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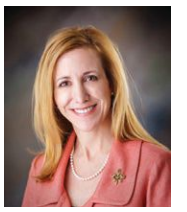

Hope and optimism for the Gulf

Like "The Little Engine That Could," the Gulf of Mexico oil and gas industry is proving that hard work and optimism pay off, especially in the face of challenges.

While political debate wages over America's opportunity to expand offshore oil and gas production and economic projections of minimal increases in global oil prices, Gulf offshore operators and support companies are quietly getting the job done with increased oil and gas production from existing wells and major discoveries that will fuel our nation for many years to come. This continued hope and optimism in America's Gulf benefits thousands of workers along our Gulf Coast and every American who relies on oil and gas to power their homes, cars and businesses.

According to the Bureau of Ocean Energy Management's (BOEM's) latest Gulf of Mexico Oil and Gas Production Forecast, oil production is at an all-time high and expected to rise in the coming years. BOEM predicts that oil production in the Gulf Outer Continental Shelf (OCS) will set a record in 2018, extending the trend of increased annual production volumes for five consecutive years from 2014-2018. This great news only gets better in the years ahead, with BOEM anticipating the trend of increased production continuing through 2024, with the added production coming from both new and existing fields. As of December 2017, 17 percent of U.S. oil production comes from federal Outer Continental Shelf (OCS) leases in the Gulf, and abundant resources have yet to be discovered.

Here are a few examples of the promising major discoveries and exciting production stories from oil and gas operators fueling the continued optimism in the Gulf:

- In January, Shell announced one of its largest Gulf exploration finds in the past decade from its Whale deepwater well, and it has three additional Gulf deepwater projects under construction: Appomattox, Kaikias and Coulomb Phase 2. According to the company, Royal Dutch Shell has added more than 1 billion barrels of oil-equivalent resources in the past decade in the Gulf.
- Also in January, Chevron announced a significant oil discovery at the Ballymore prospect in the Gulf at well depths of more than 29,000 feet.
- LLOG has several active deepwater projects in the Gulf and made 12 important deepwater discoveries from January 2016-August 2017, including the Claiborne, LaFemme, Blue Wing Olive, Red Zinger and Marmalard East discoveries in the Mississippi Canyon. Production is expected to begin in mid-2018 for the LaFemme and Blue Wing Olive developments, and first production at Red Zinger is expected in late 2018.
- Anadarko has announced important deepwater discoveries by its Warrior, Phobos, Horn Mountain and Calpurnia wells in the Gulf in the past year.
- Production has begun at the Stampede Field, located 115 miles south of Port Fourchon, with estimated recoverable resources of more than 300 million barrels of oil. Hess is the operator of the Stampede Field, with three production wells that will ramp up production through 2018.

These announcements and more demonstrate the robust future of the Gulf as America's energy province and hope for our nation as we move toward energy independence.

For decades, while elected officials and political agendas have come and gone, the Gulf's oil and gas industry has remained focused on efficiently producing energy for this country in the safest and most environmentally safe manner possible. Today, even as new considerations arise, the Gulf continues to be a promising location for producers and a robust economic engine for Louisiana and our nation.

Gulf offshore operators and support companies are getting the job done with increased production and major discoveries.

LMOGA salutes all of our coastal communities, ports and residents who make this Gulf oil and gas production possible, and we thank all of our member companies who remain hopeful and optimistic about America's Gulf.

For more information, visit www.lmoga.com or call (225) 387-3205.

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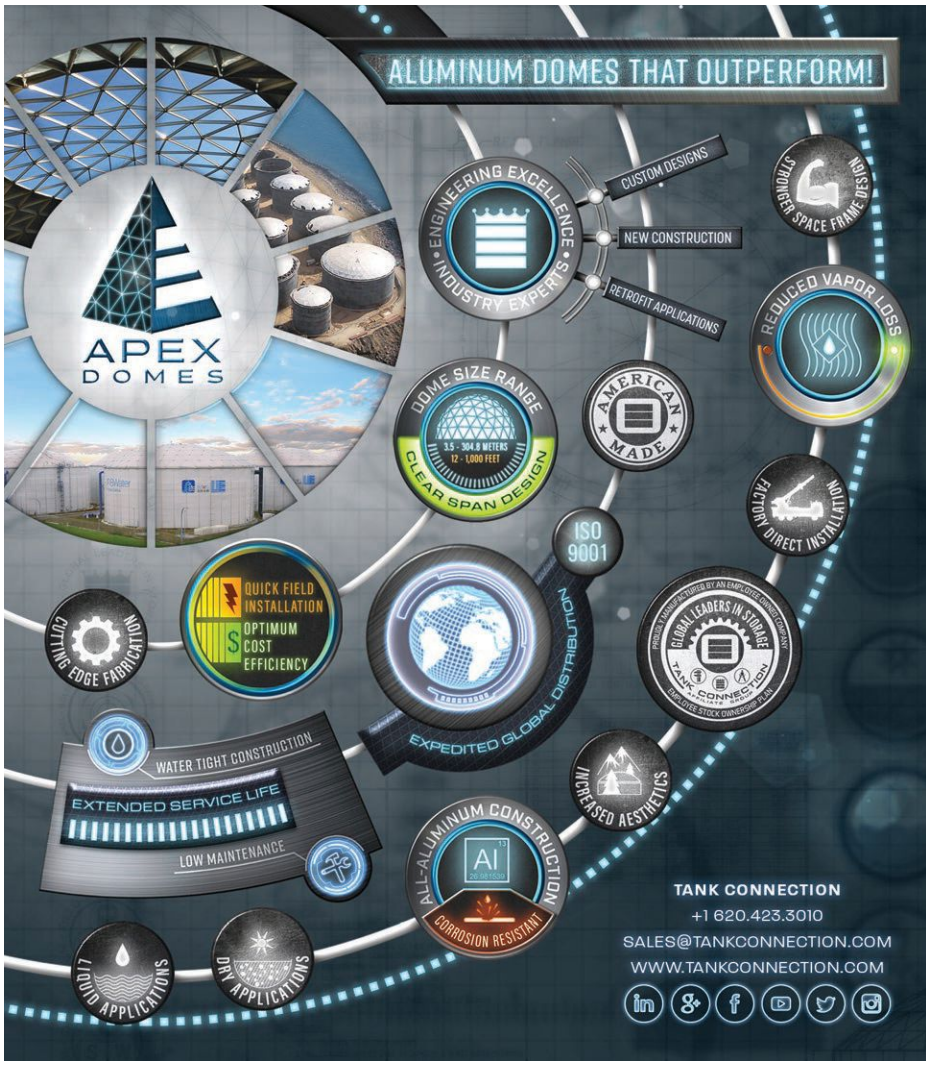
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