



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



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**Environmental Review of FPSO Systems Begun**

The Minerals Management Service (MMS) announced today the award of a contract for preparation of an environmental impact statement (EIS) on possible use of floating production, storage and offloading (FPSO) systems in the Gulf of Mexico. FPSO's are used to produce oil and gas in other places around the world, however, none are in use in the Gulf of Mexico. The MMS has an obligation to fully examine this technology in the Gulf of Mexico and assess its potential environmental affects before approvals are considered.

MMS awarded the EIS contract to Ecology and Environment, Inc. and their subcontractors at an amount of \$997,060. Under the contract, the EIS will be completed in 18 months. A unique arrangement with the industry group Deepstar funded this project; fourteen member companies in this Deepstar effort provided all funds for the contract. MMS intends to use the document as compliance with its responsibilities under the National Environmental Policy Act (NEPA). MMS will manage the contract and retains overall responsibility for compliance with NEPA.

The EIS will assess the environmental effects of the use of FPSO's in the Gulf of Mexico by examining a hypothetical 1,000,000-barrel storage FPSO that would receive hydrocarbon production. Smaller shuttle tankers would periodically offload the production from the FPSO for transport to port. A high-case scenario with 2.3 million barrel storage will also be examined.

The contract calls for a draft environmental impact statement to be released for public comment in (March/April 2000) and public hearings to be held in April/May 2000. A final EIS that will consider all comments received is planned to be released in September/October 2000.

MMS is the Federal Agency that manages the Nation's oil and gas and other mineral resources on the OCS and collects, accounts for, and last year disbursed about \$6 billion in revenues from Federal offshore mineral leases and from onshore mineral leases on Federal and Indian lands.

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