Bidding Tendencies IN THE GULF OF MEXICO
Where are THE MOST Value areas offshore in the GOM of Mexico?
Is there a Pattern on the bidding activity?
Looking for Water, not Fire

BACK 1543

not
Where

Are bids following a trend?

WHERE are the most valued areas in the GOM?

WHERE are the hot spots in the Gulf?

How

HOW we got to todays lease sale system.

HOW are we looking to find a pattern?

What

WHAT are we looking for?

Bids & values patterns
<table>
<thead>
<tr>
<th>USA</th>
<th>Federal Gov (BOEM)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Bureau of Ocean Energy Management (OCS)</td>
</tr>
<tr>
<td></td>
<td>Offshore Continental Shelf Submerged Lands</td>
</tr>
</tbody>
</table>
93.75 million acres offered

5 and 5.7 acres blocks
Leasing

BACKGROUND

1861 - 1973

1900 - 2000

Track Nomination - VS - Area Wide Leasing
Leasing Today

• Why we are interested in this area:
  • A **premier hydrocarbons province** on global scale
    - 20 to 25% of US oil production (DW: 15%);
    - 23% of natural gas production;
    - 15% of total proved reserves
  • Second most important **source of revenue** for US government; offshore activities mean USD 6 billion per year to Louisiana’s economy alone

source: http://maritime-connector.com/wiki/q-max/
Annual DWW production expected to grow from 0.8 Tcf to 4.5 Tcf to satisfy 50% of incremental US gas demand over 10 years.
Data sources

Petrotrek + Petroview + IHS + Internal DB + .Gov + Industry Mag + BOEM + EIA Energy In
Description of the Data
(let the data speak to you)

Entire Lease sales bidding activity since 1996 Including last 20 years for a total of 15,337 high/wining bids

Currently lease 4,795 date back to 1936

Highest bid: USD 157,111,000 Almost all the bids are in the range of zero to 16 million
Methodology

Initial Data Assessment

Multi-sources

Sufficient data Adequate values

Join data with geometry

Data cleaning

Format and enable time

Currently lease & Entire Lease sale records review
Bidding Behavior (20) years
Bidding Behavior (20) years
Currently leased Blocks throughout time (since 1936)
Currently leased Blocks throughout time (cumulative)
Methodology

Multi-sources

Data cleaning

Join data with geometry

Features to Events

Aggregation

Time

Bids on events

hot spots
Spatial Trends
From blocks → to events

Entire Lease Sale since 1996 (Historic)
Spatial Trends
From blocks to events

Entire Lease Sale since 1996
Spatial Trends

Multi-sources → Data cleaning

Blocks → from events → to density surface

features to events

Aggregation → Density surface

Bids on events

hot spots
Hot Spots (Events)

Classified

Cold and Hot Spots (location):
- Cold Spot - 96%
- 95%
- 90%
- Not Significant
- 90%
- 95%
- Hot Spot - 99%
Hot Spots (Bids)
Political and Geo-limits Influence on the Results
Spatial Trends

blocks ➔ from events ➔ to density surface

Multi-sources ➔ Data cleaning ➔ Join data with geometry ➔ Features to Events ➔ Aggregation ➔ Bids on events ➔ hot spots ➔ density surface
Spatial Distribution (Events)

density surface
Interpolation (Events) in to a Density Surface
Spatial Trends

Multi-sources → Data cleaning → Join data with geometry → Features to events → Aggregation → Density surface → Bids on events → Blocks from events to density surface

Features to Events

Aggregation

Density surface

Blocks

Bids on events

Time
Sources


• Handbook of applied spatial analysis software tools, methods and applications. By: Fischer, Manfred M. Springer 2009.


• Lambert A. Wilmer (1858), The life, travels and adventures of Ferdinand De Soto (The life, travels and adventures of Ferdinand de Soto ed.), Philadelphia: J.T. Lloyd


Thank you