



U.S. Department of the Interior  
Minerals Management Service  
Gulf of Mexico OCS Region

## **NEWS RELEASE**

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FOR RELEASE: March 5, 1998

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### **Gulf of Mexico Deepwater Continues to Shine As America's New Frontier**

Led by over 10 new deepwater discoveries and 4 major projects, the deepwater Gulf of Mexico area continued as one of the world's hottest exploration and production regions in 1997.

"The focus of activity in the deepwater Gulf of Mexico in 1997 was truly exciting," said Regional Director Chris Oynes in an end of the year assessment. The Gulf of Mexico reached an all-time high in October and November of 1997 with 31 (temporary and permanent) rigs drilling for natural gas and oil in waters deeper than 1,000 feet, up from 26 in 1996. In addition, over 10 deepwater discoveries were announced in 1997. A record eight are projected to come online in 1998. In total, a peak number of 17 deepwater fields were in production for the period January through July 1997 in waters 1,000 feet and greater. "The deepwater Gulf of Mexico is truly America's New Frontier of energy production," said Mr. Oynes.

The four deepwater projects that began production set these world or Gulf of Mexico records in 1997:

- In May 1997, Shell Deepwater installed a tension leg platform (TLP) in 3,214 feet of water at its Ram-Powell project (Viosca Knoll Block 956), surpassing the 1996 record set by Shell's Mars TLP in 2,860-foot waters.
- Shell Offshore began natural gas production at a world record water depth of 5,600 feet from its Mensa subsea project (Mississippi Canyon Block 687) in June 1997. Although it still holds as a Gulf water depth production record, the world record has since been established by Petrobras in the Campos Basin off Brazil in 5,600 feet of water, using a subsea well completion.
- Shell's Mensa subsea tie-back set a world record when a 12-inch flowline was tied back 63 miles to an existing shallow-water platform. British Petroleum Exploration's 15-mile-long flow line from a Troika well is the Gulf's second longest tie-back record.
- Oryx and CNG began production in 1997 from the world's first production spar platform at its Neptune project (Viosca Knoll Block 826) in 1,930-foot waters.
- In November 1997, BP's Troika project on Green Canyon Block 244 in 2,684 feet surpassed the single well flow-rate when Troika's first well produced 27,000 barrels of oil per day. The same Troika well produced 31,000 barrels of oil on January 4, 1998, eclipsing the previous Gulf record of 20,500 barrels set by an Auger project well.

For the period January through July 1997, deepwater production from the Gulf accounted for approximately 24% (53.9 million barrels of oil) and 6% (174.5 billion cubic feet of natural gas) of all Gulf OCS production. Attached is a listing of the 15 new deepwater discoveries made in the Gulf in 1997.

Two 1997 MMS publications, *Deepwater in the Gulf of Mexico: America's New Frontier* and *Gulf of Mexico Outer Continental Shelf Daily Oil and Gas Production Rate Projections From 1996 Through 2000*, have been updated and are available on our Homepage and through our Public Information Office at 1 (800) 200-GULF. These publications provide more in-depth information on Gulf deepwater leasing, exploration, and production.

The MMS is the Federal Agency that manages and regulates the Nation's natural gas, oil, and other mineral resources on the OCS, and collects, accounts for, and disburses about \$6 billion yearly in revenues from offshore Federal mineral leases and from onshore mineral leases on Federal and Indian lands.

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MMS's Website Address: <http://www.mms.gov>  
MMS's 24-Hour Fax-on-Demand Service: (202) 219-1703

Gulf of Mexico Deepwater Discoveries Announced in 1997.

Operator	Prospect	Area/Block	Water Depth (feet)
Marathon	Arnold	EW 963	1,760'
Reading & Bates	East Boomvang	EB 688	3,800'
Exxon	Hoover	AC 25	4,795'
Vastar	King	MC 764	3,250'
Conoco	King Kong	GC 472, 473, 517	3,817'
Santa Fe	Knight	GB 372	1,740'
Texaco	Lady Bug	GB 409	1,355'
Amoco/Shell	Nakika	MC 429, 522, 383	5,000'
Reading & Bates	North Boomvang	EB 643	3,688'
Amerada Hess	Penn State	GB 216	1,450'
Marathon/Shell	Stellaria	GC 112/113	2,045'
Elf	Virgo	VK 823	1,132'
Texaco	Narcissus	MC 638	4,250'
Union Pacific	Gomez	MC 755	3,000'
British Borneo	no name	GC 37	2,024'