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MMS Recognizes Companies for Safety Excellence in the Gulf of Mexico

The Minerals Management Service has announced the winners of its 2004 District Safety Award for Excellence honors in the Gulf of Mexico. The <u>SAFE Program</u> recognizes and commends those operating companies that expend extra effort and conduct their operations in a safe manner, adhering to all regulatory requirements, employing trained and motivated personnel and taking extra steps to enhance the safety of operations.

In naming this year's winners, MMS Regional Director Chris Oynes, Gulf of Mexico OCS Region, said "The winners of the District SAFE Awards have set very high standards for safety by their technical accomplishments and commitment to protection of their workers while conducting offshore oil and natural gas operations on the federal OCS." The 2004 SAFE award winners for each MMS District are the following:

DISTRICT	HIGH ACTIVITY	MODERATE ACTIVITY	DRILLING	CONTRACTOR
New Orleans	ChevronTexaco Corporation	Callon Petroleum Operating Company	none	Baker Energy, Inc.
Houma	ChevronTexaco Corporation	none	Noble Drilling (U.S.) Inc.	C & D Production Specialist Company, Inc.
Lafayette	Nexen Petroleum U.S.A. Inc.	none	Noble Drilling (U.S.) Inc.	none
Lake Charles	Devon Energy Production Company, L.P.	Remington Oil and Gas Corporation	Rowan Companies, Inc.	Island Operating Company, Inc.
Lake Jackson	Devon Energy Production Company, L.P.	none	Diamond Offshore Drilling, Inc.	none

[&]quot;Sound safety procedures and practices are as important as maintaining environmental integrity," said Oynes. "These industry leaders are setting standards for others to match. Their overall performance demonstrates that we can produce offshore energy resources in a safe manner."

MMS and the companies that lease OCS lands are very proud of the safety record for offshore oil and natural gas exploration, development, production, and transmission operations. "Our OCS development record has been one of safe and environmentally clean operations. The MMS has regulations in place that, along with new technologies employed by industry and constant vigilance by the operators, have created a safe production record," said Oynes.

The Outer Continental Shelf (OCS) Lands Act as amended charges MMS with the responsibility of inspecting offshore oil and gas operations. Through the MMS Offshore Inspection Program, offshore activities of oil and gas operators are inspected on a continuing basis, and enforcement actions are taken when MMS regulatory requirements are not met. Increased emphasis by MMS on enforcement actions to promote proper operating procedures has led to improved compliance records by the oil and gas industry.

There has been a 33% decrease in the number of Incidents of Non-Compliance issued from 2003 to 2004.

The SAFE award program was established by MMS in 1983 to recognize and honor companies that make a concerted effort to train and motivate their employees to conduct offshore

operations in a safe manner. The agency recognizes both high OCS activity and moderate OCS activity categories for production. Moderate activities are generally from a non-integrated, non-affiliated company. Drilling and production contractors with exemplary OCS performance are also recognized. Winners are selected by each District office based on their safety performance and compliance with applicable regulations within the District during the rating period.

MMS, part of the U.S. Department of the Interior, oversees 1.76 billion acres of the Outer Continental Shelf, managing offshore energy and minerals while protecting the human, marine, and coastal environments through advanced science and technology research. The OCS provides 30 percent of oil and 23 percent of natural gas produced domestically, and sand used for coastal restoration. MMS collects, accounts for, and disburses mineral revenues from Federal and American Indian lands, with fiscal year 2004 disbursements of around \$8 billion and more than \$143 billion since 1982. The Land and Water Conservation Fund, which pays for acquisition of state and federal park and recreation land, gets nearly \$1 billion a year.

Relevant Web Sites:

MMS Main Website
Gulf of Mexico Website
MMS Industry Awards Website

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