

The NewsRoom

Release: #3336

Date: September 6, 2005

Department of Interior Describes Status of Offshore Oil and Gas Production Impacted by Hurricane Katrina

Washington, D.C. – Assistant Secretary for Land and Minerals Management Rebecca Watson today testified before the Senate Energy and Natural Resources Committee regarding the status of offshore oil and natural gas production in the Gulf of Mexico.

“Our focus now is to ensure that the offshore oil and gas operations are brought on-line safely and as soon as possible,” said Watson. “Although Hurricane Katrina moved through a core area of offshore operations and damaged many production and exploration facilities, early reports indicate that the vast majority of facilities could be ready to come back on line in days and weeks, rather than months.”

Oil and gas production in the Gulf of Mexico supplies 29 percent of domestic oil production and 21 percent of domestic gas production. At its peak on August 30, 2005, 95 percent of daily oil production and 88 percent of daily gas production was shut in for environmental and human safety. Today, those numbers stand at 58 percent of oil production and 42 percent of natural gas production.

“A full assessment of the damage from Hurricane Katrina will require several more days,” cautioned Watson. “Many facilities have still not been inspected by their operators. It is important to note that there have been no reports of significant spills related to production. All safety systems worked to successfully shut-in production on the OCS platforms.”

Of the roughly 4000 Outer Continental Shelf production facilities, 37 shallow water platforms were destroyed; however, they only produced about 1 percent of total Gulf production. Four large deep water platforms accounting for about 10 percent of the pre-storm federal offshore Gulf oil production suffered extensive damage which could take up to 3 – 6 months to bring back on line. Some pipelines suffered damage that could take months to repair, while others have been inspected, tested, and have already commenced operations.

“Despite this damage, about 90 percent of Gulf oil production could return to the market in one month, if refineries, processing plants, pipelines and other onshore infrastructure are in operation to receive, prepare and transport it to the consumer,” said Watson.

MMS, part of the U.S. Department of the Interior, oversees 1.76 billion acres of the Outer Continental Shelf, managing offshore energy and minerals while protecting the human, marine, and coastal environments. The OCS provides 30 percent of oil and 21 percent of natural gas produced domestically, as well as sand used for coastal restoration. MMS collects, accounts for, and disburses mineral revenues from Federal and American Indian lands, and contributes to the Land and Water Conservation Fund and other special use funds, with Fiscal Year 2004 disbursements of about \$8 billion and more than \$143 billion since 1982.

Statement of Rebecca Watson, Assistant Secretary for Land and Minerals Management, U.S. Department of the Interior, September 6, 2005



Relevant Web Sites:

[MMS Main Website](#)

[Gulf of Mexico Website](#)

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[MMS: Securing Ocean Energy & Economic Value for America](#)
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