



JOINT ECONOMIC COMMITTEE

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Update on Economic Impacts of Katrina

- The Gulf of Mexico (GOM) coastal region of the United States supplies 29% of domestic oil production and 21% of domestic natural gas production.

Shut-In Production Has Declined

- At the peak of “shut-in” production that resulted from Hurricane Katrina, on August 30, over 95% of daily GOM oil production and close to 88% of daily GOM natural gas production was shut in for environmental and human safety reasons.
 - A shut in facility does not produce. Shut-ins for oil and gas production are procedures used by industry for safety purposes. Once facilities are inspected and standard checks are completed, production from shut-in facilities can be brought back on line.
- Today, shut-in oil is 57.38% of daily GOM production and shut-in natural gas is 37.84% of daily GOM production.
- The figures below show shut-in data from the Minerals Management Service (MMS).
 - The upper figure shows daily shut-in oil and natural gas production, representing the percent of total **daily** GOM production shut in each day between August 30 and September 12.
 - The lower figure shows **cumulative** shut-in production, representing the percent of total **yearly** GOM production shut in between August 26 and each date on the horizontal axis. Cumulative shut-in oil production between August 26 and September 12 is 3.443% of yearly GOM production and cumulative shut-in gas production in that period is 2.515% of yearly GOM production.

