The NewsRoom
Release: #3223
Date: February 2, 2005

Oil and Gas Production in the Gulf of Mexico Continues to Stabilize; MMS Issues Damage Assessment and Review of Hurricane Ivan

This past year was marked by a 30-year high in oil imports, due in part to a record-breaking hurricane season. Oil and gas production in the Gulf of Mexico is expected to return to normal this year following the devastation of Hurricane Ivan. Less than ten percent of oil production and five percent of natural gas production remains shut-in, according to the Minerals Management Service, which today released a review and damage assessment from Hurricane Ivan. MMS experts also note that approximately 98 percent of the major oil and gas platforms in the gulf are now producing.

“Although a high level of production has been restored, MMS will continue to monitor the ever changing situation in the Gulf of Mexico”, said MMS Regional Director Chris Oynes.

MMS continues to monitor the progress made by the oil and gas industry in returning to pre-storm levels of operation in the gulf. As of January 31, 2005, approximately 135,756 barrels of oil per day (BOPD) and about 489 million cubic feet of gas per day (MMCFPD) remain shut-in.

MMS estimates that, of the approximately 4,000 structures and 33,000 miles of pipelines in the gulf, 150 platforms and 10,000 miles of pipeline were in the direct path of Hurricane Ivan. This path brought Hurricane Ivan across the shelf and through the waters of the Mississippi River delta, the area most susceptible to underwater mudslides in the gulf.

Hurricane Ivan destroyed seven platforms as indicated in Table 1 and caused significant damage to 24 other platforms, 16 of which remain off production. Of the 16 platforms that remain shut-in, 14 are shelf facilities as indicated in Table 2, and two are deepwater facilities as indicated in Table 3. Any additional damage will be detected with underwater surveys required by the MMS Notices to Lessees (NTL 2004-G18 and NTL 2004-G19). With industry still conducting underwater structural damage assessments, the number of platforms with significant damage could still increase. However, updated projections tentatively have all remaining deep water facilities being back online by April 2005. (See Table 3)

Numerous pipelines have been identified that were damaged because of Hurricane Ivan. Thirteen pipelines that were damaged because of mudslides remain shut-in (See Table 4), and there were an additional four pipelines with a diameter longer than 10 inches that were damaged by other forces, all of which remain off production. (See Table 5)

MMS is also going to conduct engineering studies to examine the precise structural forces that were experienced by the platforms during the hurricane. MMS received $500,000 from Congress to contract out technical studies of the impact of Hurricane Ivan. Competitive award proposals for these studies are being prepared.

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

Media Contacts:
Dr. Joe Trahan (504) 736-2595
Debra Winbush (504) 736-2597

Table 1 - Platforms Destroyed by Hurricane Ivan

Operator	Map Area	Block Number	Facility	Type of Facility	Water Depth (feet)
Taylor	MC	20	A	8-pile	479
Forest	MP	98	A	Braced Caisson	79
El Paso	MP	293	“Sonat”	4-pile	232
Noble Energy, Inc.	MP	293	A	8-pile	247
Noble Energy, Inc.	MP	305	C	8-pile	244
Noble Energy, Inc.	MP	306	E	8-pile	255
Chevron USA, Inc.	VK	294	A	Braced Caisson	119

Table 2 - Major OCS Shelf Platforms Remaining Shut-in with Significant Damage

Operator	Map Area	Block Number	Facility	Type of Facility	Water Depth (feet)
Newfield Exploration Company	MP	138	A	4-Pile	158
Chevron USA Inc.	MP	144	A	4-Pile	207
Shell Offshore, Inc.	MP	252	A	4-Pile	277
Shell Offshore, Inc.	MP	252	B	8-Pile	277
Apache Corporation	MP	290 *	B	8-Pile	289
GOM Shelf LLC	MP	296 *	A	8-Pile	212
Noble Energy, Inc.	MP	305 *	A	8-Pile	180
Noble Energy, Inc.	MP	305 *	B	8-Pile	241
Noble Energy, Inc.	MP	306 *	D	8-Pile	255
Noble Energy, Inc.	MP	306 *	F	4-Pile	271
GOM Shelf LLC	MP	296 *	B	8-Pile	225
Apache Corporation	SP	62 *	A	8-Pile	340
Apache Corporation	SP	62 *	C	8-Pile	325
Chevron U.S.A. Inc.	VK	900 *	A	8-Pile	340

* Indicates underwater structural damage on platform as a result of Hurricane Ivan.

A *major* platform is defined as a structure with either six or more completed wells or zero to five completed wells with

more than one item of production process equipment regardless of the amount of production.

Significant damage is defined as damage that prohibits production or requires complete structural analysis of the platform before returning to production.

Table 3 - Deepwater Facilities Remaining Shut-in with Significant Damage

Operator	Facility	Map Area	Block Number	Type of Damage	Pre-storm Prod. Oil (BBLS/D)	Pre-storm Prod. Gas (MMCF/D)	Expected Back Online (Tentative)
Chevron	Petronius	VK	786	Topside Module	42,231	64.5	First Quarter 2005
Total E&P	Virgo	VK	823	Topside Equipment	560	22	April, 2005

Since the October 8th MMS press release, three deep water facilities were removed from the significant damage list because they have been repaired and are currently online. The platforms were: Dominion's MC 773, Murphy's MC 582, and Shell's VK 956.

Table 4 - Pipelines Damaged Because of Mudslides that Remain Shut-in

Operator	Area	Block (Starting Point)	Diameter (inches)	Product
Tennessee Gas Pipeline Co.	SP	77	26	Gas
Gulfterra Field Services LLC	VK	817	20	Gas
Southern Natural Gas Company	MP	151	18	Gas
Williams Field Services Company	MC	20	12	Gas
Taylor Energy Company	MC	21	10	Bulk Oil
Chevron Pipeline Company	SP	49	10	Gas/Oil
Taylor Energy Company	MC	21	08	Bulk Oil
Taylor Energy Company	MC	21	08	Bulk Gas
Taylor Energy Company	MC	20	06	Oil
Taylor Energy Company	MC	20	04	Gas
Mariner Energy Inc.	MC	66	03	Bulk Gas
Walter Oil & Gas	MC	68	06	Bulk Gas
Walter Oil & Gas	MC	243	10	Gas

Table 5- Damaged Large Diameter Pipelines (10" or longer)

Not Related to Mudslides that Remain Shut-in (In Federal Waters Only)

Operator	Area	Block (Starting Point)	Diameter (Inches)	Product
Southern Natural Gas Company	MP	289	24	Gas
Southern Natural Gas Company	MP	293	24	Gas
Southern Natural Gas Company	MP	306	18	Gas
Tennessee Gas Pipeline Company	ST	55	12	Gas