

# **HYDROCARBON EXPLORATION AND THE POLITICAL-ECONOMIC ENVIRONMENT**

A. H. MASSAD  
Vice President  
Mobil Oil Corporation

## **A B S T R A C T**

The exploration for hydrocarbons on the continental shelf of North America commands a very significant portion of industry's efforts. Exploration emphasis will continue to increase but requires a political-economic environment conducive to the high risks and high dollar investments. Nearly 580 million acres are under lease or permit to industry on the continental shelves of North America, of which some 566 million acres are under the jurisdiction of Federal or Provincial governments in Canada.

Cumulative production by the oil industry is approximately 2.8 billion barrels of oil and 10.8 trillion cubic feet of gas, and reserves have been developed exceeding five billion barrels of oil and 34 trillion cubic feet of gas, largely in the Gulf of Mexico. Future potential hydrocarbon estimates of the continental shelf of North America range from 137 to 340 billion barrels and 1140 to 1520 trillion cubic feet of gas. By way of comparison it is estimated the total cumulative production plus present reserves for all areas of North America total 144 billion barrels of oil and 724 trillion cubic feet of gas.

We as an industry have a major challenge facing us—to find more oil than has been found in the past. It is ironic, we are faced on the one hand with the task of finding increased reserves and on the other with defending the economic climate conducive to the search. The future of continental shelf exploration depends in large upon the development of an acceptable political-economic environment.