

The NewsRoom

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Hurricane Gustav/Hurricane Ike Activity Statistics Update – October 10, 2008

Minerals Management Service Monitors Activities for Both Storms Through its Continuity of Operations Plan

NEW ORLEANS □ Offshore oil and gas operators in the Gulf of Mexico are reboarding platforms and restoring production following both Hurricane Gustav and Hurricane Ike. The Minerals Management Service is monitoring activities for both hurricanes through its Continuity of Operations Plan team. This team will be activated until operations return to normal.

Based on data from offshore operator reports submitted as of 11:30 a.m. CDT today, personnel are evacuated from a total of 81 production platforms, equivalent to 11.7 % of the 694 manned platforms in the Gulf of Mexico. Production platforms are the structures located offshore from which oil and natural gas are produced. These structures remain in the same location throughout a project's duration unlike drilling rigs which typically move from location to location.

There are no longer any evacuated rigs in the Gulf. Rigs can include several types of self-contained offshore drilling facilities including jackups, submersibles and semisubmersibles.

From the operators' reports, it is estimated that approximately 43.3 % of the oil production in the Gulf is shut-in. As of June 2008, estimated oil production from the Gulf of Mexico is 1.3 million barrels of oil per day. It is also estimated that approximately 38.2 % of the natural gas production in the Gulf is shut-in. As of June 2008, estimated natural gas production from the Gulf of Mexico was 7.0 billion cubic feet of gas per day. Since that time, gas production from the Independence Hub facility has increased and current gas production from the Gulf is estimated at 7.4 billion cubic feet of gas per day.

As part of the evacuation process, personnel activate the shut-in procedure, which can also be accomplished from a remote location. This involves closing the safety valves located below the surface of the ocean to prevent the release of oil or gas. During Hurricanes Katrina and Rita, the shut-in valves functioned 100 percent of the time, efficiently closing in production from wells and resulting in no major spills from the Outer Continental Shelf. Shutting-in oil and gas production is a standard procedure conducted by industry for safety and environmental reasons.

The production percentages are calculated using information submitted by offshore operators in daily reports. Shut-in production information included in these reports is based on what the operator expected to produce that day. The shut-in production figures therefore are estimates, which the MMS compares to historical production reports to ensure the estimates follow a logical pattern.

After the hurricane has passed, facilities will be inspected. Once all standard checks have been completed, production from undamaged facilities will be brought back on line immediately. Facilities sustaining damage may take longer to bring back on line. The MMS will continue to update the evacuation and shut-in statistics at 1:00 p.m. CDT each day until these statistics are no longer significant. Beginning the week of October 13, 2008, the Activity Statistics Update will be issued on Tuesdays and Thursdays of each week.

| Districts | Lake Jackson | Lake Charles | Lafayette | Houma | New Orleans | Total |
|---------------------|--------------|--------------|-----------|---------|-------------|---------|
| Platforms Evacuated | 4 | 24 | 33 | 13 | 7 | 81 |
| Rigs Evacuated | 0 | 0 | 0 | 0 | 0 | 0 |
| Oil, BOPD Shut-in | 9,263 | 18,590 | 127,747 | 261,249 | 146,067 | 562,916 |
| Gas, MMCF/D Shut-in | 439 | 483 | 826 | 688 | 391 | 2,827 |

This survey information is reflective of 62 companies' reports as of 11:30 a.m. CST. Beginning the week of October 13, 2008, the Activity Statistics Update will be issued on Tuesdays and Thursdays of each week.

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