

Minerals Management Service Updates 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 17, 2008, 49 of the 3,800 offshore oil and gas production platforms in the Gulf of Mexico have been destroyed by Hurricane Ike. Currently, MMS has no information on whether any of the destroyed platforms will be rebuilt by any operator. Oil and gas operators are also reporting damage to offshore infrastructure other than destruction. These reports are being analyzed by MMS and damage statistics will be released next week.

Initial estimates are that the 49 destroyed production platforms produced a total of 13,000 barrels of oil per day and 84 million cubic feet of gas per day. (See table below.)

Additional damage reported includes three jack-up and one platform drilling rigs destroyed and one jack-up drilling rig with extensive damage.

On-going reports indicate that there are five gas transmission pipeline systems with damage. The full extent of damage will not be available until operators are able to test the systems. MMS is analyzing the impact that this may have on resuming production.

MMS has been conducting helicopter fly-overs to investigate reports of oil spills/sheens. While it is too early for definitive reports, there are no reports of oil impacting the shoreline or affecting birds and wildlife from releases in the Gulf of Mexico federal waters.

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 Platforms as of 9/17/08	Classified by Daily Oil Production Rates
44	Less than 1,000 barrels per day
5	1,000 to 5,000 barrels per day
0	Greater than 5,000 barrels per day

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