Technical Announcement



U. S. Department of the Interior Minerals Management Service Gulf of Mexico OCS Region

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Assessment of Marginal Production in the Gulf of Mexico and Lost Production from Early Decommissioning

OCS Study MMS 2010-007

The Minerals Management Service (MMS), Gulf of Mexico OCS Region, announces the availability of a new study report, *Assessment of Marginal Production in the Gulf of Mexico and Lost Production from Early Decommissioning*.

The study reviews pre- and post-hurricane production, revenue, and drilling characteristics for the collection of destroyed structures that have been redeveloped following Hurricanes Ivan, Katrina, and Rita, and it compares those characteristics against structures that have not submitted redevelopment plans. Ultimately, the study achieved two objectives: (1) to quantify the oil and gas production that was lost from hurricane destruction in the Gulf of Mexico during 2004 and 2005, and (2) to investigate the role marginal production in the Gulf has contributed to historic production and is expected to contribute to future production.

Specifically, the study categorizes shallow-water committed assets according to their age of production and the nature of their production profile and forecasts production within each asset category. The forecast methodology is described and each asset category is illustrated with examples. A forecast of marginal production of producing structures in the shallow-water Gulf of Mexico is provided. The study estimates the number of shallow-water committed assets that are economic and marginal throughout a 60-year time horizon and computes the expected quantity and value of the production and revenue streams. A meta evaluation procedure is adopted to simplify the results of the analysis. Model results are presented, along with a description of the model framework.

This report is available only in compact disc format from the Minerals Management Service, Gulf of Mexico OCS Region, at a charge of \$15.00, by referencing OCS Study MMS 2010-007. The report may be downloaded from the MMS website through the <u>Environmental Studies</u> <u>Program Information System (ESPIS)</u>. 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.

Minerals Management Service

U.S. Department of Commerce

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