

Oil and Gas News Briefs

Compiled by Larry Persily

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Oil surges toward \$80 a barrel as trading opens

(Bloomberg; March 2) - Oil surged the most in four years as tanker traffic all but halted through the Strait of Hormuz and a Saudi Arabia refinery shut down, with an escalating conflict in the Mideast threatening supplies in one of the world's key producing regions. Brent futures were trading about 8% higher to \$79 a barrel after topping \$80 earlier in the morning, while diesel futures — the engine of the global economy — jumped more than 20% at one point. Bahrain said a ship was on fire in one of its ports. Naval forces in the region described the threat as “critical.”

How quickly tanker traffic can normalize in Hormuz is critical to energy markets because the waterway handles a fifth of the world's oil and a similar portion of liquefied natural gas. JPMorgan Chase estimates that a halt lasting 25 days would fill producer nations' storage tanks, forcing them to cut production. Insurance markets are already scrambling to work out how to price the risk of transiting the strait. In one of the first big impacts on physical assets, Saudi Aramco halted operations at its Ras Tanura refinery after a drone strike in the area, according to sources, adding to a spike in fuel prices.

The publisher of the Middle East's main oil benchmark said it won't accept bids and offers for some grades inside Hormuz, underscoring how the conflict is upending the pricing of grades that are key to some of the world's biggest oil benchmarks. The war marks a dangerous new phase for the Mideast and global oil market. “The longer the war and the blockade persist, the greater the risk that more and more fear will creep into the market,” said Arne Lohmann Rasmussen, chief analyst at Global Risk Management.

Duration and damage from Mideast fighting will determine impact

(Reuters commentary; Feb. 28) - Global energy markets face one of their gravest shocks in decades as joint U.S. and Israeli strikes on Iran and Tehran's retaliatory missile attacks across the Gulf disrupt oil exports from the world's most important producing region. The scale of the disruption will likely be determined by the duration of the conflict, but for now the threat and the uncertainty are already enough to severely impact flows from the region that accounts for 20% of global oil supplies.

Barring a swift resolution, oil prices will likely see steep hikes when trading opens on March 2. Benchmark Brent oil prices rose in recent weeks to around \$70 a barrel, their highest since August 2025 as investors braced for military confrontation in the Mideast.

The risk that tankers could be stranded inside the Gulf or that ships could be targeted is enough to force producers, traders and shippers to rethink oil and LNG cargoes.

That caution is unlikely to ease until there is far greater confidence in the safety of the region's sea lanes. Tanker freight rates, which had already been climbing as tensions escalated, are set to rise further. Benchmark rates for very large crude carriers from the Middle East to China have more than tripled since the start of the year, reflecting both heightened risk and the shrinking pool of willing vessels. The key questions now are whether energy infrastructure will be directly targeted and how quickly the U.S. military can secure shipping routes across the Gulf and the Strait of Hormuz.

Escalation, disruption of tanker traffic could drive prices past \$90

(Associated Press; Feb. 28) - Oil markets closed for the weekend are set to see price swings as the impact from the U.S. and Israeli strikes on oil supplies from the Middle East remains unclear. Scenarios before the latest conflict with Iran foresaw a quick price spike that fades if the attacks didn't affect oil shipping and infrastructure such as Iranian pipelines and its Kharg Island shipping terminal. However, there would be a bigger price spike and longer-lasting impact if oil infrastructure or supplies were interrupted, for instance because of disruption of tanker traffic through the Strait of Hormuz.

Oil prices have already risen on war fears. International benchmark Brent crude closed at a seven-month high of \$72.87 on Feb. 27. Iran exports some 1.6 million barrels of oil a day, most of it going to China, where privately owned refineries are less concerned about U.S. sanctions against Iranian oil. If that supply is disrupted, Chinese customers would look elsewhere for oil on the global market, potentially driving up prices.

Another question is around the Strait of Hormuz: Saudi Arabia, Iraq and the United Arab Emirates send most of their exports through the strait. However, analysts say Iran has no incentive to try to close the strait because it would cut off its own exports and hurt its only big customer, China. Limited strikes on Iran that avoid all-out war could see prices jump \$5 to \$10 based on fear alone, according to Rystad Energy in a prewar scenario. A wider war involving Iranian disruption of tanker traffic could see crude push past \$90, according to a prewar scenario from the Center for Strategic and International Studies.

Higher oil prices could have 'material affect on global inflation'

(Wall Street Journal; Feb. 28) - U.S. and Israeli strikes against the Iranian regime and military threaten to upend the global oil market and send shock waves through the world economy. The government of Qatar, one of the world's biggest exporters of liquefied natural gas, urged shipowners to suspend maritime activities. The U.S. Navy advised

tanker companies to avoid nearby waters because it couldn't guarantee their safety, according to an alert from an industry body.

"Implications of this war could be wide because oil is a feedstock for so much of the global economy," said Edward Fishman, director of the Center for Geoeconomic Studies at the Council on Foreign Relations. "You could see knock-on effects for monetary policy and inflation." Oil traders and brokers scrambled to assess the extent of the disruption, including whether traffic could still pass through the Strait of Hormuz, a vital thoroughfare for energy supplies.

An attempt to shut the strait for a prolonged period, one possible act of retaliation by Iran, would be the doomsday scenario for oil markets. Almost a fifth of the petroleum consumed around the world each day flows through the deep channel between Iran and Oman, much of it from Saudi Arabia and other Gulf Arab producers. "A limited set of strikes could plausibly send oil toward \$80 per barrel, while a longer conflict that causes disruptions to supply could send prices much higher — with a material effect on global inflation," analysts at Capital Economics wrote in a note to clients.

Oil prices start climbing over the weekend; \$100 spike possible

(Reuters; March 1) - Brent crude jumped 10% to about \$80 a barrel over the counter on March 1, oil traders said, while analysts predicted that prices could climb as high as \$100 after U.S. and Israeli strikes on Iran plunged the Mideast into a new war. "While the military attacks are themselves supportive for oil prices, the key factor is the closing of the Strait of Hormuz," said Ajay Parmar, director of energy and refining at ICIS.

Most tanker owners, oil majors and trading houses have suspended crude oil, fuel and liquefied natural gas shipments via the Strait of Hormuz, trade sources said, after Tehran warned ships against moving through the waterway. More than 20% of global oil is moved through the strait. "We expect prices to open (after the weekend) much closer to \$100 a barrel and perhaps exceed that level if we see a prolonged outage of the Strait," Parmar said.

Middle East leaders have warned Washington that a war on Iran could lead to oil prices jumping to more than \$100 a barrel, said RBC analyst Helima Croft. Barclays analysts also said prices could hit \$100. While some alternate pipelines could be used to bypass the Strait of Hormuz, the net impact from its closure would be a loss of 8 million to 10 million barrels per day of supply even after diverting some flows through Saudi Arabia's East-West pipeline and Abu Dhabi pipeline, said Rystad energy economist Jorge Leon. Rystad expects prices to rise by \$20 to about \$92 a barrel when trade opens.

Tankers start piling up in waters outside Strait of Hormuz

(Reuters; March 1) – At least 150 tankers, including crude and LNG vessels, dropped anchor in open Gulf waters beyond the Strait of Hormuz and dozens more were stationary on the other side of the chokepoint, shipping data showed on March 1, after U.S. and Israeli strikes on Iran plunged the region into turmoil. The tankers were clustered in open waters off the coasts of major Gulf oil producers, including Iraq and Saudi Arabia, as well as liquefied natural gas giant Qatar, according to Reuters estimates based on ship-tracking data from the MarineTraffic platform.

Many of the vessels were stationary within exclusive economic zones (EEZ) of the key Gulf countries, including Kuwait and the United Arab Emirates, according to MarineTraffic data. An EEZ extends up to 24 miles and beyond local territorial limits of 12 nautical miles. Dozens of cargo ships were separately clustered across various EEZs, the data showed. In addition, at least another 100 tankers were anchored outside of the strait, along the UAE and Omani coasts and anchorage points, as well as dozens of cargo ships, according to the data.

Several tanker owners, oil majors and trading houses suspended crude oil, fuel and LNG shipments via the Strait of Hormuz after the attacks and Tehran said it had closed navigation, trading sources said on Feb. 28.

OPEC+ agrees to moderate increase in oil output

(Reuters; March 1) - OPEC+ on March 1 agreed to a modest oil output boost of 206,000 barrels per day just as the U.S.-Israeli war on Iran and Tehran's retaliation disrupted oil flows from key members of the producer group. OPEC+ has a history of raising oil output to cushion disruptions but analysts said the group currently has little spare capacity to add to supply, except for its leader Saudi Arabia and the United Arab Emirates, which will struggle to export oil until transit in the Gulf returns to normal.

Riyadh has been increasing oil production and exports in recent weeks in preparation for U.S. strikes on OPEC+ member Iran, sources have told Reuters. OPEC+ will raise production by 206,000 barrels per day from April, it said in a statement. It had debated options ranging from 137,000 to 548,000 barrels per day, according to five sources who declined to be named because they are not authorized to speak to the press. The agreed increase represents less than 0.2% of global supply.

“This move is unlikely to calm markets — it’s a signal, not a solution,” Jorge Leon, head of geopolitical analysis at consultant Rystad Energy who formerly worked at the OPEC secretariat, was quoted in Bloomberg reports.

Strait of Hormuz disruption affects 20% of global LNG supply

(Bloomberg; March 1) - A widening Middle East conflict looks set to create the most significant disruption for natural gas markets since Russia's invasion of Ukraine upended global trade four years ago. Iran's neighbors, like Qatar, are some of the world's most important gas producers, and the region is also a vital supply route, with 20% of liquefied natural gas exports traveling through the Strait of Hormuz, a crucial chokepoint for global energy.

LNG trade through the narrow waterway is now all but halted, according to ship-tracking data. Asian buyers — which take roughly a quarter of their LNG from Qatar, the world's second-largest exporter — have been calling suppliers to check if alternative cargoes are available, according to traders. Egypt, meanwhile, is trying to bring forward LNG shipments, after supplier Israel shuttered some gas fields that sent supply to Egypt.

Asia is particularly vulnerable to ripple effects from the Middle East's worsening crisis. More than four-fifths of Qatar's LNG was delivered to Asian buyers last year, with China the biggest purchaser, taking almost a third of its imports from the country. India is the second-largest importer. Shipments to Asia — and the Europe — must pass through the Strait of Hormuz. So far, at least 11 LNG tankers going to or from Qatar have paused voyages to avoid the waterway, according to ship-tracking data.

Saudi Aramco bets \$100 billion on field with 227 tcf of gas

(Reuters; Feb. 27) - The shale revolution that made the U.S. the world's top oil producer is taking shape in the Arabian desert. Deep in the sands southeast of Saudi Arabia's giant Ghawar oil field, state oil company Aramco is pushing ahead with a natural gas megaproject that could boost the kingdom's revenues by billions of dollars in the coming years. It has brought in U.S. and Chinese firms to deploy advanced machinery — including “walking rigs,” towering structures capable of moving short distances without dismantling and reassembling — to speed up drilling at the Jafurah Basin.

While the kingdom has scaled back its futuristic giga-projects and reversed plans to lift oil capacity, Aramco — the world's biggest oil exporter — has raised its gas production targets with this \$100 billion bet at the center, as it seeks to become a major global gas player. Jafurah, estimated to contain 229 trillion cubic feet of raw gas and 75 billion barrels of condensate, is potentially the biggest shale gas development outside the U.S.

For decades, Saudi Arabia has burned a portion of its most valuable asset — oil — to power its electrical grid. Now, the pressure is on to replace those exportable liquid fuels with gas. "Jafurah is not just a large gas field: it is a strategic platform that supports the kingdom's broader growth ambitions across key sectors, including energy, artificial intelligence, and major industries like petrochemicals," Aramco said in a statement.

Aramco is targeting 2 billion cubic feet per day of gas from Jafurah, 420 million cubic feet of ethane, and 630,000 barrels per day of associated liquids by 2030. At its peak, Jafurah could produce up to 1 million barrels per day of condensates, a source with knowledge of the matter told Reuters. Condensates are non-gas liquids that can be processed to produce petrochemical feedstock naphtha and other refined products.

Shell in talks to sell stake in Australia LNG to Abu Dhabi unit

(Bloomberg; Feb. 26) - Shell is in talks with companies including a unit of Abu Dhabi National Oil Co. over selling a minority stake in its A\$34 billion (US\$24 billion) North West Shelf gas export plant in Western Australia, according to people with knowledge of the matter. The sale discussions with ADNOC's XRG investment arm and suitors including Midocean Energy, which counts Saudi Aramco as an investor, are at initial stages, said the people, who have direct knowledge of the negotiations.

Other potential buyers are also circling, including a consortium of Japanese companies that includes Tokyo Gas, the people said, asking not to be named. Shell has been doubling down on LNG, but Bloomberg reported in September that it would explore a sale of its 16.67% stake in North West Shelf due to a planned transition into a third-party tolling facility, where buyers pay a fee to liquefy the gas. Shell sold its share in the Browse gas development in 2023, which would feed gas into North West Shelf.

XRG declined to comment on market speculation. The company has been on the hunt for a way to enter the fast-growing Asian LNG market, but last year abandoned plans to buy Australian exporter Santos. Midocean and Tokyo Gas also declined to comment. Woodside Energy operates North West Shelf, Australia's oldest and largest liquefaction plant. Other partners include BP, CNOOC and a venture between Mitsui and Mitsubishi.

Louisiana LNG terminal operator signs up Korean customer

(Reuters; Feb. 26) – Louisiana LNG export terminal operator Venture Global said on Feb. 26 that it had signed a 20-year sales and purchase agreement with Korea's Hanwha Aerospace to supply 1.5 million tonnes per year of liquefied natural gas starting in 2030. The agreement brings Venture Global's total long-term contracted portfolio to more than 46 million tonnes per year, the company said in a press release.

In late November, Venture Global signed a separate 20-year agreement to supply Japan's top city gas provider, Tokyo Gas, with 1 million tonnes per year of LNG beginning in 2030. Venture Global is the second-largest LNG exporter in the U.S. The company operates two export terminals in Louisiana, with a third under construction.

Calcasieu Pass, which reached full commercial operations in April 2025, has a production capacity of 10 million tonnes per year. Plaquemines LNG started production in late 2024 and is designed for 20 million tonnes per year when it reaches full production. CP2 LNG, near the original Calcasieu Pass site, is under construction with a planned capacity of 20 million tonnes per year.

East Coast Canada import terminal receives cargo of Australian LNG

(CTV News; Canada; Feb. 26) - The latest shipment of liquefied natural gas to the Saint John LNG import terminal in New Brunswick, Canada, traveled 15,000 miles from Australia, in what is believed to be the first shipment of the resource from the country to Canada's East Coast. The Maran Gas Hector, an LNG tanker that flies under the Greek flag, left Australia on Jan. 23 and arrived in Saint John Harbor Feb. 26.

The Saint John LNG import terminal is owned by Spanish oil and gas company Repsol, which confirmed it was getting set to unload a cargo of LNG from Australia, but did not provide any further comment. According to Port Saint John logs, three LNG shipments have arrived at the terminal in the past month. The terminal tends to receive most of its gas during the peak winter months to keep up with the increased demand. Past cargoes have come from countries such as the U.S. and Qatar. Weak demand and lower prices in Australia's primary market, Asia, drove the cargo's owner to seek a higher price.

The LNG offloaded from tankers at Saint John is pumped into storage tanks on site. From there, the resource is restored to its original gaseous form and then fed through the Brunswick Pipeline to markets in the province and the U.S. The facility can supply 20% of the gas needs in the U.S. northeast and heat up to five million homes daily.

BP wants to boost oil production from shale

(Bloomberg; Feb. 26) - BP is aggressively expanding shale drilling, bucking the conservative approach of many rivals, as the U.K. oil giant seeks to reverse years of anemic output. The company's BPX Energy unit plans to increase production from shale fields by 8% this year, BPX Chief Executive Officer Kyle Koontz said during an interview in Houston. Shale output equivalent to 500,000 barrels a day would make up roughly 20% of the parent company's current worldwide production.

By the end of the decade, Koontz's goal is to raise that to 650,000 a day. The plan is part of BP's grander ambitions of reversing a plunge in production, profits and shareholder value from an ill-starred 2020 pivot to renewables and low-carbon alternatives. The contrarian move also comes as marquee shale outfits such as Diamondback Energy and EOG Resources rein in production growth, taking a wait-and-see approach amid widespread warnings of an impending worldwide crude glut.

Koontz, a University of Oklahoma-trained petroleum engineer who cut his teeth at shale pioneer Tom Ward's SandRidge Energy, aims to squeeze more crude from U.S. shale fields while lowering operating costs, a move that will free up more cash for the parent company's international pursuits. "We're also going to spend \$800 million in less capital" on the way to the 2030 target, Koontz said. "The reason that's exciting for BP is that allows them to sanction other growth projects; they can redeploy that capital."

Declining domestic production adds to Germany's gas woes

(The New York Times; Feb. 27) - When technicians opened the valve on a deep and powerful new gas well on a recent snowy February day in Germany, it was a cause for celebration. The well, in Georgsdorf, a village near the border with the Netherlands, completed the 230 million euro (US\$270 million) Adorf gas field, a critical source of energy that will supply an estimated 300,000 households. "Our job is to produce oil and gas, and this helps," said Thomas Jürriens, an operations manager for Neptune Energy, one of Germany's largest oil and gas producers and the developer of the site.

Germany is hungry for gas, which remains vital for heating, electric power generation and industry. Domestic production like Neptune's, though, can supply only a small fraction of these needs. The country's domestic oil and gas output is fading. Since 2000, gas production in Germany has fallen about 80% and now makes up only about 5% of demand. Germany is among the countries in Europe most eager to phase out emissions-causing fossil fuels, but the petroleum industry has long been prominent in western Lower Saxony, the region that is home to the Adorf field.

Germany lost its main source of the fuel after Russia invaded Ukraine in 2022. Since then, Berlin has scrambled to replace those flows with natural gas piped in from Norway and liquefied natural gas, much of it from the U.S. The new era, though, has brought higher costs. Natural gas prices in Europe are trading almost 70% higher than before the pandemic, squeezing consumers and energy-intensive manufacturers, like steel mills and chemical plants, which are "really suffering," said Tom Marzec-Manser, a gas analyst at Wood Mackenzie, a consulting firm.

Venezuela suspends oil production contracts, pending U.S. review

(Reuters; Feb. 26) - Venezuela's oil ministry has suspended 19 oil production-sharing contracts with private companies signed under the administration of President Nicolas Maduro, four sources with knowledge of the move told Reuters on Feb. 26. The suspension has had no impact on the country's oil and gas output so far, the sources said. State oil giant PDVSA is selling the crude produced under the contracts while they are suspended, they added.

Caracas and Washington will review the contracts and may recommend revoking some of them, the sources said. The Venezuelan and U.S. governments are reviewing the credentials of the companies that signed them, the sources added. Some of the companies are little-known and the deals were signed while Venezuela was under U.S. sanctions. The contracts under review include projects that recently began producing oil in challenging areas such as Lake Maracaibo, big ventures that aim to expand output in the Orinoco Belt, Venezuela's main oil region, and small mature oil fields.

Maduro's administration had little success securing investment through the production-sharing contract model as large oil players rejected a return to Venezuela after expropriations or avoided doing business with it due to U.S. sanctions. The players that took on production-sharing contracts included Chinese, U.S., South American and Venezuelan firms, as well as some companies registered in tax-haven countries.

Oil and gas industry wants Trump to stop attacking offshore wind

(Wall Street Journal; Feb. 26) - Big Oil has an unusual ask for President Donald Trump: Please stop your battle against offshore wind. Oil lobbyists have made the case to Trump officials in recent weeks that his attacks on wind farms off the U.S. coast risk derailing congressional efforts to speed up permits for all energy projects, according to people familiar with the matter. The oil and gas industry fears missing out on a huge opportunity to ship more of its products to markets via new pipelines that need permits.

Since coming into office, Trump has repeatedly targeted wind farms he has described as ugly, expensive and destructive for wildlife. His Interior Department suspended all offshore wind projects in the works from Massachusetts to Virginia, prompting energy companies to sue the government. But even as judges have sided with developers against the administration and allowed projects to move forward, Trump has persisted. "My goal is to not let any windmill be built," Trump said last month at a meeting with oil executives. "They are the worst form of energy, the most expensive form of energy."

Trump's actions have plunged the wind industry into turmoil. Now, they risk backfiring against his oil allies and putting their own projects on shaky ground. The oil and gas industry has for months told the administration that its moves to expedite fossil fuel projects should be enshrined in law — lest a Democratic president reverse them in the future. But Trump's blitz against wind is throwing a monkey wrench into a legislative push to do just that. Senate Democrats have said they would refuse to negotiate a bipartisan law to reform energy permits as long as Trump keeps stalling wind farms.

Trump administration OKs tax credits for LNG exporter's tankers

(Washington Post; Feb. 27) - The Trump administration has handed a \$370 million windfall to one of the world's largest exporters of natural gas by allowing the company to claim an "alternative fuels" tax incentive for operating some of the planet's most heavily polluting ships. Financial disclosures made Feb. 26 by liquefied natural gas exporter Cheniere reveal that the IRS green-lit the payment earlier this year, ruling that the company's LNG-fueled tankers which operate worldwide qualified for the incentive.

The IRS decision was met with criticism from environmentalists and bewilderment from tax experts, who said the alternative-fuels incentive was never meant to be used on the ships. Most U.S. tankers hauling LNG use the "boil-off" from the superchilled fuel they are carrying to run their engines, as Cheniere's vessels do. "This is very questionable," Zorka Milin, the policy director at the nonprofit Financial Accountability and Corporate Transparency Coalition, said of the IRS ruling. The methane emissions from tankers burning LNG, according to scientists, are a significant driver of climate change.

Cheniere received the credit for 2018 to 2024, according to company disclosures, suggesting other LNG shippers could also receive the same credits retroactively. The 50-cents-per-gallon incentive expired at the end of 2024. Cheniere invoked a George W. Bush-era tax break created to promote more energy efficient and environmentally friendly vehicles and boats. The alternative-fuel tax credit was used to boost biodiesel and ethanol as a fuel for autos. The tax code also specifies that it can apply to natural gas-powered "motorboats," which federal regulations define as shorter than 65 feet.

Hawaiian coalition calls for using LNG as bridge fuel to renewables

(Hawaii Business Magazine; Feb. 25) - More than 50 of Hawai'i's leading organizations have called for immediate action to lower energy costs by replacing petroleum with liquefied natural gas. The Coalition for Hawai'i's Energy Future brings together Native Hawaiian leaders, healthcare providers, agricultural groups, tourism representatives, construction and retail associations and nonprofits. The coalition represents thousands of workers and families, united in a shared goal of lowering electricity costs and strengthening grid reliability, with liquefied natural gas positioned as a transitional fuel.

Environmental groups including The Sierra Club of Hawai'i and 350Hawaii and others have expressed sharp opposition to the idea. Paul Yonamine, special adviser to Gov. Josh Green on energy matters, frames the debate in personal terms. "I would love to have all three of my kids back in Hawai'i, but it's just that it's so expensive," he said, pointing to the broader cost-of-living pressures facing families. Hawai'i consistently ranks among the most expensive states in the nation for electricity.

According to federal data, the state has the highest average residential electricity price in the U.S., roughly 39.9 cents per kilowatt hour. That's more than double the national

average. The coalition proposes LNG as a bridge strategy. Compared to Hawai'i's reliance on imported petroleum, supporters argue LNG could reduce carbon dioxide-equivalent emissions by more than 30% over the next two decades. They stress that LNG is not intended to replace renewables. Instead, they describe LNG as a stabilizer, reducing emissions while solar, wind, geothermal and battery storage continue scaling.

Federal offshore drilling safety regulator warns of inadequate staffing

(POLITICO; Feb. 25) - The top federal safety regulator for offshore oil and gas drilling in Alaska publicly warned counterparts last fall at the Bureau of Safety and Environmental Enforcement's Alaska office that his office lacked adequate staffing to oversee existing operations in the state — let alone the massive expansion being pushed by the Trump administration, according to a document obtained by POLITICO.

Justin Miller, a longtime employee who oversees inspection and enforcement of regulations on oil rigs operating in federal waters off the Alaska coast, said the Trump administration's voluntary separation programs spearheaded by the Department of Government Efficiency, along with declining industry interest in drilling in Alaska, have resulted in the "loss of many decades worth of experience" that are not easily replaced.

The missive from Miller, which the Interior Department told POLITICO was not authorized, raises new questions about the administration's plans to hold potentially dozens of new oil sales in the federal waters off Alaska, the first of which is scheduled for March 4. The warning from Miller marked a rare example of interagency tension spilling into the open. It came in the form of a public comment submitted in November to the BSEE's sister agency, the Bureau of Ocean Energy Management (BOEM), in response to BOEM's draft five-year offshore leasing schedule issued last fall.