



Refinery, Pipeline, and Rig Damage Information

Posted by [Prof. Goose](#) on August 29, 2005 - 7:10pm

Topic: [Supply/Production](#)

It will take a while to assess the extent of the damage, perhaps until Thursday or Friday, to get a complete picture of the situation with oil production, while we should have a good idea about refineries and pipelines sooner than that. The winds are still up, meaning that only fixed wing aircraft can make it up. The helicopter fleets will be out tomorrow.

Remember also that there are over 4000 rigs out there and around 90 platforms to assess. It will take some time to get a complete picture.

Update from HO: As [Rigzone](#) points out the impact will rapidly spread beyond the immediate vicinity.

Gov. Jeb Bush warned the fuel supplies at Florida ports, which seemed ample on Friday, now will not be enough in view of an expected shutdown of the refineries off the Louisiana coast.

``There are localized fuel shortages and my expectation is those will continue," he said.
``We're encouraging people to use fuel responsibly and leave fuel for their neighbors.' . .
. . . .

Sidney Coffee, executive assistant to the Louisiana Governor's Office for coastal activity, said the poor condition of the region's wetlands has left the oil pipelines more exposed and thus more vulnerable to damage by a hurricane. ``Many of the pipelines are open to conditions. There's going to be a lot of damage," she predicted.

``The loss of life is the main worry, and we hope that won't happen. But after that, everybody is going to be worried about oil." She added: ``With gas prices where they are already, now what?"

Smith, of the Florida petroleum group, said crude oil supplies don't worry him too much - the United States government keeps a 30-day supply on reserve for emergencies - but that a string of damaged refineries would leave the nation short on processing capacity.

With forecasters eyeing two Atlantic weather systems as potential tropical storms - and with many South Florida gas stations shuttered or empty in the wake of Katrina - fuel is bound to be a concern in the coming days.

He said Florida currently has a 10-day supply of fuel ``as long as everybody doesn't panic and go nuts."

Update [2005-8-29 19:10:34 by ianqui]: And Patrick P. lets us know the following:

Transocean's Deepwater Nautilus Noble Jim Thompson

Katrina may have set oil rigs adrift: Coast Guard receives reports that there are possibly two unmanned oil rigs adrift in Gulf of Mexico.

August 29, 2005: 6:54 PM EDT

WASHINGTON (CNN) - The U.S. Coast Guard said it has received reports that Hurricane Katrina has set adrift one, and possibly two, unmanned off-shore oil drilling units in the Gulf of Mexico.

It is hoped that aerial searches can be conducted later Monday to check the reports, said Lt. Robert Wyman of the U.S. Coast Guard.

"The situation for us is that there's no way for us to go out there and confirm it," he said. "We're looking at trying to get an aircraft out later in the day."

A lot more information after the fold.

[Here are the final GOMEX numbers.](#) They predict that 86% of Gulf oil production is predicted to be cut for less than 10 days, 50% of oil production is predicted to be cut for 10-30 days, and 22% cut for over 30 days. Natural gas is just about as bad (59-29-5). That, folks, is a big deal if it's right, we're talking about a lot of capacity in the gulf. (Ironically, that little jog Katrina took to the NNE at landfall may benefit NOLA, but may be worse for the oil industry, more rig damage and more exposure to the offshore areas of MS and AL)

[Here's a link to a good map of refineries/storage facilities/SPR in the MS/LA area](#) (PDF WARNING).

Here's a link to the petroleum storage and refining capabilities of [Louisiana](#), [Mississippi](#), and [Alabama](#).

Here's a link to the [Strategic Petroleum Reserve](#). The problem with the SPR is that it's petroleum, not refined petroleum...and our refineries are already at 100% capacity, provided they survived the storm. (Update by ianqui: [White House says "too early" for SPR oil decision](#). Schumer's up to his old shenanigans, but Bush Co. wants to evaluate the situation before opening the SPR. Seems prudent.)

Here's a link to information on the [LOOP](#) and [Port Fourchon](#). Why are these important?

About one-sixth of the U.S. oil supply comes through the Port Fourchon facilities. The port, the only one in the region that handles supertankers, accounts for about 13% of U.S. oil imports. About 27% of U.S. domestic production comes through the port's pipelines. Even a minor disruption in production could send gasoline prices sharply higher.

It was reported that the LOOP and Port Fourchon are under a massive amount of water.

UPDATE: We have an oil industry insider who has emailed us saying that "there's 6-7 rigs floating free" right now, meaning they have detached from bottom (they would rather they sink instead of float...). Shell has announced that they have two rigs floating, one visible from Mobile Bay.

(HO adds) And the refinery situation also has to be of concern as [Bloomberg](#) notes

Katrina forced the shutdown of at least eight oil refineries near the Gulf in Louisiana and Mississippi. The plants have a combined crude-oil processing capacity of about 1.79 million barrels a day, or 10.5 percent of total U.S. capacity.

UPDATE [CNN](#) reports on damage in New Orleans itself

About 10,000 people, who were unable to evacuate the city, took shelter in the Louisiana Superdome -- the cavernous football stadium that is usually home to the New Orleans Saints. ..

Reporter Ed Reams from affiliate WDSU told CNN that Katrina ripped away a large section of the building's roof.. . I can see daylight straight up from inside the Superdome," Reams reported.

And some early news from the Gulf - where we had earlier reported a note from J that there were at least two on-shore rigs that had been overturned.

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However, as he pointed out, with storm packers in place, the wells will remain sealed. The major concern remains for the pipelines and for the refineries in the vicinity. Since there are several within the heart of the zone, where the storm remains at its most intense.

Technorati Tags: [peak oil](#), [oil](#), [Katrina](#), [Port Fourchon](#), [weather](#), [hurricane](#).



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