



JOINT ECONOMIC COMMITTEE

ROBERT F. BENNETT, VICE CHAIRMAN, SEPT. 15, 2005

UPDATE ON ECONOMIC EFFECTS OF HURRICANE KATRINA

Shut-In Production Continues to Decline

- The Gulf of Mexico (GOM) coastal region of the United States supplies 29% of domestic oil production and 21% of domestic natural gas production.
- At the peak of “shut-in” production caused by 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 inspected and checked, production from shut-in facilities can be brought back on line.
- Today, shut-in oil is 56.14 of daily GOM production and shut-in natural gas is 34.11% of daily GOM production.
- The figures 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 Aug. 30 and Sept. 15.
 - The lower figure shows **cumulative** shut-in production, representing the percent of total **yearly** GOM production shut in between Aug. 2 and each date on the horizontal axis. Between Aug. 26 and Sept. 15, cumulative shut-in oil is 3.904% of yearly GOM production and cumulative shut-in gas is 2.806% of yearly GOM production.

