



## Alabama businesses could benefit if more of Gulf of Mexico opened to oil and gas drilling

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(AP Photo/Mary Altaffer)

In this file photo taken Aug. 19, 2008, the Chevron Genesis Oil Rig Platform is seen in the Gulf of Mexico near New Orleans, La. Reversing a ban on oil drilling off most U.S. shores, President Barack Obama on Wednesday, March 31, 2010, announced an expansive new policy that could put new oil and natural gas platforms in waters along the southern Atlantic coastline, the eastern Gulf of Mexico and part of Alaska.

Local business leaders are promoting Mobile as the logical supply base for exploration in the eastern Gulf of Mexico, including the area that President Barack Obama proposed opening Wednesday.

"We want to position ourselves to be the first in line," said Steve Russell with the **Mobile Area Chamber of Commerce**.

The **area included in Obama's sweeping plan** begins 125 miles south of the Florida Panhandle, and runs eastward in a lopsided triangle.

Further exploration in the Gulf is not a done deal. **The Minerals Management Service**, an Interior Department agency, will prepare two rounds of environmental studies. If the proposal makes it through both of those, lease sales could begin in 2012, said Eileen Angelico, a spokeswoman for the service's New Orleans office.

The service estimates as many as 3 billion barrels of oil and 12 trillion cubic feet of natural gas in the area that's proposed to be opened. The Interior Department said that's almost two-thirds of all the oil and gas in the eastern Gulf.

Right now, drilling activity is farther west, and mostly supplied out of **Port Fourchon, La.**, the biggest oil support center on the Gulf. The chamber, through an initiative called **Offshore Alabama**, is trying to persuade firms to use Mobile as a base, especially when drilling new wells to the east.

A chamber survey last year found that the oil and gas industry already supports more than 1,000 jobs in Alabama, with an average salary of about \$57,000.

Offshore Alabama members visit trade shows to promote Mobile, and Russell said the chamber is making a list of companies that it would like to attract to the area.

Recruiting efforts will be focused on bringing in goods and services not now available locally. Local industry officials have said filling such holes would make Mobile a more attractive location.

More drilling could also benefit a range of local businesses, even if oil companies don't base operations here. For example, firms such as **Horizon Shipbuilding Inc.** in Bayou La Batre and **C&G Boat Works** in Mobile have histories of building oilfield support vessels. **Aker Solutions ASA** and **Technip USA Inc.** in Theodore both put together piping assemblies for deep-sea rigs.

Mobile's **Atlantic Marine**, which repairs oil rigs, is also hoping for more work, said Herschel Vinyard, vice president of government affairs.

"Mobile is uniquely positioned to take advantage of offshore energy development in the eastern Gulf of Mexico," he said.

Wednesday's proposal would not open up the Destin Dome, an area about 25 miles south of the Florida Panhandle coast. Efforts about a decade ago to drill there were intensely opposed by environmentalists and tourism officials. There have also been concerns that oil and gas rigs could hamper training by military planes.

Some companies still hold leases there, but are barred from drilling. Randall Luthi, president of the **National Ocean Industries Association**, a trade group for offshore energy production, highlighted the failure to open the Destin Dome.

"It doesn't even allow further discussion of areas where temporary structures could be used much closer to shore than the 125-mile proposal and still not be visible from the coastline," Luthi said.

The formation is believed to hold between 1.33 trillion and 2 trillion cubic feet of natural gas. Because it's in shallower water, it would be cheaper for oil companies to retrieve that gas than in the area proposed Wednesday. □

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