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## Thomas Ballentine: Promise of drilling is vastly overblown

*Thomas Ballentine*  
*My View*

The recent hype concerning offshore oil and gas drilling in Florida falls into the category of "Much ado about almost nothing."

First, the near-shore waters off Florida's western Panhandle contain not oil but deep natural gas, and not so very much of that. The U.S. Minerals Management Service estimates that, as of Dec. 31, 2005, the entire Eastern Planning Area of the Gulf of Mexico contained 454 billion cubic feet of proven natural gas reserves. If this natural gas were to be produced over a 10-year period, it would provide approximately 125 million cubic feet per day, but this would provide only 5 percent of Florida's daily natural gas consumption.

Whether this deep offshore gas will be economically recoverable when natural gas is currently being sold for a dirt-cheap \$3.50 per thousand cubic feet remains to be seen. It will take billions of dollars of investment and five to seven years before any of this gas ever reaches shore. What is sure in the meantime is that low natural gas prices have caused the number of U.S. drilling rigs exploring for natural gas to fall from 1,600 one year ago to less than 700 today.

Secondly, Florida's crude oil production glory days have already long passed. In 1978, the Panhandle's Jay field achieved a peak production of nearly 100,000 barrels per day. Today it produces approximately 4,000 barrels per day, just enough to keep half of Leon County running.

After the Jay field's discovery in 1969, the oil industry blanketed Florida and its offshore waters with seismic surveys searching for the geologic structures that might contain oil and gas; thus there is a considerable amount of existing information as to Florida's oil and gas potential.

With this seismic data and a good number of exploratory wells, and years before an offshore drilling embargo was imposed, the industry chose not to move aggressively to develop its offshore discoveries. After drilling the massive Destin Dome anticline south of Pensacola in 1977 and 1979 and finding it not slosh full of crude oil, the area's less than amazing hydrocarbons were placed on the back burner. After all, the following decade was one of cheap, prolific oil flowing from Alaska, the North Sea, and the Mexican super giant oil field, Cantarell.

Where's the offshore crude oil? Witness that Coastal Petroleum Co. owned drilling rights in state waters for almost 60 years, most of these before drilling embargoes, and never drilled a single producing well. Neither was Coastal able to sell these rights to another oil company. As for the U.S. Minerals Management Service, it estimates that the Eastern Planning Area of the Gulf contained only 1 million barrels of crude oil, or less than a one-hour's supply for the U.S.

Only the Federal waters off the panhandle west of Panama City are thought to contain producible quantities of hydrocarbons. Beneath the rest of the Florida platform east of the Panhandle and west of the peninsula all the way to the Keys is an extremely thick layer of highly porous carbonate rocks without petroleum source rocks beneath or seal rocks above — in other words, highly unlikely to contain producible quantities of oil or gas.

Our state alone consumes more than 730,000 barrels (42 gallons per barrel) per day of petroleum

products in the form of gasoline, diesel fuel and kerosene-based jet fuel. This, incidentally, is 1 percent of total global crude oil production. Sustainable? Not in a world with billions of up-and-coming third world entrepreneurs. So let's stop pipe dreaming about vast quantities of oil and gas off Florida and, instead, begin serious preparation for an inevitable paradigm change as the world's oil production begins its inexorable decline.

## Additional Facts

### ABOUT THE AUTHOR

- Tom Ballentine is a stormwater engineer with Leon County Department of Growth and Environmental Management. He has been a student of global energy supply and its geopolitics since 1975, when he completed a thesis, "The Net Energy from Northern Great Plains Surface Mined Coal." He worked at the Florida Energy Office during the lead-up to the Iranian embargo of 1979, leaving that employ because the office did not heed warnings that Florida would in short order encounter severe fuel shortages. Contact him at [tskkn@juno.com](mailto:tskkn@juno.com).
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