

Political and Economic Realities Hamper Efforts to Reopen U.S. Waters to Offshore Drilling

A post on the website of Haynes and Boone calls attention to the apparent failure to acknowledge how the economic realities of oil and gas leasing and operating in the Outer Continental Shelf (OCS) in increasingly deepwater environments at a time of low oil and gas prices impacts the Interior Department's stated goal of achieving "American Energy Dominance."

"Once a serious concern only to small and mid-sized operators, the existence of mounting decommissioning liabilities to new lessees and predecessors-in-interest has stunned the offshore industry where some companies are discovering that their decommissioning liabilities are greater than existing assets," according to **Robert (Bob) P. Thibault** and **Christopher J. Reagen**.

"This new reality in the OCS has created barriers to entry for all but the super-majors as new, small, and mid-sized independents face impossible-to-satisfy demands for many operators and leases," they write.

Read the article.