



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

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**MMS Begins Review Process
on Chevron's Destin Dome Development Plan**

The U.S. Department of the Interior, Minerals Management Service (MMS) announced that it will begin the formal review process on Chevron U.S.A. Inc.'s Development Production Plan (DPP) to develop natural gas resources located 25 miles offshore Florida's northwest coast. Chevron U.S.A. Inc. submitted its Destin Dome 56 Unit Plan of Development to the MMS on November 19, 1996. After an extensive initial review of the plan, the MMS determined that the information submitted by Chevron was complete.

The MMS will now begin an extensive technical, engineering, and environmental analysis of the plan to determine if it can be approved. This review process may take up to two years and will examine such things as structural specifications, safety systems, installation verification, drilling procedures, pipeline specifications and environmental protection. As part of the process, the MMS will soon publish in the *Federal Register* a Notice of Intent to Prepare an Environmental Impact Statement (EIS). The MMS believes it will take about a year to prepare a draft EIS to examine the potential effects of the project on the marine, coastal, and human environments.

In addition to MMS's requirements, Chevron must obtain permits and approvals from other Federal and State agencies prior to commencement of the proposed production activities. Chevron must acquire both air and water quality permits prior to commencing their operations. Air emissions (in the Eastern Gulf of Mexico) and water discharges are regulated by the U.S. Environmental Protection Agency. The MMS may not issue a permit for the proposed activities unless the State of Florida concurs that Chevron's plan is consistent with the State's Coastal Zone Management Program.

Throughout this process, MMS will involve the State of Florida. There will be public scoping meetings, presentations to local citizen groups particularly in the Panhandle area, and press advisories regarding the status of this project.

Chevron U.S.A. Inc.'s proposed plan covers 11 contiguous lease blocks in the Destin Dome 56 Unit (see Figure on Fact Sheet). Previously, Chevron had drilled three exploration wells in 1987, 1989, and 1995 in this area, each of which resulted in significant discovery of natural gas. Chevron filed the plan on behalf of itself and its two partners: Murphy Exploration & Production Company and Conoco Inc.

Public Information copies of Chevron's Destin Dome 56 Unit DPP may be found at the following locations:

Minerals Management Service
Eastern Gulf Information Office
41 North Jefferson Street
Pensacola, Florida 32501
(850) 433-2279

Jackson-George Regional Library
Pascagoula, Mississippi

West Florida Regional Library
Pensacola, Florida

Eudora Welty Library
Jackson, Mississippi

Thomas B. Norton Public Library
Gulf Shores, Alabama

Alabama Public Library Service
Reference Section
Montgomery, Alabama

University of South Alabama
Mobile, Alabama

University of West Florida
Government Documents Department
Pensacola, Florida

Fort Walton Beach Public Library
Fort Walton Beach, Florida

Bay County Public Library
Panama City, Florida

Florida State University
Documents Department
Tallahassee, Florida

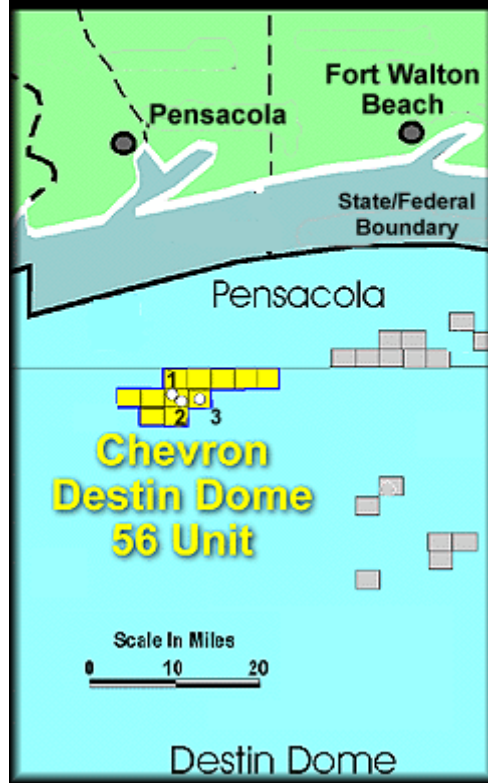
The MMS is the Federal Agency that manages the Nation's natural gas, oil and other mineral resources on the Outer Continental Shelf, and collects, accounts for, and disburses about \$4 billion yearly in revenues from offshore Federal mineral leases and from onshore mineral leases on Federal and Indian lands.

FACT SHEET

Chevron's Destin Dome Development Plan

- On November 19, 1996, Chevron U.S.A. Inc. and partners (Murphy Exploration & Production Company and Conoco Inc.) submitted to the Minerals Management Service (MMS) a development and production plan for 11 blocks in its Destin Dome 56 Unit. Chevron's Destin Dome 56 Unit is located 25 miles off the northwest Florida coast, south of Pensacola Beach Florida (see attached figure).
- The blocks comprising the Destin Dome 56 Unit include Destin Dome Blocks 12-16, 54-57, 99, and 100. They were purchased at Eastern Gulf of Mexico Sales 79 (1984), 94 (1985), and 116- Part I (1988) for \$13.1 million.
- In 1987, Chevron drilled two natural gas discovery wells on Destin Dome Block 56. To delineate the extent of their discovery Chevron drilled a third well on Destin Dome 97 (unsuccessful) in March 1994 and a fourth well on Destin Dome 57 in November 1995. Test results from the Destin Dome Block 57 No. 1 well achieved a natural gas flow rate of 41 million cubic feet per day from the Norphlet Formation.
- Chevron's plan calls for:
 - the drilling of 12 to 21 wells
 - estimated natural gas production ranging from 300 to 450 million cubic feet per day
 - transporting the natural gas from the project site via 30-inch export pipeline to a facility located at Mobile Block 917, and then to gas processing facilities located in Mobile County, Alabama
 - shorebase support from either Theodore, Alabama or Pascagoula, Mississippi
 - a projected start up date of March 1999
- The MMS believes it will take about a year to prepare a draft EIS to examine the potential effects of the project on the marine, coastal, and human environments. As a part of this process, the MMS will hold scoping meetings in Pascagoula, Mississippi; Theodore, Alabama; and Pensacola, Panama City, and Tallahassee, Florida. Additional information (date, time, and location) on these meetings will be advertised through the local media.
- Chevron must obtain permits and approvals from other Federal and State agencies prior to commencement of the proposed production activities.

Chevron's Proposed Development Plan



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