

## Introduction

Bills now before the 94th Congress contain various provisions for amending the Outer Continental Shelf Lands Act of 1953. These provisions address the question of appropriate management of U.S. offshore resources, especially those involving petroleum and natural gas deposits which may exist on the Outer Continental Shelf (OCS).

How OCS resources should best be measured and managed is a question that ultimately impinges on many associated issues. It contains important implications with respect to national energy policy, resource control and management for both optimum production and impact moderation, and equitable return to both industry and public from production of the resources.

Present lease practice links exploration with development and production by successful bidder. A specific question arising out of both National and State concerns about OCS management, and being addressed by the Congress, is whether the national interest would be better served by separating OCS exploration from development and production, and, if so, by what means this would be best accomplished. At the request of the Committee on Commerce and the Committee on Interior and Insular Affairs of the U.S. Senate, the Office of Technology Assessment has analyzed the feasibility of separating exploration from production of oil and gas on the OCS and analyzed the consequences likely to occur. This report contains the results of that analysis.

The work was begun on February 20, 1975 and was completed by OTA with the assistance of an ad hoc Task Force. Participation of Task Force members should not be taken as an acceptance by them of the premise implicit in the report that separation of exploration from production and development is a more likely or appropriate means of achieving the policy objectives discussed than other means which have been considered elsewhere. Moreover, while the draft report as a whole incorporates collectively the informed judgment brought to this effort, specific findings within it should not be construed as necessarily representing the views of any individual of the Task Force.

The Office of Technology Assessment is indebted to the members of this Task Force who came in to assist OTA in the preparation of this report. Task Force members included: Dr. Michael Devine of the University of Oklahoma; Dean B. Lewis of Natomas Company; John D. Moody, petroleum consultant; Jan Pedersen of the Offshore Company; Carl H. Savit of Western Geophysical Company; Dr. Robert D. Tollison of Texas A&M University; and Dr. Irvin L. (Jack) White of the University of Oklahoma. The OTA staff members were Thomas A. Cotton, Lionel S. Johns, Peter A. Johnson, Cynthia Mercing, Robert W. Niblock and Charles W. Wixom.

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