



Urban Survival: The GOM Situation

Posted by [Prof. Goose](#) on October 1, 2005 - 1:35pm

Topic: [Supply/Production](#)

Tags: [gulf of mexico](#), [oil](#), [peak oil](#), [rig damage](#) [[list all tags](#)]

[interesting stuff, under the fold, from a couple of insiders...\(from \[urbansurvival.com\]\(#\)\)](#)

Our Houston Bureau guys (a/k/a [oilman1@urbansurvival.com](#) and [oilman2@urbansurvival.com](#)) do an amazing job of keeping me posted on what's going on in the Gulf. Tonight, on the eve of our departure for the ranchstead, Houston 1 offers this:

Let me sum up: Hurricane Ivan destroyed 7 platforms and 100 pipelines and 0 rigs. Katrina & Rita destroyed (so far) 90 platforms and (who knows) pipelines and 100 rigs.

There are typically around 130 rigs working in the Gulf. Today, there are 23.

There will be virtually no new exploration in the Gulf for the next year or so, assuming everything stays the way it is right now. Plus, with the rigs left in operation, there are several countries bidding to have them work in their waters. Guess who wins? Highest bidder.

Gasoline was up \$0.40 at my test location just since last night. Expectations are that it will rise over \$1.00 by Sunday night. Two years ago, I could fill my SUV (26 gal tank) for \$28. Today, it cost me \$28 to fill my buzzie with a 10 gal tank.

Service companies are strained to the max. There is very little equipment available. Dive equipment, generators, winches and the whole lot were destroyed in the storms. Rentals are going out all over the world to get the equipment to do the job. Right now, everything is on an even keel, but one more surprise could put the whole remediation effort over the edge, as well.

Still working on the refinery data for you. Don't trust the happy talk. These are eyeball numbers. We are keeping a large wall map up-to-date in the war room. (Oilman1 is at an oil service company that does offshore work - G)

It's not only bad, it's very bad.

Ergo, we may not take too long getting there...we don't like lines any more than you do. (humming, "On the road again, just can't wait to get on the road again...")

Now let me add it up: A tenuous political situation in DC, New Orleans clusterfibbit, quakes pending west, and oil outages on the horizon. That means rationing and restrictions on travel. We'll take flight ahead of a crapstorm any day...



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