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MMS Updates Oil & Gas Production Rate Projections to 2006; Steep Rise in Oil

The Minerals Management Service, Gulf of Mexico Region, released new oil and gas daily production rate projections today that encompass the year 2006. According to the new report, Daily Oil and Gas Production Rate Projections From 2002 Through 2006, Gulf of Mexico Outer Continental Shelf, MMS is forecasting a daily oil production rate of between 2.00 and 2.47 million barrels by the end of 2006, and a daily gas production rate of between 10.97 and 16.39 billion cubic feet by the end of the same year. These represent high case and low case estimates.

MMS Director Johnnie Burton called the new projections "a healthy, sizeable increase in the range of possible oil production. Should the high case estimates be reached in 2006, we will see a 160-percent increase in oil production from the Gulf in the period 1995-2006." Oil production has been rising steadily in the Gulf from 945,000 barrels a day in 1995. Director Burton noted that "should the high case projection be met in 2006, oil production would be at almost 2.5 million barrels a day versus the 945,000 barrels in 1995."

Gulf oil production was an estimated 1.5 million barrels a day in 2001. Gulf deepwater oil production surpassed shallow-water oil production in March 2000. According to these forecasts, as much as 77 percent of daily oil production in the Gulf and 26 percent of daily gas production could come from the deepwater Gulf of Mexico by 2006. Deepwater is defined as water depths 1,000 feet or greater.

The Daily Oil and Gas Production Rate Projections From 2002 Through 2006, Gulf of Mexico Outer Continental Shelf (OCS Report MMS 2002-031), is available from the Public Information Office of the MMS Gulf of Mexico Region, as well as at the Region website at www.gomr.mms.gov. There is no charge. Copies can be ordered by calling 1-800-200-GULF.

MMS 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 Indian leases. These revenues totaled nearly \$10 billion in 2001 and more than \$120 billion since the agency was created in 1982. Annually, nearly \$1 billion from those revenues go into the Land and Water Conservation Fund for the acquisition and development of state and federal park and recreation lands.

--MMS-20 Years of Service to America--

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MMS Internet website address: <http://www.mms.gov>