

October 14, 2005

OCS Operators and Drilling Contractors,

Three recent major hurricanes – Ivan in 2004, and Katrina and Rita in 2005 – have further demonstrated the offshore industry’s capabilities for safely evacuating facilities and securing wells. You are applauded for your leadership in protecting personnel and the environment from the threats posed by such intense storms.

I am now asking that you demonstrate similar leadership in resolving a major problem that was confirmed by these hurricanes – the failure of mobile drilling units to remain on location during hurricanes. As a result of mooring system failures (floating rigs) and the separation of hull sections from legs (jackup rigs), 24 mobile drilling units were set adrift during these 3 hurricanes. The rigs drifted out-of-control for distances of up to 120 miles. Although the extent of damage caused by these wayward drilling units is still being assessed, the threat to other offshore facilities is clear. Offshore platforms and pipeline systems are vital to our economy and must be protected from drifting rigs and the mooring equipment they are dragging. This problem must be satisfactorily addressed in a timely manner.

Secretary Norton has asked me to convene a meeting of industry leaders on November 17 in Washington, DC. The Offshore Operators’ Committee and the International Association of Drilling Contractors are organizing industry’s participation in this meeting, which will be limited due to meeting room accommodations. Participants will be charged with developing a plan for improving the station keeping performance of mobile drilling units with a timetable that will ensure that mitigations are in place prior to the next hurricane season. Should you desire input into the plan or meeting discussions, you are encouraged to contact either of the trade associations and make your views known.

In recovering oil and gas resources in challenging environments throughout the world, your industry has demonstrated outstanding innovation and technological leadership. I am confident that you will fully apply these capabilities and successfully resolve the issues associated with mobile drilling rig station keeping. I look forward to meeting with the industry delegation on November 17.

Sincerely,

R.M. “Johnnie” Burton
Director
Minerals Management Service