

Summary - DRAFT PROPOSED PROGRAM FOR 2002-2007

Areas Included:

- Western, Central, and Eastern Gulf of Mexico (reduced Sale 181 area)
- Beaufort Sea, Chukchi Sea, Hope Basin, Norton Basin, Cook Inlet/Shelikof Strait

Areas Excluded:

- All other areas are excluded and will not be considered further in the preparation of the new 5-year program

Number of Sales:

- **Total = 20** — 5 Western Gulf, 5 Central Gulf, 2 Eastern Gulf, 3 Beaufort Sea, 2 Chukchi Sea/Hope Basin, 1 Norton Basin, and 2 Cook Inlet/Shelikof Strait

Total Resources:

- Based on the MMS 2000 OCS National Assessment the Economically Recoverable Resource Estimates are
 - ✓ 10.2 –22.4 billion barrels (bbl) of oil and 39.5-59.2 trillion cubic feet (tcf) of natural gas available for leasing

Area-by-Area Information

Western and Central Gulf of Mexico

- Total resources available for these two areas estimated at 7-12 billion bbl of oil and 37-56 tcf of natural gas
- Each of these areas scheduled for annual areawide lease sales
- 99 previous lease sales have offered tracts in these areas
- Nearly 40,000 wells have been drilled
- Over 11 billion bbl of oil and 14 tcf of natural gas have been produced

Eastern Gulf of Mexico (Reduced Sale 181 Area)

- Area consists of 256 deepwater tracts directly off Alabama and adjacent to Central Planning Area as identified in Sale 181 proposed sale notice.
 - Configuration recognizes concerns of Florida, positions of other Gulf states, and competing uses for military operations
 - Resources available estimated at 122-289 million bbl and 504 bcf to over 1 tcf
 - Lease sales scheduled in 2003 and 2005
 - 10 previous lease sales, 23 existing leases
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Beaufort Sea

- Important whale feeding grounds excluded
- Resources available estimated at 1.6-2.8 billion barrels (gas not economic at this time)
- Lease sales scheduled in 2003, 2005, and 2007
- 7 previous lease sales, 69 existing leases
- 30 exploration wells drilled
- Production on leases in adjacent state waters
- 1 producing unit straddling State/Federal waters—Northstar
- 1 development and production plan under review—Liberty

Cook Inlet/Shelikof Strait

- Shelikof Strait portion excluded as recommended by Governor of Alaska
- Resources available estimated at 420-500 million barrels and 560-860 bcf
- Lease sales scheduled in 2004 and 2006
- 4 previous lease sales, 2 existing leases
- 13 exploration wells drilled — no commercial discoveries
- Production on leases in adjacent state waters

Chukchi Sea and Hope Basin

- Nearshore tracts excluded in response to local concerns; Chukchi Polynya and tracts near Barrow excluded as recommended by Governor of Alaska
- Total resources available for combined areas estimated at 1-7 billion bbl (gas not economic, but Chukchi Sea area estimated to contain over 60 tcf in *conventionally recoverable* resources)
- Lease sales scheduled in 2004 and 2007 (areas combined as in previous programs)
- 2 previous lease sales in Chukchi Sea, none in Hope Basin, no existing leases
- 5 exploration wells drilled in Chukchi Sea—significant but uneconomic discoveries due to lack of infrastructure

Norton Basin

- Offering this area is intended to make resources available for use by local communities and industries
- Resources available estimated at 20 to 30 million bbl and 1 to 1.6 tcf
- One “special” sale to take place as early as 2003 and as late as 2007 based on consultation with interested and affected parties
- 1 previous lease sale, no existing leases
- 6 exploration wells drilled — no commercial discoveries

The 60-day comment period following issuance of the Draft Proposed Program ends on September 21, 2001.
