Appendix D

Responses From Two Petroleum Companies Which Illustrates

Stated Reasons For And Against Participating In The

Ocean Margin Drilling Program
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.
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,

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...
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,

[Signature]

J. E. Thompson

JET\wm