



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

Technical Announcement

June 2004

Contact: Debra Winbush  
(504) 736-2597  
:  
Caryl Fagot  
(504) 736-2590

*Economic Impact in the U.S. of Deepwater Projects:  
A Survey of Five Projects*

OCS Study MMS 2004-041

The Minerals Management Service (MMS), Gulf of Mexico OCS Region, announces the availability of a new study report, *Economic Impact in the U.S. of Deepwater Projects: A Survey of Five Projects*.

Deepwater development activity in the Gulf of Mexico has been increasing over the last several years. As exploration expands beyond the limits of 1,000 feet, technology is changing to meet the challenges of developing fields in deep water. Developing these fields must be done safely, efficiently, and economically while protecting the marine environment. Deepwater development is achieved through the use of countless vendors, contractors and subcontractors.

This report describes the scale and technological complexities of deepwater projects. First, it analyzes data that are available on the construction and operations of five groundbreaking deepwater projects: Ursa, Baldpate, Pompano, Neptune Spar, and Morpeth. Data on the operating costs and personnel levels for Ursa and on the development of Morpeth are particularly informative. Second, the report addresses the onshore employment effects of the Morpeth project on the Houma area, showing that it accounted for a significant proportion of shipyard employment during its construction. Since complete data on any single project are lacking, this report develops a generalized chronology of field development from pre-lease acquisition through operations that details the technical and economic considerations and strategies that drive company decision-making. The authors end this discussion by highlighting differences between these and ones made for shallow water projects.

This report is available only in compact disc format. The discs are available from the Minerals Management Service, Gulf of Mexico OCS Region, at a charge of \$15.00 by referencing OCS Study MMS 2004-041. The report may be ordered through the Minerals Management Service's on-line ordering system at <http://www.gomr.mms.gov/WebStore/front.asp>. You will be able to obtain this report also from the National Technical Information Service in the near future. Here are the addresses. You may also inspect copies at selected Federal Depository Libraries.

Minerals Management Service  
Gulf of Mexico OCS Region  
Public Information Office (MS 5034)  
1201 Elmwood Park Boulevard  
New Orleans, Louisiana 70123-2394  
Telephone requests may be placed at  
(504) 736-2519 or 1-800-200-GULF  
or FAX: (504) 736-2620

U.S. Department of Commerce  
National Technical Information Service  
5285 Port Royal Road  
Springfield, Virginia 22161  
(703) 487-4650 or FAX: (703) 321-8547  
Rush Orders: 1-800-336-4700

The Minerals Management Service is the federal agency in the U.S. Department of the Interior that manages the nation's oil, natural gas, and other mineral resources on the Outer Continental Shelf in Federal offshore waters. The agency also collects, accounts for, and disburses mineral revenues from Federal and American Indian lands. MMS disbursed more than \$8 billion in FY 2003 and more than \$135 billion since the agency was created in 1982. Nearly \$1 billion from those revenues go into the Land and Water Conservation Fund annually for the acquisition and development of state and Federal park and recreation lands.

MMS Main Website: [www.mms.gov](http://www.mms.gov)  
Gulf of Mexico Website: [www.gomr.mms.gov](http://www.gomr.mms.gov)

[Return to Technical Announcements](#)