Deepwater development activity in the Gulf of Mexico has been increasing over the last several years. As exploration expands beyond the limits of 1,000 feet, technology is changing to meet the challenges of developing fields in deep water. Developing these fields must be done safely, efficiently, and economically while protecting the marine environment. Deepwater development is achieved through the use of countless vendors, contractors and subcontractors.

This report describes the scale and technological complexities of deepwater projects. First, it analyzes data that are available on the construction and operations of five groundbreaking deepwater projects: Ursa, Baldpate, Pompano, Neptune Spar, and Morpeth. Data on the operating costs and personnel levels for Ursa and on the development of Morpeth are particularly informative. Second, the report addresses the onshore employment effects of the Morpeth project on the Houma area, showing that it accounted for a significant proportion of shipyard employment during its construction. Since complete data on any single project are lacking, this report develops a generalized chronology of field development from pre-lease acquisition through operations that details the technical and economic considerations and strategies that drive company decision-making. The authors end this discussion by highlighting differences between these and ones made for shallow water projects.

This report is available only in compact disc format. The discs are available from the Minerals Management Service, Gulf of Mexico OCS Region, at a charge of $15.00 by referencing OCS Study MMS 2004-041. The report may be ordered through the Minerals Management Service’s on-line ordering system at http://www.gomr.mms.gov/WebStore/front.asp. You will be able to obtain this report also from the National Technical Information Service in the near future. Here are the addresses. You may also inspect copies at selected Federal Depository Libraries.

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The Minerals Management Service is the federal agency in the U.S. Department of the Interior that manages the nation’s oil, natural gas, and other mineral resources on the Outer Continental Shelf in Federal offshore waters. The agency also collects, accounts for, and disburses mineral revenues from Federal and American Indian lands. MMS disbursed more than $8 billion in FY 2003 and more than $13.5 billion since the agency was created in 1982. Nearly $1 billion from those revenues go into the Land and Water Conservation Fund annually for the acquisition and development of state and Federal park and recreation lands.

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