MMS News Releases

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**MMS Announces the Availability of the Final EIS on Floating Production, Storage, and Offloading Systems, and Completion of the Comparative Risk Analysis**

The Minerals Management Service (MMS) announces the availability of a final environmental impact statement (EIS) examining the possible effects of floating production, storage, and offloading (FPSO) systems proposed for use in the development of deepwater oil and gas resources in the Gulf of Mexico. At the same time, MMS released the Comparative Risk Analysis (CRA) on the possible use of FPSO's in the Gulf. The FPSO's take crude oil from deepwater wells and store it in their hull tanks until the crude can be pumped into shuttle tankers or oceangoing barges for transport to shore.

Use of the FPSO's has the potential to improve industry's capabilities of developing oil and gas reserves on the Gulf of Mexico Outer Continental Shelf (OCS) in waters so deep that they either challenge or exceed existing deepwater production techniques and transportation systems. Deepwater is defined in the EIS as water deeper than 200 meters or 656 feet.

The final document finds that potential site-specific impacts are essentially the same as with other deepwater development and production systems; that most of the risk of oil spills is associated with the shuttle tankers, not the FPSO itself, and that risk is comparable to the risks from other deepwater systems and from pipelines; and that excluding FPSO's would not reduce cumulative environmental impacts because other systems would be used in its place. The analysis did find that emissions associated with shuttle tankers, absent additional restrictions, could exceed air quality exceedances in the Breton Class 1 Area. The EIS is limited to the Central and Western Gulf of Mexico planning areas.

This EIS considered a generic FPSO system and operation, as well as a range of technical variations. The "base case" evaluated is a permanently moored, double-hulled, ship-shaped FPSO that can store up to 1 million barrels of crude oil. The seafloor well equipment and onboard production equipment are the same kind used with other deepwater production facilities. The crude is offloaded to shuttle tankers for transport to Louisiana and Texas ports or to the Louisiana Offshore Oil Port (LOOP). Associated or produced gas is piped ashore.

Several alternatives, including a No Action alternative, were also studied in this programmatic EIS that examines fundamental issues associated with industry's proposed use of FPSO's in the Western and Central Gulf of Mexico OCS planning areas. The approach is generic and not site specific. The EIS does not study or approve any specific project or site; specific-site proposals would have to undergo review by MMS and the Coast Guard, as well as the affected States for consistency with their Coastal Zone Management plans, and would require permits from the Environmental Protection Agency.

This new Final EIS, prepared in accordance with the National Environmental Policy Act, is released for review by appropriate state officials, the general public, industry, and various organizations. The 30-day Final EIS review period ends March 11, 2001. The federal government's decision on the potential use of FPSO's in the Central and Western Gulf of Mexico Planning areas will be documented in a Record of Decision following the close of the review period. The MMS will consider all comments in making a decision on permitting the use of FPSO's in the Gulf of Mexico.

The Comparative Risk Analysis associated with this proposal was initiated and funded by MMS to compare the relative risks of an FPSO to a fixed platform production hub, a spar, and a tension leg platform, and their associated oil and natural gas transportation systems. The production systems studied in the CRA are specific to the U.S. Gulf of Mexico. All of the production systems except the FPSO system are currently in use for deepwater development projects. The FPSO used in the CRA was the same as the base-case system studied in the EIS. The overall intent of all this work is to provide the basis for MMS to put the FPSO risks into the proper perspective, and to help MMS with decisionmaking regarding the potential use of FPSO's in the U.S. Gulf OCS. The public may view the CRA on the MMS website at http://www.gomr.mms.gov/homepg/offshore/fpso/fpso.html.

Copies of this final environmental impact statement in hard copy or on CD-ROM are available at no charge from the Minerals Management Service, Gulf of Mexico OCS Region, Public Information Office, 1201 Elmwood Park Blvd., New Orleans, LA 70123, telephone 504-736-2519. The Final EIS is also posted on the MMS website at http://www.gomr.mms.gov/homepg/offshore/fpso/fpso.html. Copies can be inspected at principal libraries along the Gulf Coast and in a number of inland cities.

The MMS, a bureau in the U.S. Department of the Interior, is the federal agency that manages the nation's natural gas, oil and other mineral resources on the outer continental shelf. The agency also collects, accounts for and disburses more than $5 billion per year in revenues from federal offshore mineral leases and from onshore mineral leases on federal and Indian lands.

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MMS's Website Address: **http://www.mms.gov**