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MMS SAYS DEEPWATER RIG ACTIVITY AT AN ALL-TIME HIGH (#40019)

The U.S. Interior Department's Minerals Management Service (MMS) today announced a definite upsurge in deepwater rig activity. As of March 10, fourteen rigs were drilling in water depths greater than 1,000 feet in the Gulf of Mexico, a high from just five rigs a year ago.

"Few events have excited the offshore industry interest as much as the recent deepwater activity," said MMS Director Tom Fry. "Two rigs are working in water depths greater than 3,200 feet, and an additional two rigs in water depths greater than 2,200 feet; the other ten rigs are working in 1,500 feet. The majority of rig activity is 30 to 150 miles offshore in water depths ranging from 1,000 to 7,520 feet."

In 1987, Shell Offshore Inc. set a world's drilling depth record by drilling an exploratory well in 7,520 feet of water in Mississippi Canyon Block 657 in the Gulf.

Today, operators hold active leases on over 8 million acres in water depths over 1,000 feet, and the deep Gulf is considered one of industry's hottest wildcat plays. "Current high rig count is a reflection of the numerous good prospects," said Fry. "We expect rig activity in deepwater will continue its remarkable comeback as more units move into the Gulf because of the increase in approved exploration plans. That current number is 326, up from 243 a year ago," said Fry.

Fry praised the offshore industry for maintaining an excellent environmental record while developing the technology which enabled them to explore deepwater frontier areas in the Gulf of Mexico.

-MMS-

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