

# *Hurricane Recovery Status and Future of the Gulf*

*December 13, 2005*

*Presentation at  
SPE/NOGS/API/PLANO/Desk and Derrick*

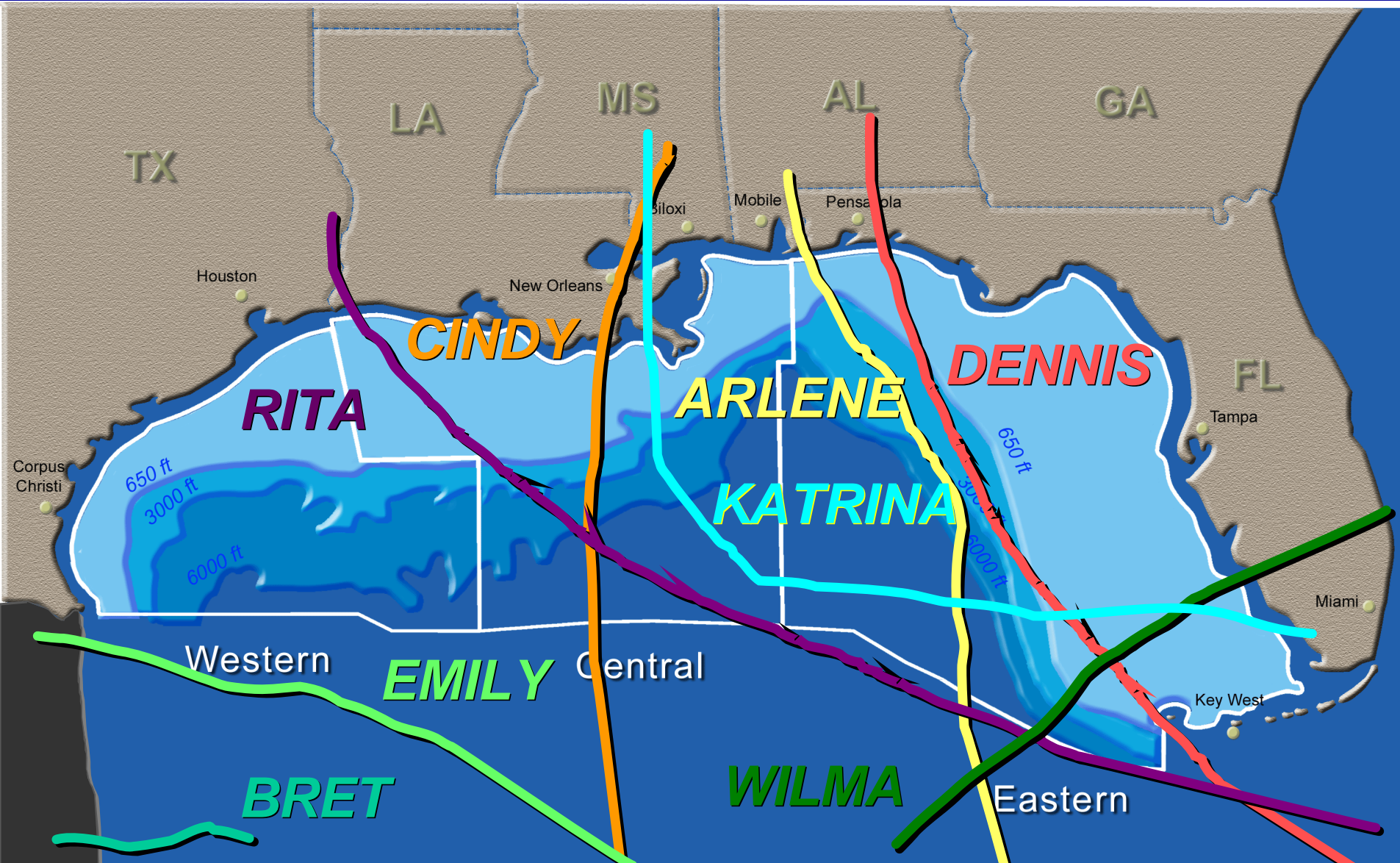
Chris Oynes

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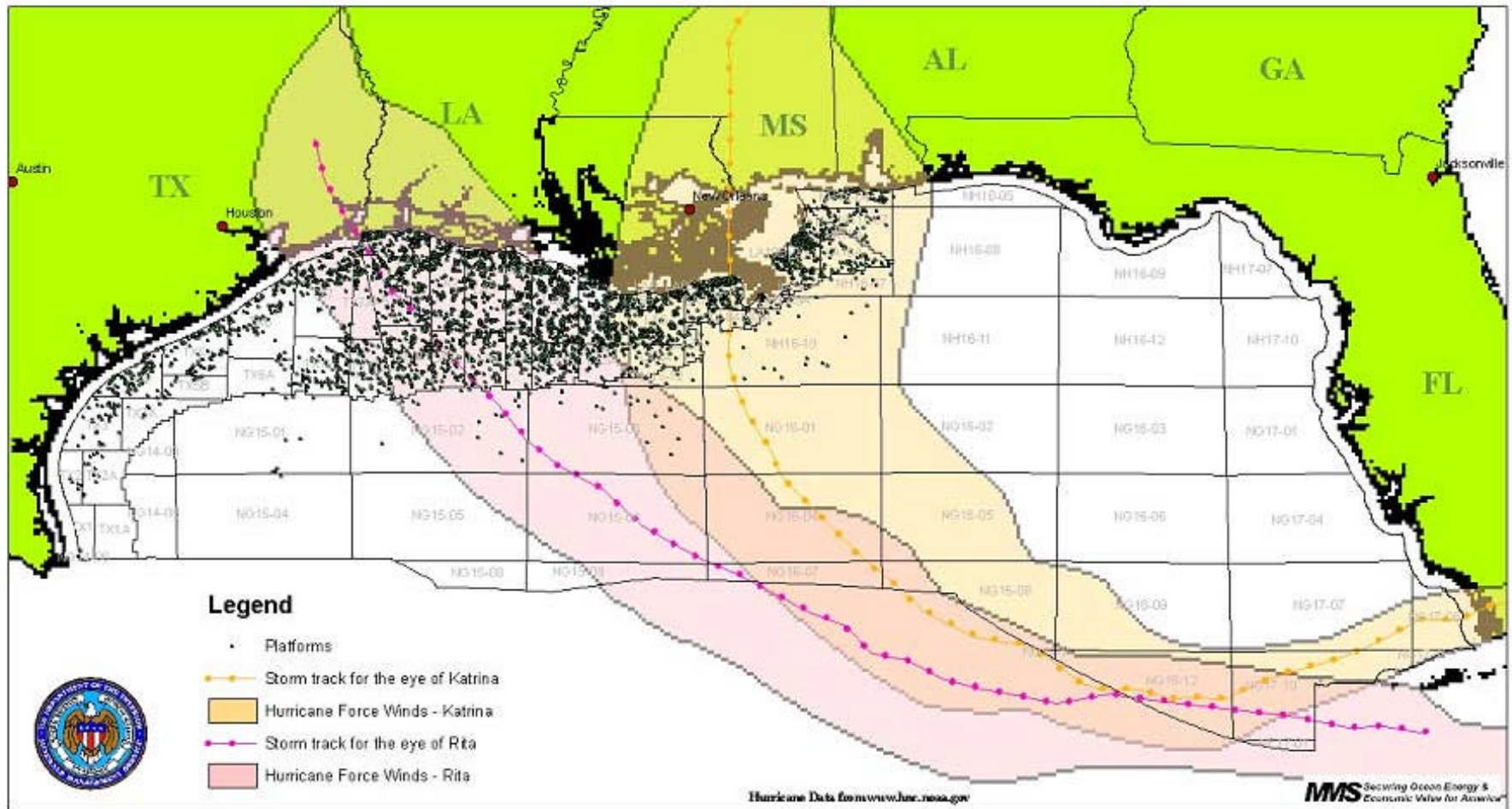
**MMS**

# 2005 HURRICANE SEASON

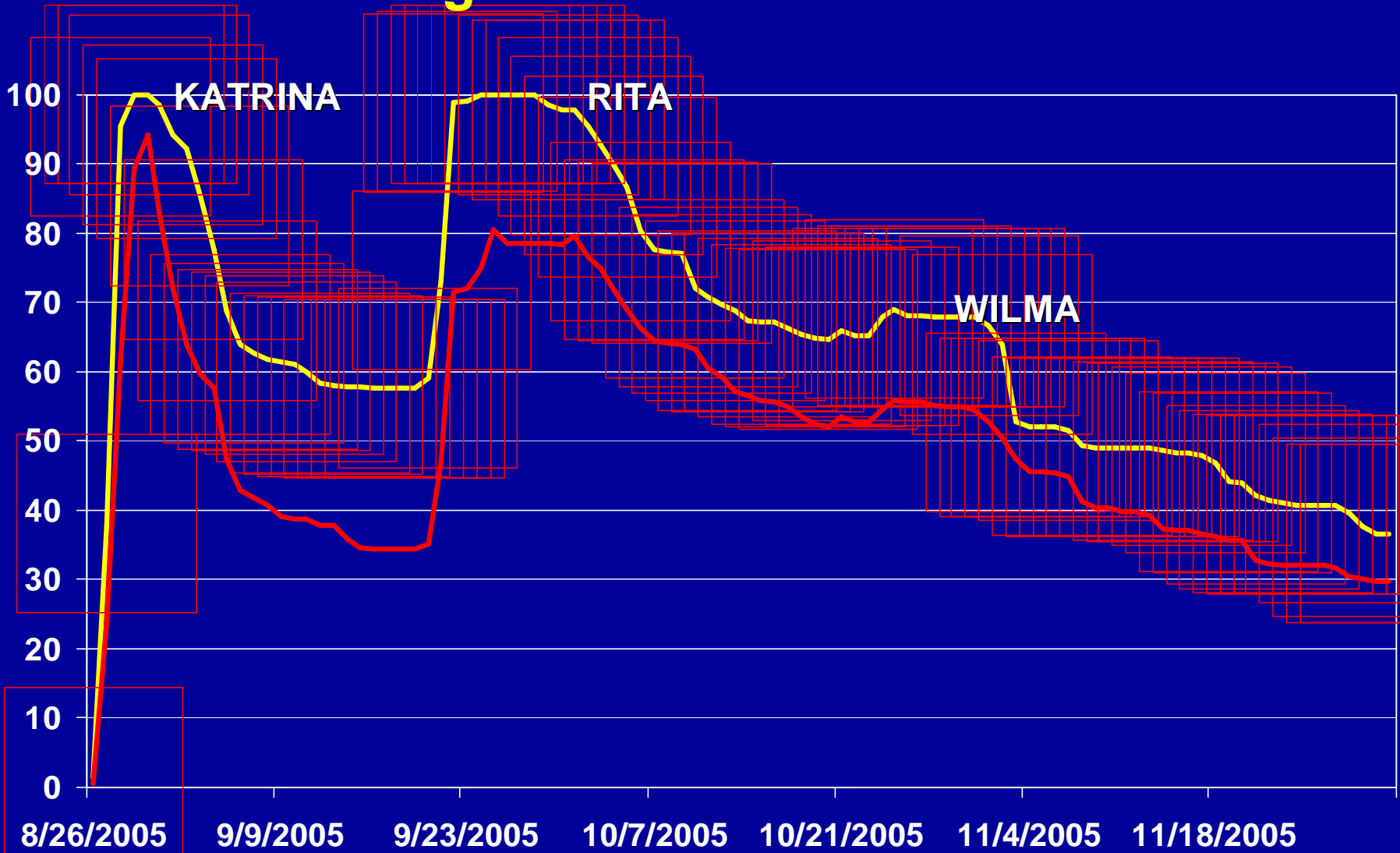
(To Date)



# Hurricanes Rita and Katrina, August - September 2005



# Percentage of GOM Production Shut-in



— OIL — GAS

# Damaged & Destroyed Platforms

	Katrina	Rita
Destroyed	47	66
Extensive Damage	20	32



# Major Issues in Hurricane

- MODU's adrift are not acceptable
- 19 MODU's were set adrift from hurricanes Katrina and Rita
- Secretary of DOI met with companies Nov. 17 to discuss changes

# Other Changes?

- Examine structural standards
- Mud slides
- More reporting?

# MMS COOP Operation

- With the approach of Hurricane Katrina, MMS mobilized its continuity of operations plan (COOP).
- A small temporary office was created in Houston to monitor the storm damage and direct operations. Most MMS District operations offices were not affected.
- With the massive damage in New Orleans MMS mobilized first 50 employees and then 150 to conduct continuity of operations in Houston
- On October 28 MMS reoccupied part of its New Orleans Office and all employees reported back to work
- The Regional Office with 150 employees remains in Houston while the New Orleans office is rebuilt.



# New Developments in the Gulf of Mexico

# **Energy Bill Provisions that Will Affect Lease Sales**

- **Added a third tier of royalty relief for deep gas drilling in 0 - 200m of water**
- **Added three tiers of royalty relief for deep gas drilling in 200 - 400m of water**
- **Added a royalty relief level in deep water -  
- 16 mmboe in depths greater than 2000m**

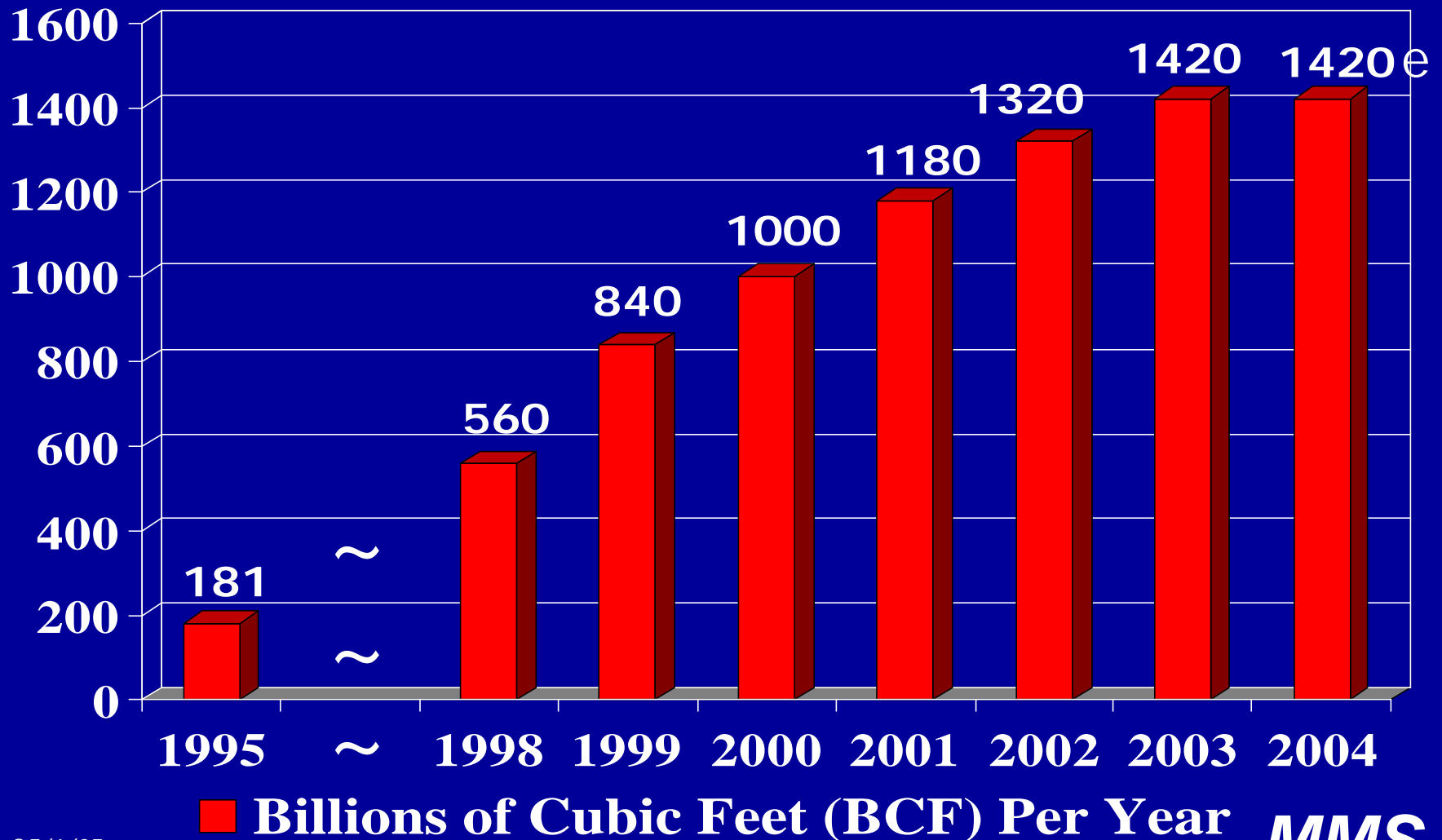
GOM Production has been significantly lowered due to hurricanes in 2004 and 2005

# Gulf of Mexico Deep Water Oil Production



■ Millions of Barrels Per Year

# Gulf of Mexico Deep Water Gas Production



**New developments suggest a bright future  
for the Gulf**

# Gulf Deep Water Discoveries - 2004

Prospect                      Operator                      Area / Block      Water Depth'

Tobago	Shell Offshore	AC 859	9,627'
Silvertip	ChevronTexaco	AC 815	9,226'
Tiger	ChevronTexaco	AC 818	9,004'
Cheyenne	Anadarko Petroleum	LL 399	8,987'
Atlas NW	Anadarko Petroleum	LL 005	8,810'
Dachshund/Mondo	Anadarko Petroleum	LL 002	8,340'
San Jacinto	Dominion Exploration	DC 618/619	7,850'
Jack	ChevronTexaco	WR 759	6,965'
La Femme	Newfield Exploration	MC 427	5,800'
Thunder Hawk	Murphy Exploration	MC 734	5,724'
Goldfinger	Dominion Exploration	MC 771	5,423'
Ticonderoga	Kerr-McGee	GC 768	5,250'
Puma	BP Exp. & Prod. Inc.	GC 823	4,130'
Dawson Deep	Kerr-McGee	GB 625	2,900'
Crested Butte	Nexen Pet. U.S.A.	GC 242	2,846'

# Gulf Deep Water Discoveries - 2005

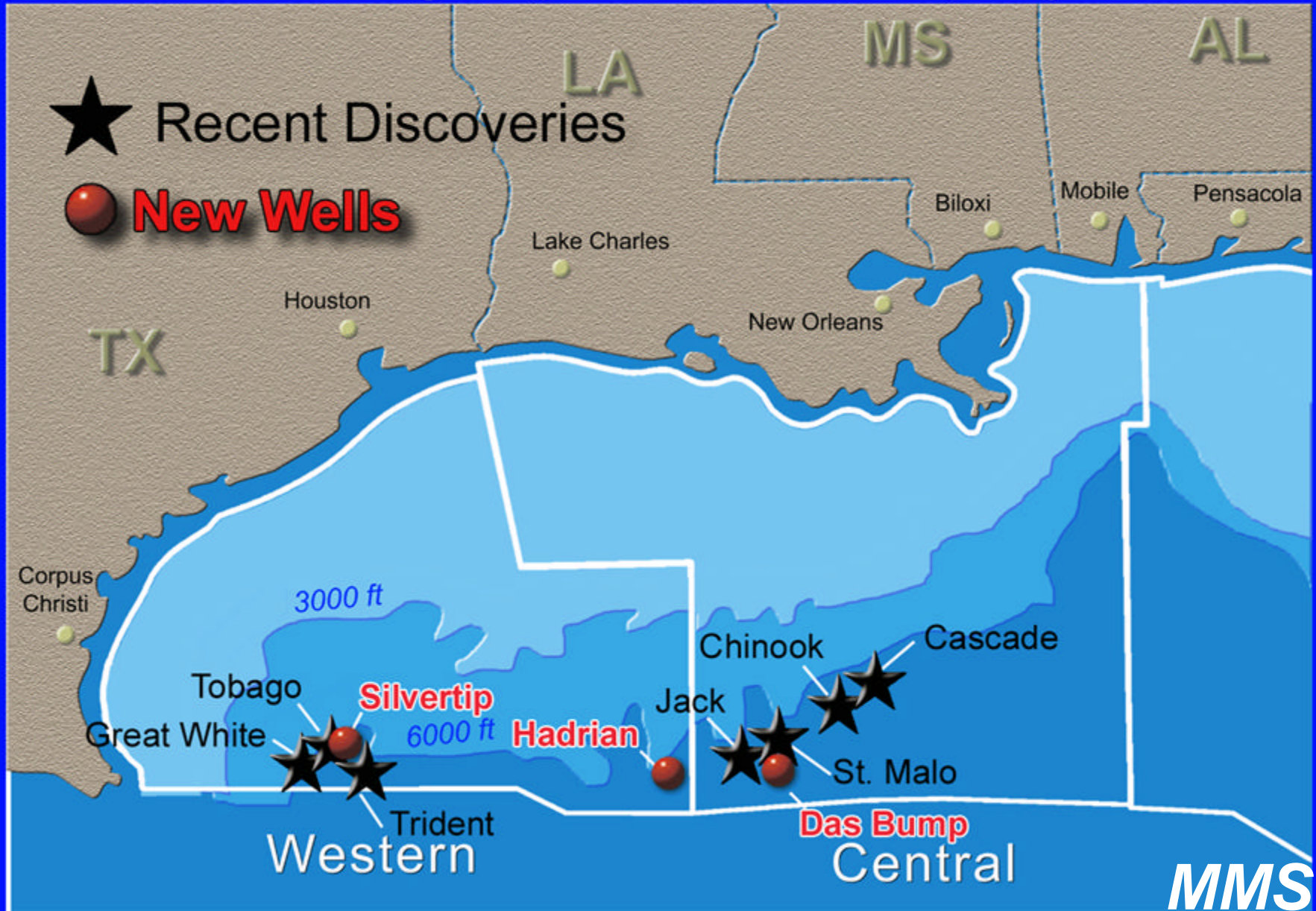
Prospect                      Operator                      Area / Block      Water Depth'

Stones	BP	WR BLK 508	9576 ft.
Jubilee Ext.	Anadarko	LR BLK 309	8774 ft.
Mondo NW Ext.	Anadarko	LR Blk 001	8340 ft.
Q	Spinnaker	MC BLK 961	7925 ft.
Genghis Khan	Anadarko	GC BLK 652	4300 ft.
Wrigley	Newfield	MC BLK 506	3700 ft.
Knotty Head	Chevron/Unocal	GC BLK 512	3557 ft.
Clipper	Pioneer	GC BLK 299	3452 ft.
Anduin	Nexen	MC BLK 755	2400 ft.

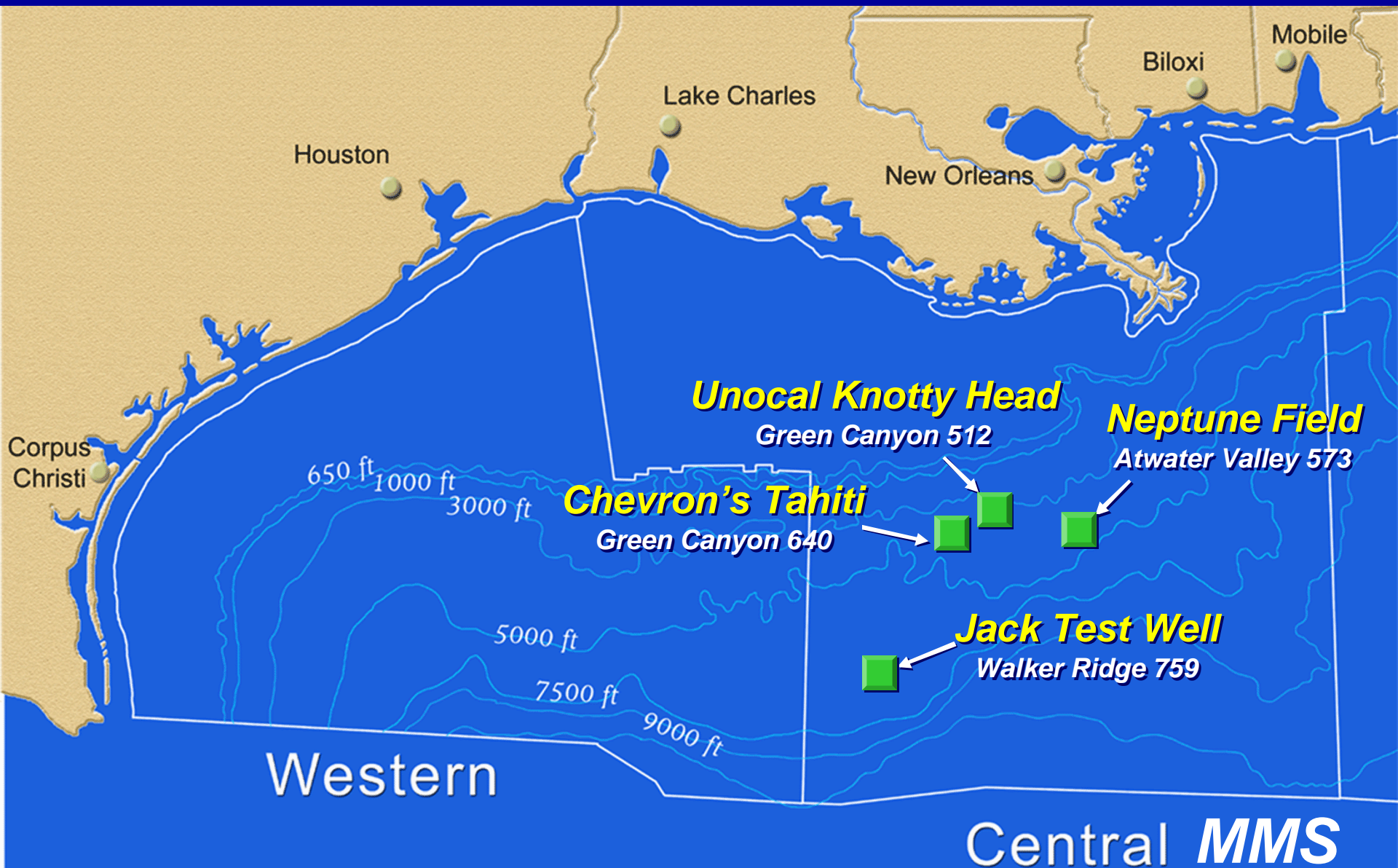


# Recent Ultra-Deep Water Activity

## Paleogene (aka Eocene/Wilcox) Play



# Major New Activity



# Seismic Noise Remains as an Issue

# **Sperm Whale Seismic Study – Part II (SWSS II)**

- **Awarded in 2005**
- **Understand sperm whales movements, and feeding and breeding behavior**
- **Characterize industry/ambient noise**
- **Determine acoustic effects on sperm whales**