

Deepwater Moratorium: Overview of Impacts for Louisiana (June 25, 2010)



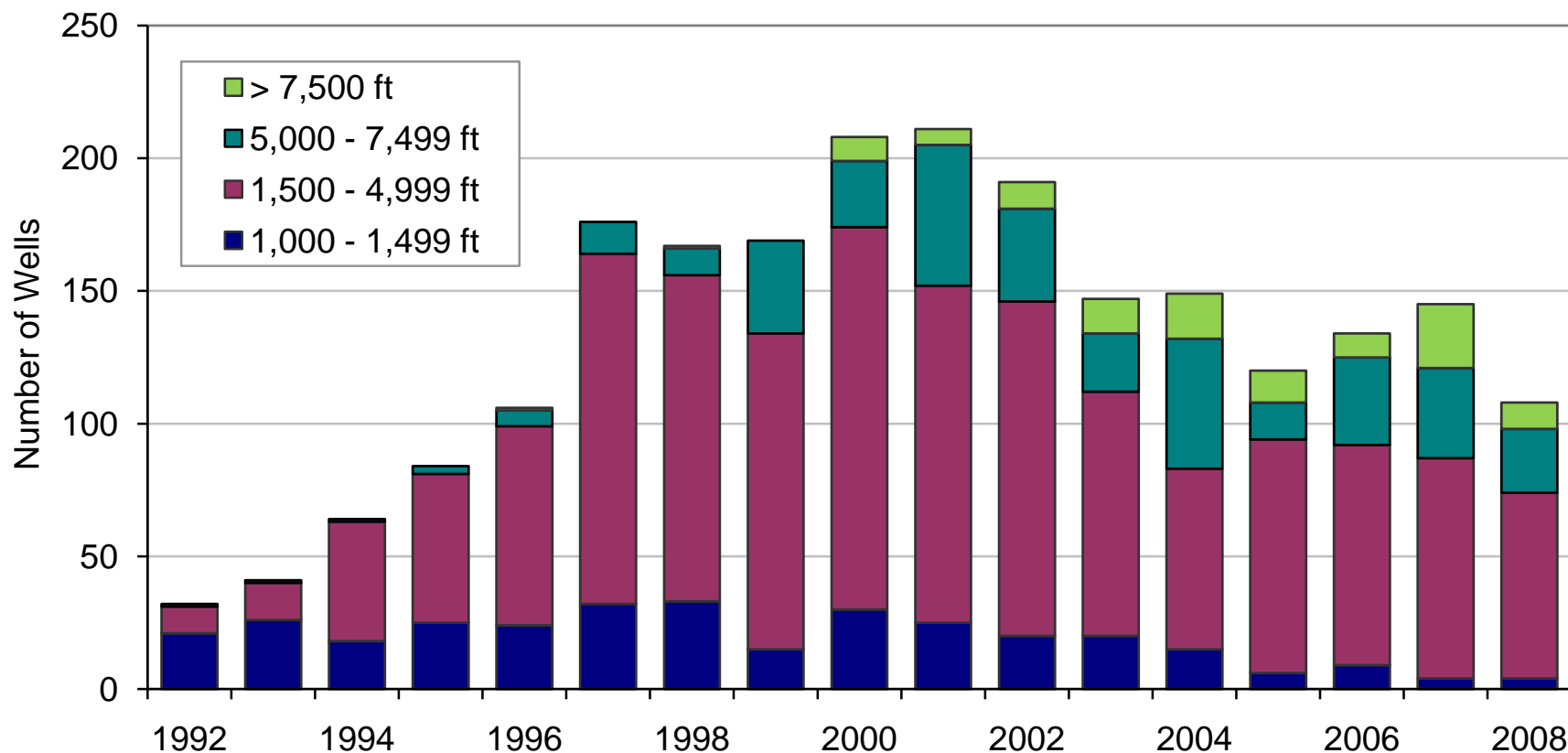
GOM Offshore Oil and Gas – Economic Overview



- In 2008, over **420 MMBbls** of oil and **2.4 Tcf** of natural gas were produced in the Gulf of Mexico OCS.
- Employs over **200,000 workers** in the Gulf Coast region. Over **100,000 workers** associated with offshore activities.
- Contributes almost **\$100 billion** to Gulf Coast states' GDP.
- GOM accounts for **30** percent of total U.S. crude oil production.
- Deepwater areas produced **76** percent of all GOM crude oil production in 2007.

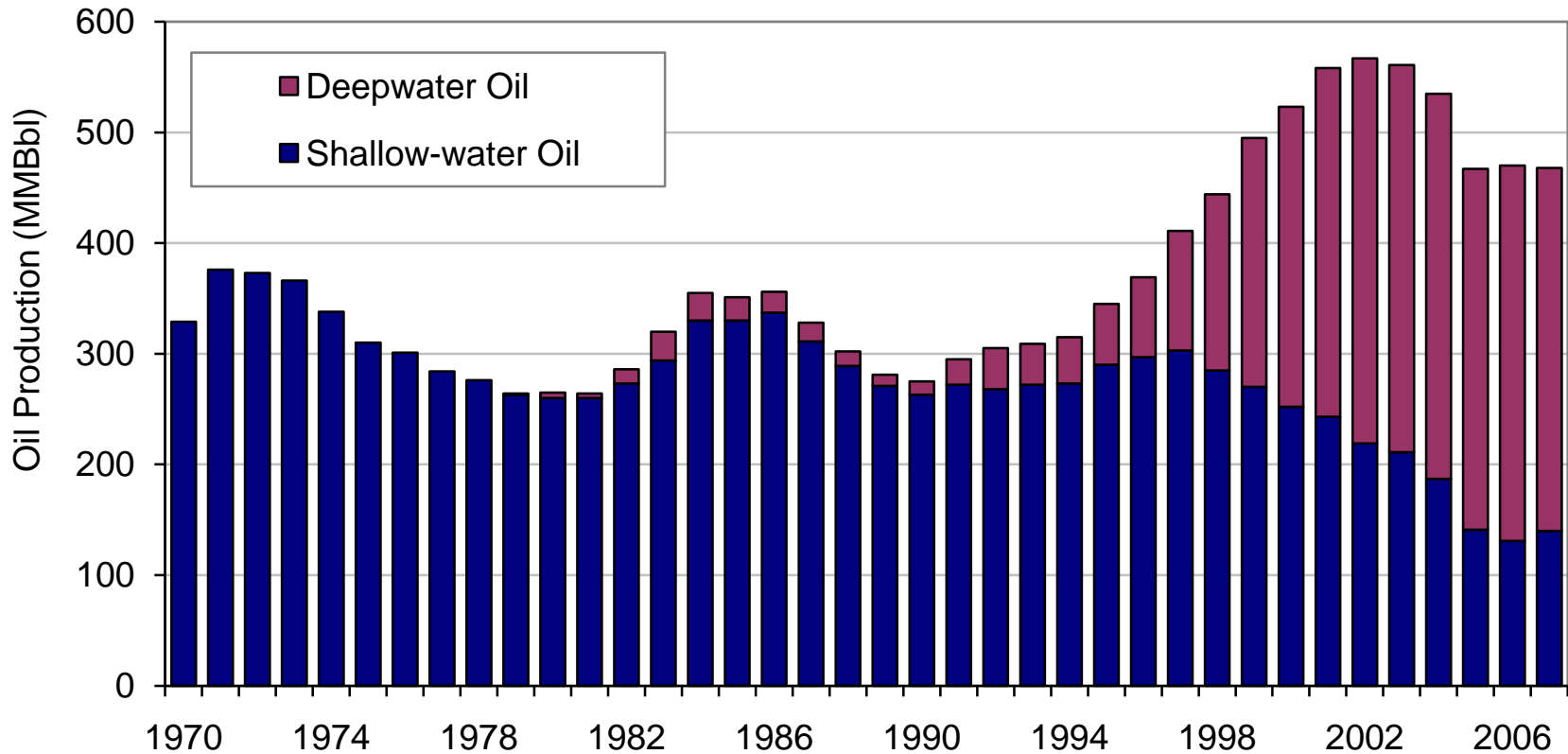
GOM OCS Deepwater Wells

Active deepwater wells are down relative to the earlier part of the decade, but still make considerable contributions to OCS production levels.



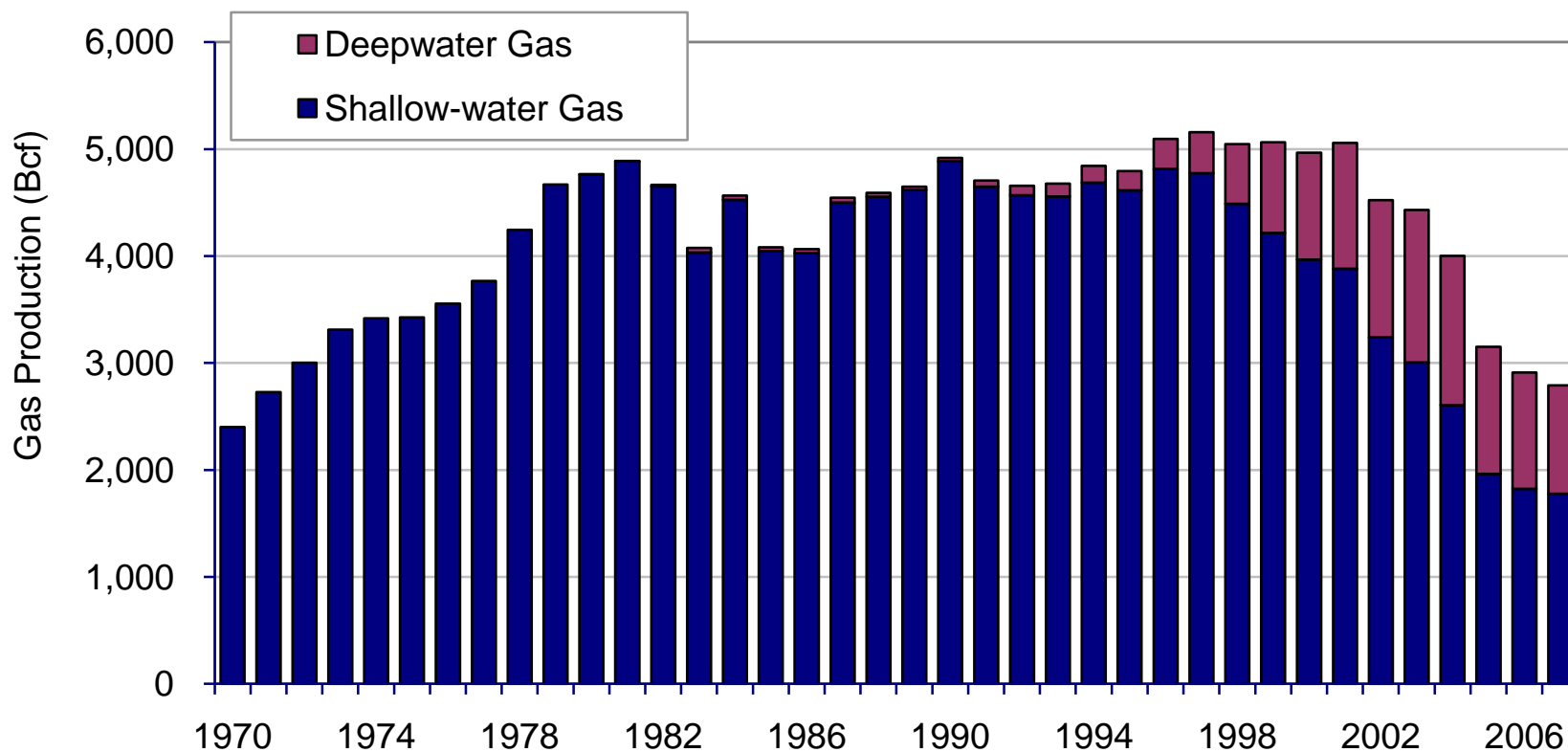
GOM OCS Deepwater Crude Oil Production

The significant increase in deepwater crude oil production has been a major new source of domestic crude oil supply.



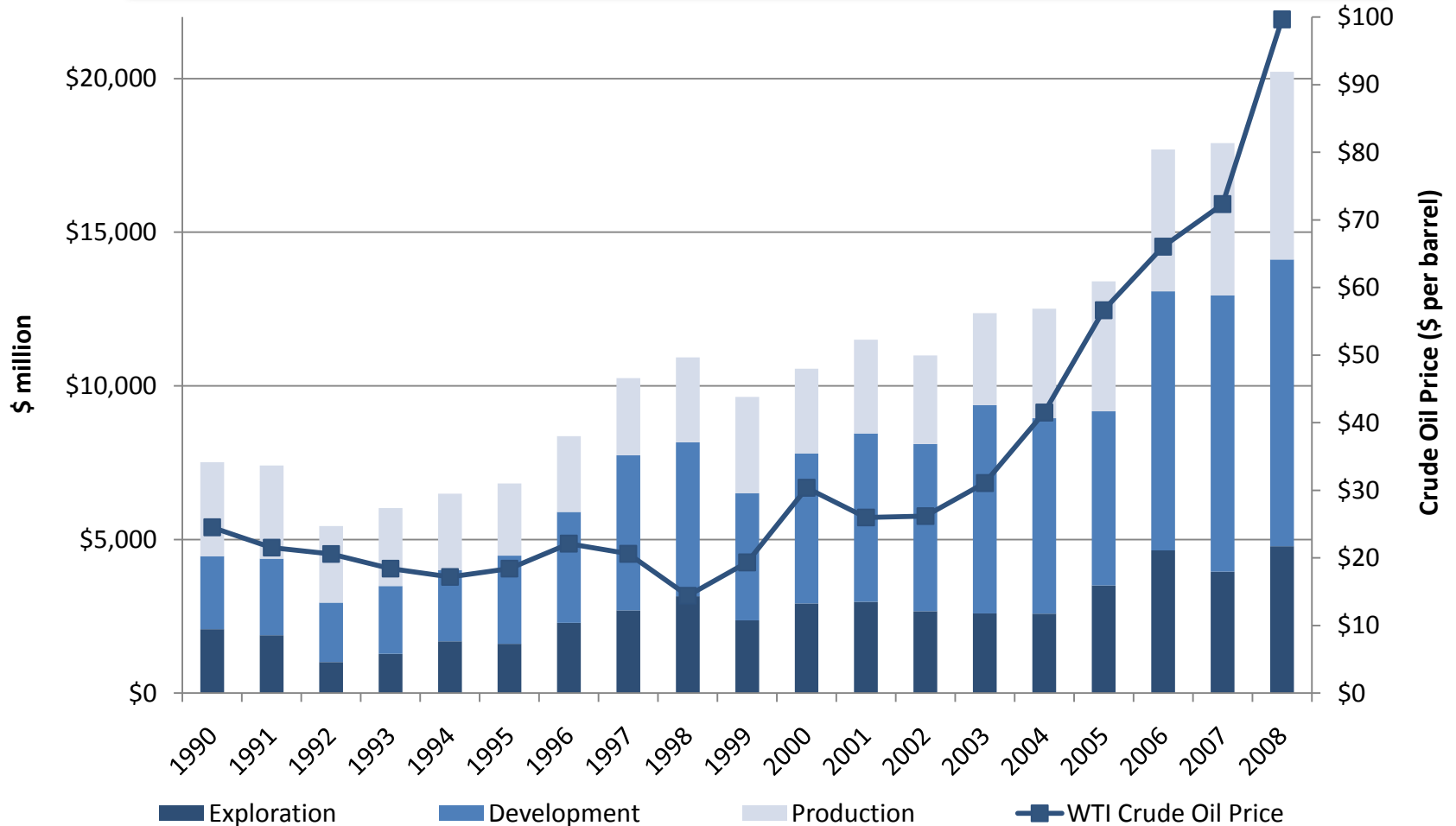
GOM OCS Deepwater Natural Gas Production

Deepwater natural gas production has remained relative constant in recent years, despite the overall GOM gas production plummet in 2002.



U.S. Offshore Capital Expenditures

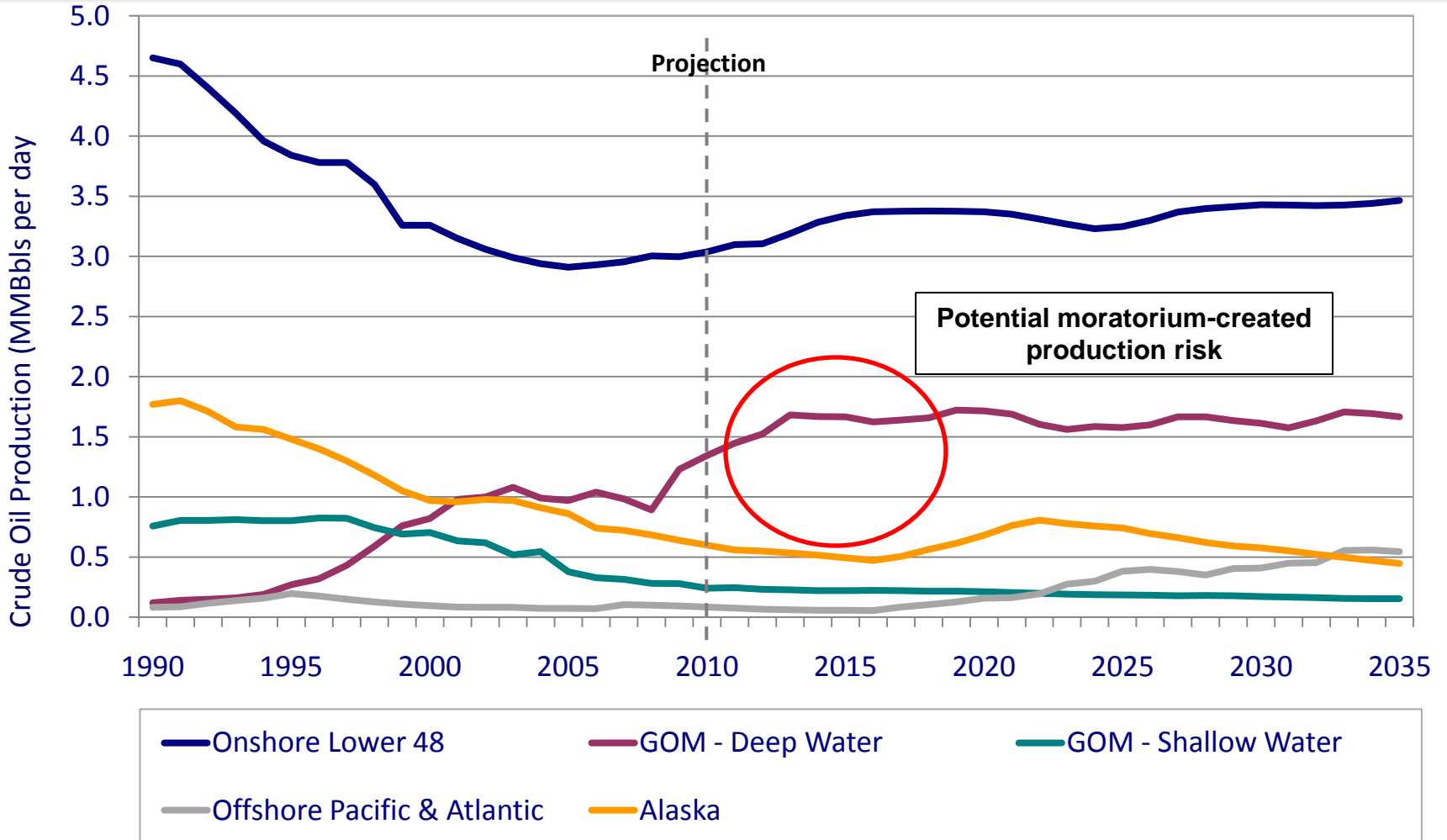
The federal OCS, and its deepwater regions, account for a large share of the increasing capital investments for major oil companies.



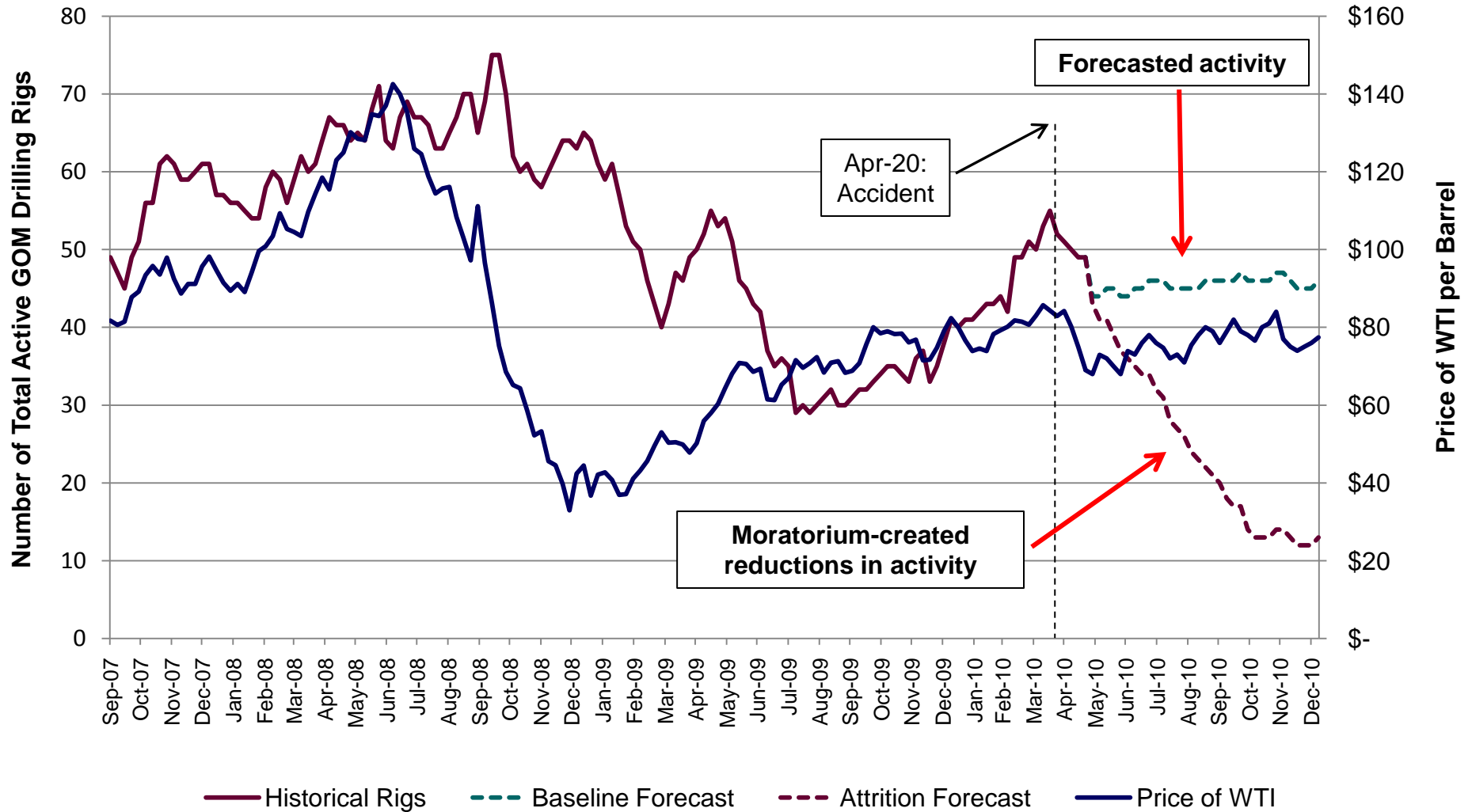
Source: Energy Information Administration, U.S. Department of Energy.

U.S. Crude Oil Production Forecast

Deepwater production is forecast to increase by almost 20 percent between 2010 and 2030.

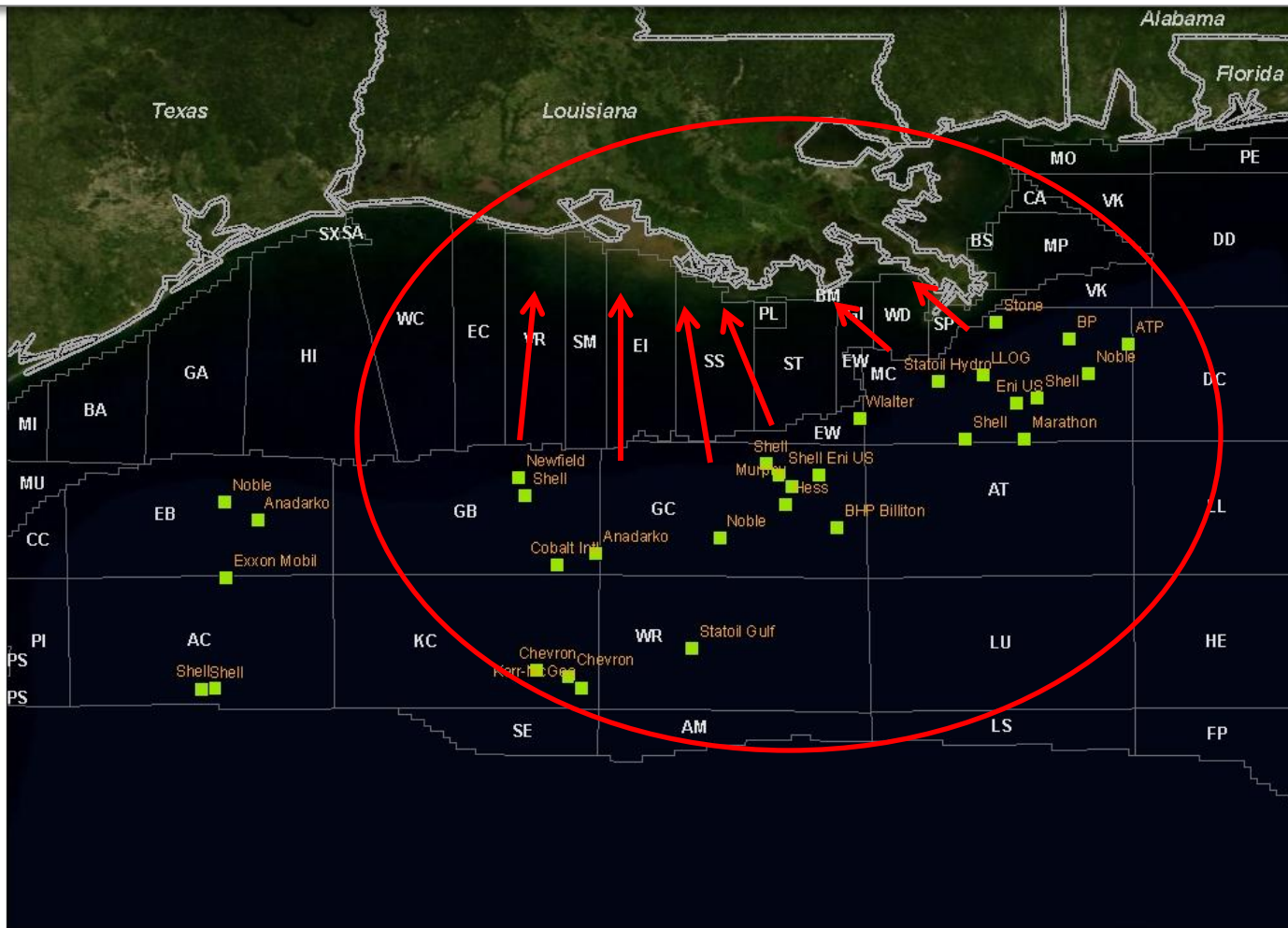


Gulf of Mexico Offshore Rig Forecast – Moratorium Impact

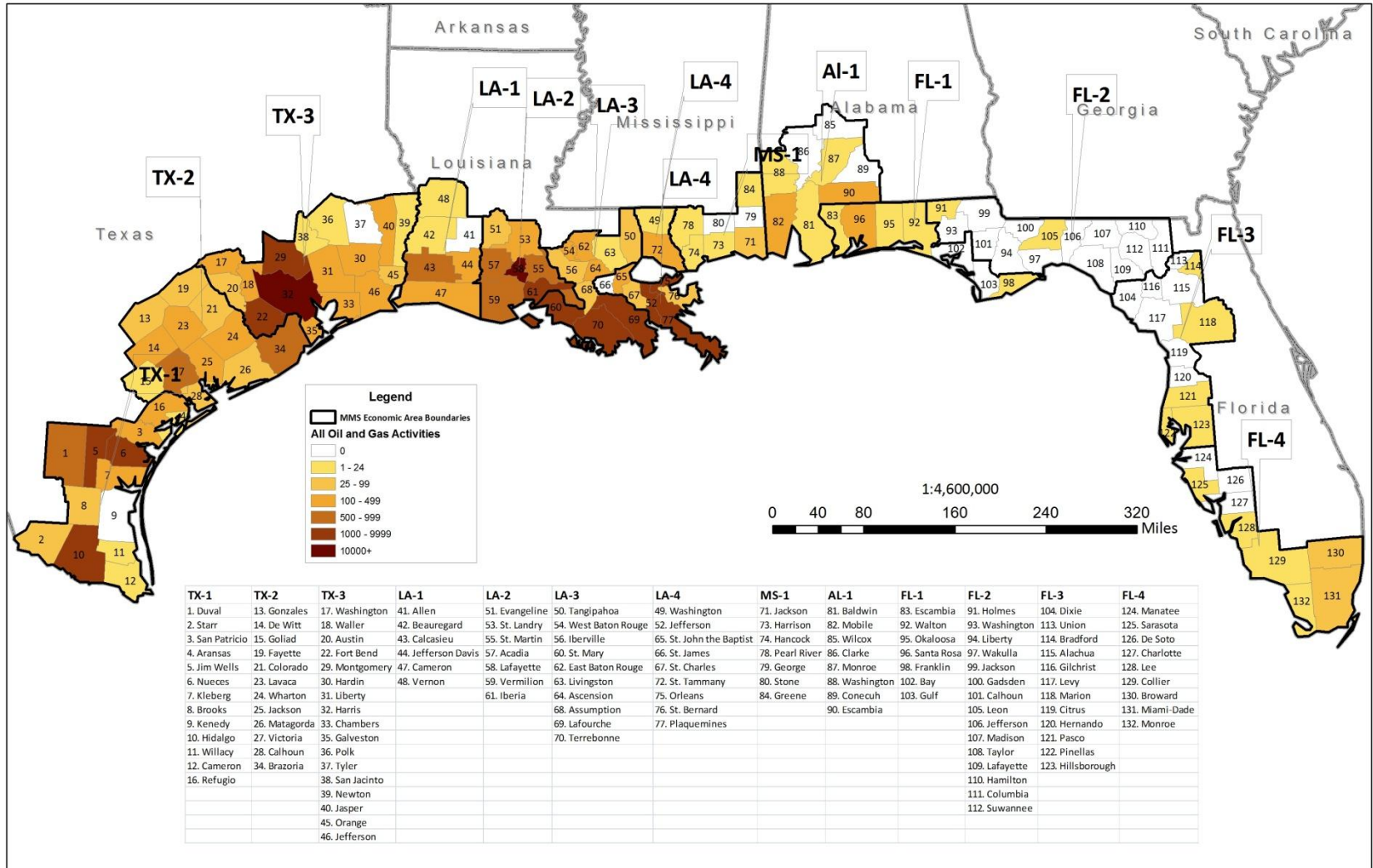


Moratorium Impacted Rigs

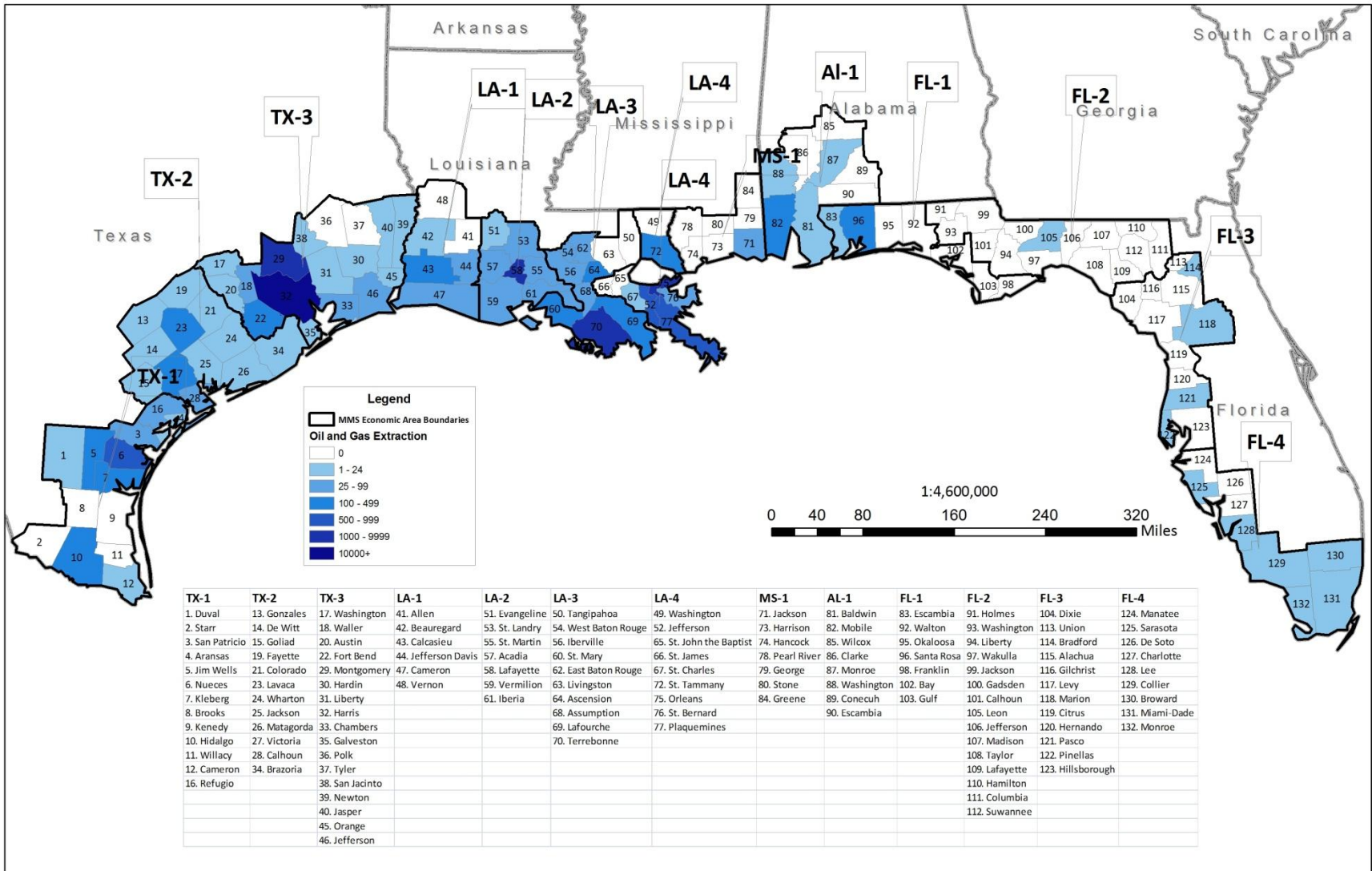
Impacted rigs anticipated to operate in very close proximity to Louisiana ports and support services.



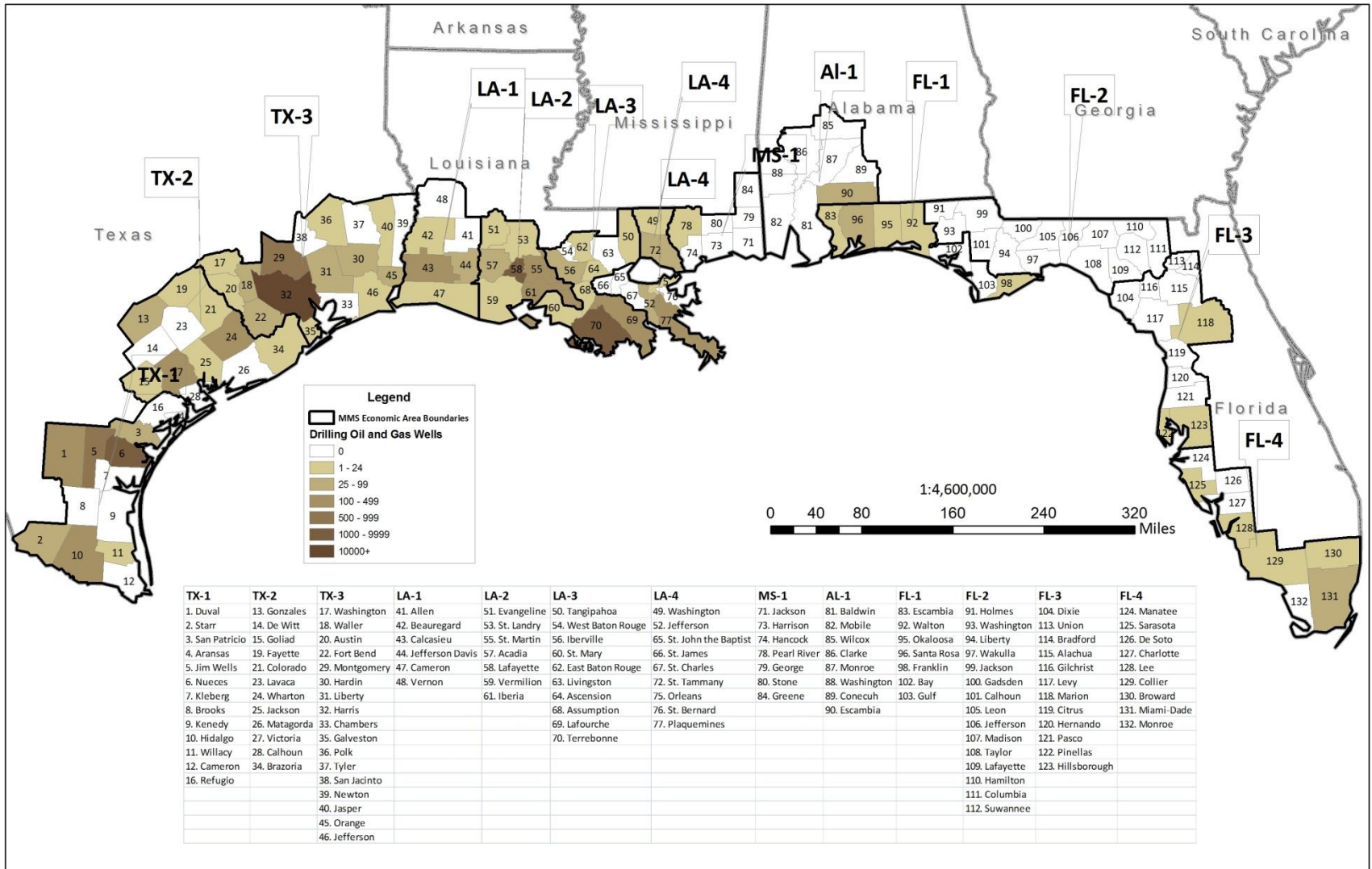
Gulf Coast Oil and Gas Employment – All Activities



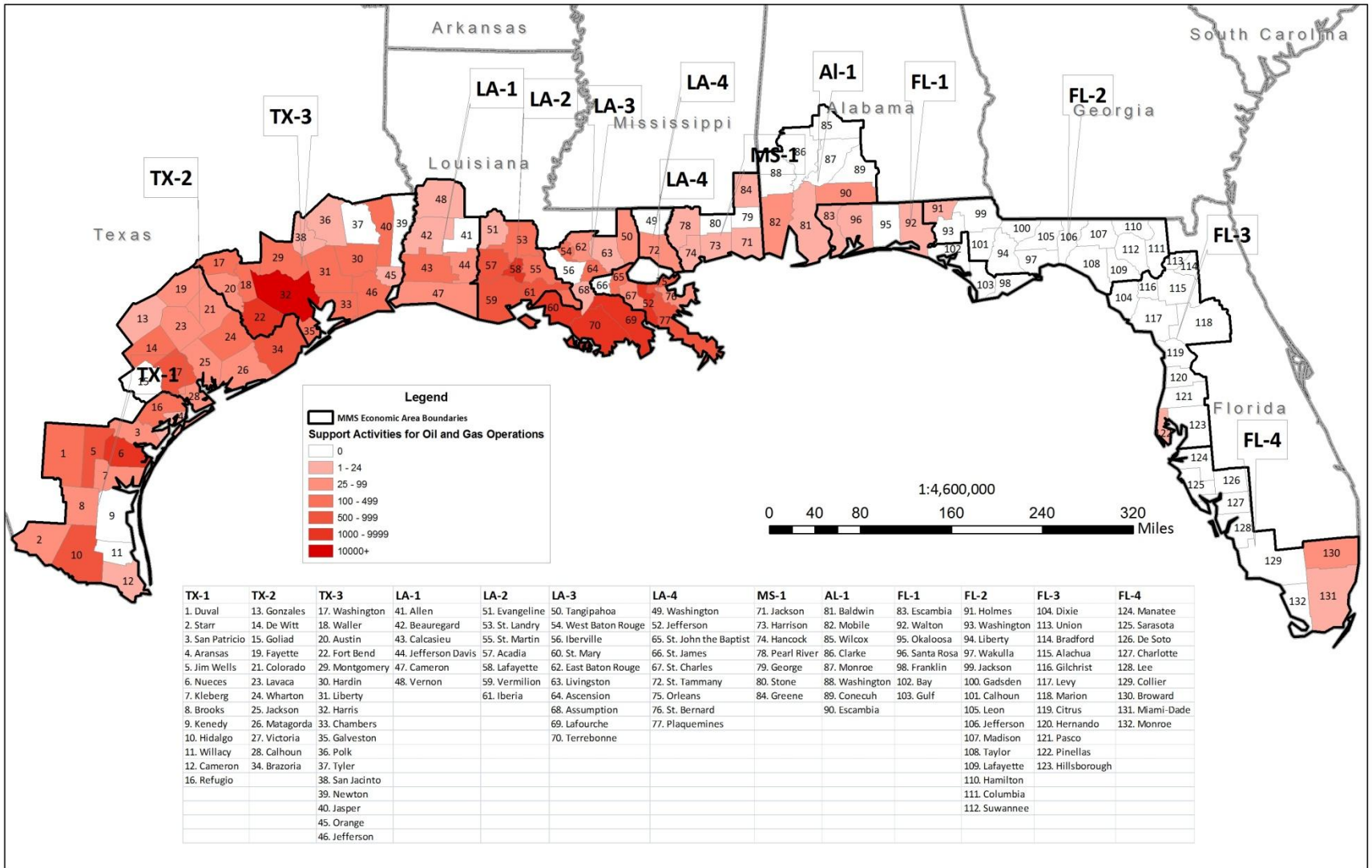
Gulf Coast Oil and Gas Employment - Production



Gulf Coast Oil and Gas Employment - Drilling



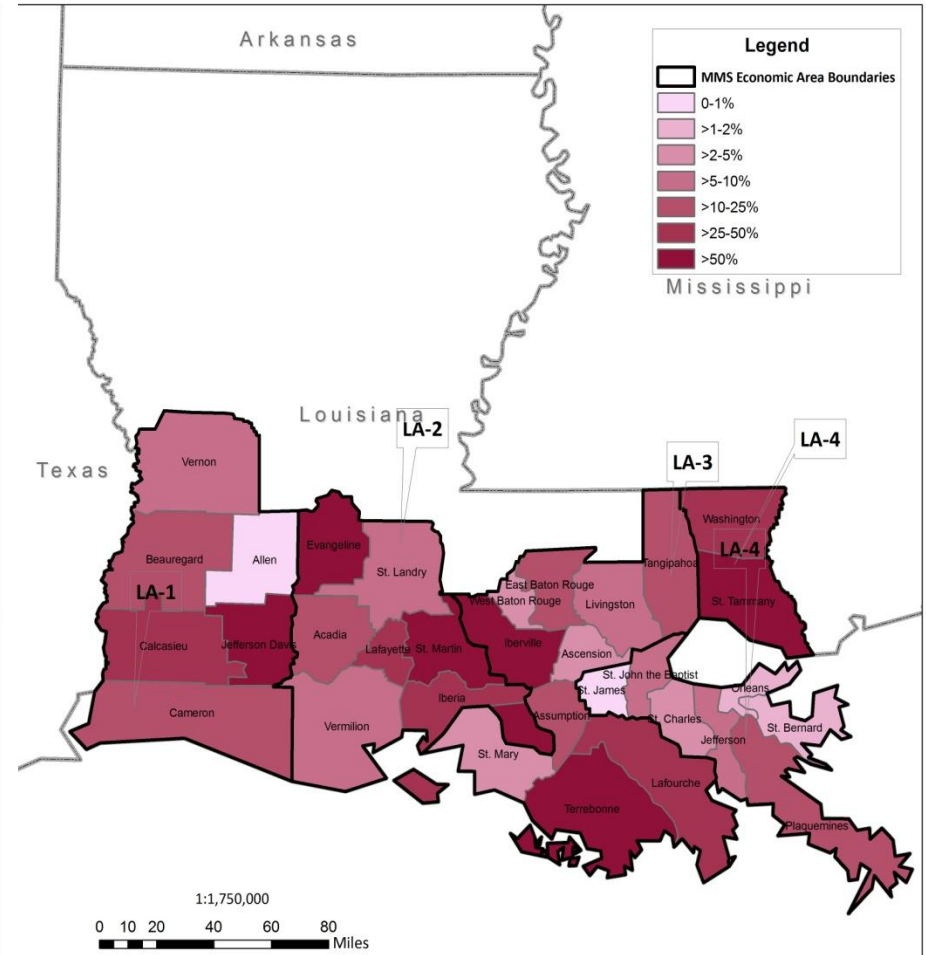
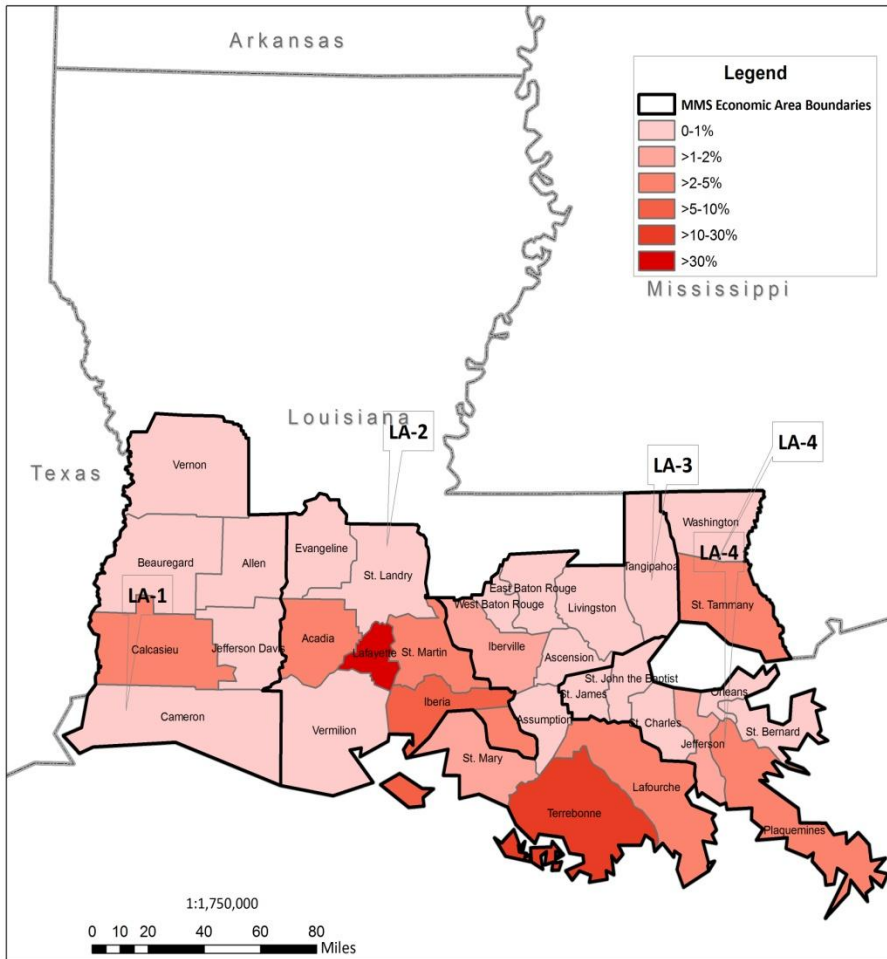
Gulf Coast Oil and Gas Employment – Support



Potential Moratorium Impacts – Louisiana Only

<i>Impact Period:</i>	Louisiana-Specific Impacts					
	Employment (cumulative)		Output		Wages	
	<i>Low</i>	<i>High</i>	<i>Low</i>	<i>High</i>	<i>Low</i>	<i>High</i>
Immediate Impacts	0	6,786	\$ -	\$ 1,076	\$ -	\$ 430
Near Term (to 3 months)	6,786	8,265	\$ 1,076	\$ 1,090	\$ 430	\$ 526
To Moratorium (3-6 months)	8,265	9,462	\$ 1,090	\$ 1,533	\$ 526	\$ 656
Monthly post 6 months	328	399	\$ 146	\$ 148	\$ 35	\$ 43
<i>Impact Period:</i>	<i>Moratorium plus permitting (120 day)- Louisiana Only</i>					
Peak to New Start (10 Months)	9,575	11,058	\$ 1,673	\$ 2,123	\$ 668	\$ 830
Peak to New Start (14 Months)	10,886	12,655	\$ 2,255	\$ 2,713	\$ 810	\$ 1,004
<i>Impact Period:</i>	<i>Moratorium plus permitting (120 day)- Louisiana Only- Higher Prices</i>					
Peak to New Start (10 Months)	10,012	11,591	\$ 1,867	\$ 2,320	\$ 715	\$ 888
Peak to New Start (14 Months)	11,760	13,719	\$ 2,644	\$ 3,107	\$ 905	\$ 1,119

Potential Moratorium Impacts – Louisiana Only



Potential Moratorium Impacts – Louisiana Only

While allocation of total impacts across parishes may not appear large, the total employment impacts, on a share of total oil and gas employment basis, could be very large for many individual parishes.

Parish	Share of Total Impact	Share of Oil & Gas Employment
Ascension	0.38%	12%
East Baton Rouge	0.34%	22%
Iberville	0.39%	40%
Livingston	0.03%	28%
Tangipahoa	0.15%	30%
West Baton Rouge	0.62%	24%
Beauregard	0.04%	13%
Calcasieu	2.72%	30%
Cameron	0.34%	18%
Jefferson Davis	0.39%	31%
Vernon	0.01%	28%
Acadia	3.20%	30%
Evangeline	0.07%	22%
Iberia	5.27%	35%
Lafayette	38.44%	30%
St. Landry	0.56%	25%
St. Martin	2.27%	37%
Vermilion	1.82%	26%
Assumption	0.03%	8%
Lafourche	5.57%	30%
St. Mary	8.16%	24%
Terrebonne	14.34%	29%
Jefferson	5.90%	21%
Orleans	1.90%	5%
Plaquemines	3.74%	21%
St. Bernard	0.09%	10%
St. Charles	0.20%	23%
St. John the Baptist	1.06%	28%
St. Tammany	1.00%	29%
Washington	0.96%	30%
Total	100.00%	

Questions, Comments, & Discussion

dismukes@lsu.edu



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