Minerals Management Service Reports on Ike Damage Assessments

Offshore damage from Hurricane Ike is surveyed through MMS, oil and gas industry and U.S. Coast Guard over flights.

NEW ORLEANS — Minerals Management Service (MMS) reports that as of September 15, 2008, 28 of the 3,800 offshore oil and gas production platforms in the Gulf of Mexico have been destroyed by Hurricane Ike. Several other platforms have been reported as significantly damaged; information on those facilities is being compiled and will be released in the near term.

Initial estimates are that the destroyed production platforms produced a total of 11,000 barrels of oil per day and 82 million cubic feet of gas per day. (See table below.) The damage has been reported through over flights by MMS, the oil and gas industry and the U.S. Coast Guard.

Additional damage reported includes three jack-up drilling rigs destroyed and one jack-up drilling rig with extensive damage. In a separate matter, two drilling rigs that had been reported drifting on September 13, 2008 have been secured by tugs.

"To date, most of the destroyed platforms include older facilities with small levels of production," said Lars Herbst, regional director, MMS Gulf of Mexico Region. "We expect additional reports of damage as the weather allows more flights and operators are able to board the platforms and begin inspections."

Early reports indicate that there is some pipeline damage. The full extent of damage will not be available until operators are able to test the systems.

MMS has been conducting helicopter fly-overs to investigate reports of oil spills/sheens. While it is too early for definitive reports, there was one reported sheen as of September 15, 2008 estimated to be nine barrels; subsequent investigations showed that the sheen had dissipated.

Production from the Gulf of Mexico accounts for 25 percent of the oil produced domestically and 15 percent of the natural gas produced domestically. As of June 2008, daily production estimates for the Gulf of Mexico were 1.3 million barrels of oil and 7.0 billion cubic feet of gas. Since that time, gas production from the Independence Hub facility increased and in August 2008 gas production from the Gulf was estimated at 7.4 billion cubic feet of gas per day.

As of August 2008, there were more than 3,800 production platforms in the Gulf of Mexico; these structures range in size from single well caissons in water depths of ten feet to a large complex facility in water depth greater than 7,000 feet.

Number of Destroyed	Classified by Daily Oil Production
Platforms as of 9/15/08	Rates
24	Less than 1,000 barrels per day
4	1,000 to 5,000 barrels per day
0	Greater than 5,000 barrels per day

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