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Focus Exploration specializes in the reduction of risk through its integration of geophysical, geological and engineering data in the Gulf of Mexico.

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With the recession hitting the oil and gas industry particularly hard, most offshore exploration and processing companies are targeting lower-risk opportunities both on the shelf and in deep water. Because **Focus Exploration LLC** specializes in the reduction of risk through its integration of geophysical, geological and engineering data in the Gulf of Mexico (GOM) region, the company expects to be in the right place at the right time.

"The industry as a whole tends to go for the lower-risk prospects because in this economic environment, no one can afford to stub their toe," says CEO Donald Crider, who is also the company's head geologist. "Because we specialize in reducing risk, we don't expect a significant downturn in the marketability of our prospects."

Crider and President Michael Scherrer founded this GOM prospect-generation firm in 2003. Since then, clients have acquired leases on 115 properties in the gulf, which have led to 18 discoveries to date, with a success rate in excess of 80 percent.

Although the company is only six years old, its technical staff averages 30 years of offshore GOM experience in geology, geophysics, land and engineering.

Crider and Scherrer took time to speak with *Exploration + Processing* about the company's methodologies and their vision of the future.

Exploration + Processing: Have you considered taking Focus Exploration into operations?

Michael Scherrer: We choose not to be an operator so we can devote all of our time seeking the highest quality prospects available to our customers and reducing the risk on the prospects we generate.

Donald Crider: We have no immediate plans to go into operations since a majority of our clients are operators who need the services we provide as a generation company. For our customers that are not operators, we facilitate partnerships between them and those that are operators.

E+P: How does your methodology give Focus a competitive advantage?

DC: We have the entire GOM out to 10,000 feet water depth densely covered in multiple high-quality 2-D seismic data. We scan our 2-D seismic for economic opportunities that we want to pursue further with 3-D. We do this because if the prospect is not visible on 2-D data, it likely wouldn't prove to be an economic project if we were to pull down the 3-D data and map it in detail. This methodology not only allows us to cut a lot of brush efficiently, but also allows us to identify the best opportunities available for farm out, acquisition and lease sales.

In this first pass of high-grading prospects we look for those with identifiable risk, which we feel we can address and reduce in the most efficient manner. At that point we'll pull down adequate 3-D coverage not only over the prospect but also enough to cover production analogs. We're looking at the quality and the size of the prospect for its risk and 'sellability,' knowing that our clients want not only economically viable but geologically reasonable projects as well.

E+P: What new technology are you utilizing that separates you from your competition?

DC: We are involved with one of the newest and most promising risk-reducing tools worldwide, called electromagnetic (EM) technology or seabed logging. It is a direct indicator of resistors at depth. In the GOM, resistivity can indicate salt, hydrocarbons or tight rock. Our experience with 3-D seismic and tying it with geologic control generally allows us to identify whether an anomaly is likely to be salt, tight rock or hydrocarbons. What industry can't often determine is if the hydrocarbons are in producible quantities or merely "fizz water" which the EM technology does appear to help differentiate. We have been using it (for) two years and have acquired data over nine deepwater prospects and are encouraged by the results. We are currently investigating the viability of EM technology covering Focus prospects in the shallower waters in the GOM. Focus is in the forefront of utilizing EM in the GOM as the only other companies currently utilizing this technology here are ExxonMobil and Shell.

E+P: What is your vision of the future for Focus Exploration?

MS: We feel like the economy is turning around and that a lot of the investment dollars that have been "on the sideline" are ready to come back into the industry. Now is the perfect time to acquire leases as drilling and facilities prices are down from earlier highs, and most projections are pointing to higher energy prices for the foreseeable future.

DC: Because of the positive outlook we have, we have not slowed down in our conviction to generate multiple, high-quality, risk-reduced oil and gas prospects gulf-wide. The GOM is still one of the most stable political environments to do business worldwide.