



Hello,  | [Log In](#) | [Register](#)

 

[Home](#) [Oil & Gas](#) [Power](#) [Research](#) [Events](#) [Finance](#) [Products](#) [Energy Issues & Solutions](#) [Books](#) [Jobs](#) [Equipment](#) [Energy Efficiency](#) [Weather](#)

Welcome to PennEnergy, your destination for the latest information on the Energy Industry.

[XML](#) [RSS](#)

0

[Subscribe to PennEnergy Updates](#)

[Subscribe to the PennEnergy Power Update Today!](#)

PennEnergy's daily power e-newsletter provides the most important news stories in the power generation, transmission and distribution, smart grid, and metering industries.

[Subscribe to the PennEnergy Petroleum Update Today!](#)

PennEnergy's daily petroleum e-newsletter is packed with the day's top oil and gas stories covering onshore and offshore exploration, development and production, refining, processing and petrochemicals, pipelines, and transportation markets; as well as company news, regulatory information, and commodity trends.



## Drill, Cuba, Drill

Investor's Business Daily  
September 23, 2011

Energy Policy: Deep-water drilling will resume in the Florida Strait when a giant, semi-submersible oil rig en route from Singapore arrives later this fall. The bad news is it will not be American.

While U.S. oil and energy prices "necessarily skyrocket," as President Obama once said they would under energy policies that have imposed a de facto ban on offshore drilling, a massive Chinese-built semi-submersible oil rig is on its way from Singapore to a drilling position off northwest Cuba perhaps as little as 50 miles from Key West, Fla.

The long-predicted move could come as early as November, as Spanish oil giant Repsol YPF leads an international consortium that will operate the rig known as Scarabeo 9. It wants to wait until the hurricane season ends before it begins drilling.

Six wells are planned to be drilled with this rig by the various international companies that own exploration rights off the north shore of the island.

Repsol drilled the only offshore well in Cuba in 2004 and said at the time it had found hydrocarbons. It plans to drill at depths of more than 5,500 feet, deeper than the blown-out Deepwater Horizon well that spewed 5 million barrels of crude into the Gulf of Mexico two summers ago.

Normally, what are called "economic zones" extend 200 miles off a country's coastline. In some cases, there are conflicts based on resources and geography. In 1977, President Carter signed a treaty with communist Cuba that essentially split the difference and created for Cuba an "exclusive economic zone" extending from the western tip of Cuba northward virtually to Key West. Cuba then divided its side of the Florida Strait into 59 parcels and put them up for lease.

The U.S. Geological Survey recently estimated the North Cuban Basin contains as much as 9 billion barrels of oil and 22 trillion cubic feet of natural gas. Other estimates range from 5 billion to 20 billion barrels of crude. Pools of oil and natural gas tend not to obey lines drawn on a map. It's certain that at least some of Cuba's wells will be tapping oil pools that straddle the boundary separating our zone from Cuba's, meaning Havana will be getting oil that should be ours.

Meanwhile, the administration persists in pouring money into bankrupt solar-panel manufacturers as it imposes a seven-year drilling moratorium in the Eastern Gulf of Mexico and off the Atlantic and Pacific coasts. The Arctic National Wildlife refuge is off-limits, as are the nearby Beaufort Sea and most of the Chukchi Sea. What Gulf drilling remains is slowed by a snails-pace permitting process.

Robert Bluey of the Heritage Foundation says that allowing access to oil and natural gas resources now off-limits would increase U.S. crude oil production by as much as 2 million barrels per day by 2030, offsetting more than one-fifth of our oil imports.

According to the American Petroleum Institute, federal lands also hold an estimated 116.4 billion barrels of recoverable oil, enough to produce gasoline for 65 million cars and fuel oil for 3.2 million households for 60 years.

The argument against Gulf drilling has been the potential for oil leaks and spoiled beaches. Where are the environmentalists to protest this deal? Fact is, more oil bubbles up naturally from the sea floor than has ever leaked from oil platforms in the Gulf. They are in fact prime spots for tourist fishing since they act as artificial reefs for sea life.

The oil and gas resources of the Gulf of Mexico and the Outer Continental Shelf could be fueling American cars and heating American homes, not those in Beijing, Madrid or Havana. If Cuba and others can drill off the coast of Florida, why can't we?

Copyright 2011 Investor's Business Daily, Inc. All Rights Reserved  
Investor's Business Daily

Wire News provided by



### Most Popular Articles

[Drilling accident in Oklahoma could 'burn for several days'](#)

Utica Shale supports major job growth in Ohio - study  
Burns & McDonnell wins EPC contract for 1300MW gas-fired power plant in Virginia  
Petrobras proves new oil province in the Sergipe-Alagoas Basin offshore Brazil  
BOEMRE tests Petrobras' oil spill subsea containment



---

**Energy Wire News**

---

**Green-energy jobs not an Ontario myth**

**Power plant escapes job cuts**

**E.ON AXES HUNDREDS OF STAFF; Coventry HQ bearing ...**

**SHUTDOWN COST OF OLDEST N-REACTOR IN KOREA CLOSE ...**

**U.S. solar company tied to Asian supplies**



[pennwell](#) | [publications](#) | [privacy policy](#) | [terms & conditions](#) | [contact us](#) | [about us](#) | [media kit](#) | [site map](#) | [view all pennwell sites](#) | [view all](#)

[pennwell events](#) | [advertise](#) | [rss](#) | [webmaster](#)

Copyright © 2010: PennWell Corporation