
Appendix D

Responses From Two Petroleum Companies Which Illustrates
Stated Reasons For And Against Participating In The
Ocean Margin Drilling Program

Gulf Oil Exploration and Production Company

March 17, 1980

Joseph O. Carter
SENIOR VICE PRESIDENT
EXPLORATION & TECHNOLOGY

P. O. Box 2100
Houston, TX 77001

Mr. Peter A. Johnson
Project Director
Congress of the United States
Office of Technology Assessment
Washington, D.C. 20510

Dear Mr. Johnson:

Receipt of your letter of March 12, 1980, is acknowledged wherein you ask for our views concerning the program and aspects of the Margin Drilling Program proposed by the National Science Foundation.

You should know that Gulf elected not to participate in the Program after attending the several meetings with NSF officials. In our view, the scope of the Program is too thinly dispersed to add very much to the general knowledge of our country's resource base. We are certainly in agreement that the resource base needs to be determined. To date, the industry's investigation has been mainly limited to the continental shelves, whereas the continental slopes are virtually untested. The slopes can be evaluated with present drill riser technology. Development of riser technology to drill the abyssal deep within the next ten years is much too soon in our opinion. We do not foresee the industry being anywhere near ready to explore at such depths much less to have the technology to produce hydrocarbons from them in that time frame. Perhaps twenty or thirty years is more realistic on the evolutionary scale since economic feasibility plays a very large role in determining when these things are possible.

I think we would much rather have seen a program in two phases. Phase I would consist of a series of up to ten wells drilled on the continental slope of the North American continent using available technology with a simultaneous world-wide multi-phase seismic survey. Phase II would consist of a drilling program in those prospective areas defined by the seismic survey that would perhaps include some abyssal deep drilling.

Gulf

A DIVISION OF GULF OIL CORPORATION


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Mr. Peter A. Johnson
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This is not to say that Gulf's mind is closed to the concept nor to the possibility of ever joining such a project. It is simply that the costs cannot be equated with meaningful results at this time.

If you require further comment, please let me know. We would be happy to meet with you **or your staff at any time that is mutually agreeable.**

Very truly yours,

A handwritten signature in cursive script, appearing to read "J. O. Carter", followed by a horizontal line.

~_ J. O. CARTER

JOC : bf

April 3, 1980

Mr. Peter Johnson
Project Director
Office of Technology Assessment
Washington, D. C. 20510

RE: Ocean Margin Drilling
Program

Dear Mr. Johnson:

Your recent letter **in** regard **to** the Ocean Margin Drilling Program is **one** that we feel merits careful attention, justifying **a** written response.

Although you did **not** state the time available in which **to** complete your response **to** the HUD-Independent Agencies Subcommittee of the Senate Appropriations Committee, it is assumed that you wish **to move** forward **as** promptly **as** possible.

Sunmark Exploration Company, **a** Division of Sun Oil Company (Delaware), supports the program. We do have concerns regarding industry **level** of support (only eight companies have committed **in** principle **to** the program) and believe that greater participation by industry **will** be required to carry the project through. Foreign participation may be available, but **will** probably be limited.

Sunmark considers the program advantageous in that **it** combines scientific objectives with the development of **new** drilling technology. In such **a** complex program, we feel that the joint effort of **government and industry combining knowledge and expertise, while sharing expenses, will give greatest chance for safe and economical progress.** We do not expect the program to contribute directly to our knowledge of hydrocarbon resources, as we will not support on-structure drilling.

We do expect **to gain** knowledge concerning sediments **in the areas studied, and certainly will draw conclusions regarding specific areas of opportunity.**

If the program is carried out; however, this information **will** be available **to** anyone, **as results of the research will be published and released to the public shortly after acquisition.** Geological and geophysical research that must accompany the program

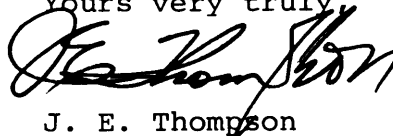
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Mr. Peter Johnson

will enable the best utilization of the advanced technology to be developed and support the acquisition of maximum information for the basic research.

The Glomar Challenger drilling program has provided a giant leap in man's knowledge of the earth, with a good understanding of plate tectonics. Practically, some areas of the earth have been identified as having oil and gas potential, and more particularly, the approximate age and thickness of prospective zones. The National Science Foundation has been an excellent management vehicle for The Deep Sea Drilling Program, and with the support of The Oceanographic institutions and the cooperation and support of Industry, should constitute the most effective operation possible for the Ocean Margin Drilling Program.

Yours very truly,

A handwritten signature in black ink, appearing to read "J. E. Thompson", written over the typed name.

J. E. Thompson

JET\wm