration has been prohibited -- <u>and as a result there has been little to no investment in seismic and other high-tech geoscience</u> -- the resource estimates are, as would be expected, relatively low. This is the case in moratoria areas off more than 80% of the lower-48 U.S. coast for which there are naturally conservative resource estimates.

In non-moratoria areas the situation is much different. Robust exploration, development and production in the Western and Central Gulf of Mexico have led to more knowledge and ever-increasing resource estimates.

The More We Explore, The More We Know



Source:
[1] USGS – 1974
[2] MMS – Current (1974-2008)
[3] MMS – 2006 Revised Resource Estimates

Consider: In the Gulf of Mexico as a whole we have produced three times the first comprehensive (1974) estimated gas resources, and now believe that there is still almost five times that amount that may be available for continued production into the future.

The story does not end there. Once reservoirs are discovered, continuing knowledge improvement and technology change historically leads to what is called "ultimate recovery appreciation" of energy. As the U.S. Energy Information Administration has said, "<u>…the estimate of ultimate recovery increases over time for most reservoirs, the vast majority of fields, all regions, all countries, and the world</u>."* Except, of course, in areas even far off our shores where exploration is prohibited.

Next time someone claims that there are few resources in moratoria areas based on official estimates, just remind them that logic says the more we explore, the more we know – and that resource estimates have had a history of growing exponentially with exploration, development and production access.

And such access is crucial for the nation's economic future and for consumers as production from existing wells in older areas declines and energy demand grows.

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* Energy Information Administration. *Natural Gas Monthly*, July 1997. p.x