

**STATEMENT BY WALTER D. CRUICKSHANK, DEPUTY DIRECTOR,  
MINERALS MANAGEMENT SERVICE, FOR JOINT HURRICANE SEASON  
PRESS CONFERENCE**

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Good morning. Thank you for joining us to discuss our preparations for the 2007 Hurricane Season.

I want to thank the Department of Energy, the U.S. Coast Guard and the American Petroleum Institute for being with us this morning and for all their work and close coordination with the Minerals Management Service in preparation for this upcoming storm season.

Together, we have made considerable improvements that will not only help protect human life and the environment, but also will ensure continued access to the vital Gulf of Mexico oil and gas resources for our nation.

Hurricane season is a serious threat that those along the Atlantic coast and the Gulf of Mexico know all-to-well, including our own employees in our New Orleans office.

Just last week, the National Weather Service issued its forecast for the 2007 Season with the number of named storms predicted between 13 and 17 and the number of major hurricanes between 3 and 5. As you can see, we are preparing for an active season.

With the large concentration of domestic oil and gas exploration and production activities in the Gulf of Mexico yielding approximately 25 percent of our domestic oil and 14 percent of our domestic gas, the Minerals Management Service approaches each hurricane season with a focus on human and environmental safety, and securing the oil and gas production so vital to our nation's energy supply.

Our efforts, along with those of the other agencies represented here today, during Hurricanes Katrina and Rita in 2005 proved very effective:

- o All personnel were safely evacuated from a total of 748 manned platforms (93 percent of the manned platforms at that time) and 101 working rigs (75 percent of the rigs operating in the Gulf at that time).
  
- o There were no oil spills from production wells in MMS-regulated waters. While there was some evidence of leakage from platform equipment and damaged pipelines, it was very minimal, and there is no evidence any of it reached shore or impacted birds or mammals.

Our goal is to mirror that success again this year.

However, the strength of Hurricanes Katrina and Rita, caused unprecedented damage to offshore infrastructure, from which the oil and gas industry is still recovering.

The Minerals Management Service took note, and we have been increasing our efforts to research weather-related scenarios, increase the awareness of offshore operators, and improve design standards and best practices that will help to withstand these catastrophic forces.

Much of this work involved our participation in API's industry committees. These joint committees looked at existing standards and best practices for offshore engineering. They then applied the information and data that we collected from Hurricanes Katrina and Rita and created revisions to operational activities.

We were fortunate last year that the 2006 Hurricane Season was very mild with only two major storms threatening the Gulf of Mexico, but we didn't become complacent.

MMS used this time to make additional improvements to our regulatory activity. Working with the industry groups and API, we continued to upgrade and improve the standards and best practices for all types of facilities used in the Gulf.

These amended standards and best practices are referenced in the guidance documents, or "Notices to Lessees," that MMS issues to clarify regulations in preparation for the 2007 Hurricane Season.

The documents involve every type of facility found in the Gulf from mobile offshore drilling units and jackup rigs to existing and new production platforms.

Improvements and upgrades instituted by these documents include:

- o The installation of GPS locators and black box information storage systems on Mobile Drilling Units and jack-up rigs, which will enable the monitoring of on-site conditions after evacuation of personnel -- as well as track the location of the rig should it drift from its position.
- o We also issued guidance for assessing existing structures for vulnerabilities and applying modifications to minimize damage.
- o Another NTL provided site-assessment guidance targeted at identifying the best seafloor and soil conditions for jackup rigs and determining where a particular jackup rig can be located during hurricane season, or whether it will be approved for use at all. Similar risk assessment is required for moored drilling rigs as well.
- o We issued guidance on the use of synthetic fiber ropes for offshore mooring applications, and we noted the differences between synthetic rope and traditional steel mooring systems so operators would better know how to handle these differences during system design and installation. We also issued guidance for inspecting synthetic

moorings for damage or wear and developed new requirements for inspecting mooring hardware and securing equipment on offshore facilities.

- o MMS also suggested drilling contractors increase the number of mooring lines on structures, and also required the installation of high strength anchors.

In most cases, the required number of mooring lines for mobile drilling units increased 50 percent, from eight to 12, and in some cases 100 percent, from eight to 16.

- o MMS also issued guidance to improve tie-down procedures, to secure equipment on offshore facilities, in order to minimize damage during hurricanes.

In addition to these new requirements, we made improvements to our Continuity of Operations Plan, known as COOP.

- o The COOP team gathers when a storm is forecast to enter the Gulf of Mexico. The team receives and compiles updated information regarding the industry's evacuation and production shut-in operations, which allows for more effective recovery and damage assessments once the storm has passed, which will affect allocation of recovery resources.

One of our first actions was to relocate the computer server that supports the COOP team's operations from New Orleans to Denver, where it will not be disrupted by storms in the Gulf of Mexico.

We also prepared a secondary COOP site in Lafayette, in addition to the COOP team's main operating site in Houston.

Also, the five MMS District offices located along the Gulf coast --from New Orleans to Lake Jackson, Texas -- now have independent communications systems, so that damage to one will not bring down the entire communications network.

We've also invited the U.S. Coast Guard to provide a representative to the COOP team. This member will function as part of the team's first level, which activates when a major storm enters the Gulf of Mexico and evacuation of offshore facilities begins.

The addition of a Coast Guard member to the COOP team will help us better coordinate operations, gather data, and assess damage as a storm moves through the Gulf and makes landfall. It will facilitate communication regarding damage to facilities and subsequent warnings to mariners by the Coast Guard.

MMS has also done much in the way of funding studies that analyze both the biological impacts on the Gulf from the storms and the varying abilities of the offshore facilities to withstand major storm conditions.

We realize the importance of the Gulf's energy production to the Nation's energy security. We also understand the nation's interest and concern about the preparations taken to protect these resources, which in fact belong to the American people.

As such, in an effort to better inform the public and all those interested in our activities, MMS is launching a comprehensive Hurricane Web site as the 2007 Hurricane Season begins Friday.

On this site, you will be able to view the updated news releases describing evacuation and production statistics in the event of a major storm.

You will also find historical information about previous hurricane seasons, explanations of operations, logistics, and terminology, and valuable links to other federal agencies involved in hurricane preparation.

No one can forecast the future with certainty, and no one can doubt the destructive power of a hurricane, but we can prepare ourselves for what may lie ahead by learning from events of the past and taking advantage of leading edge technology.

MMS has enhanced our abilities by joining forces and strengths with other agencies and individuals, including the agencies you see here today, to help protect the nation's energy resources.

To say that the job is complete would be premature, because we continue to seek ways to increase our preparedness for major storms.

But we can say with confidence that we are better prepared today than we were just two years ago, and we continue to build upon our successes to better protect people and the environment, and secure this vital energy supply for our nation.

Thank you.