

Mexico's Pemex evacuates rigs for Dean

The Miami Herald
Tue, Aug. 21, 2007

POZA RICA, Mexico --

Most of Mexico's offshore oil and gas production shut down Tuesday as a weakened Hurricane Dean swirled into the Gulf of Mexico. Skeleton crews kept oil flowing near the central coast, where Dean was expected to make landfall as a stronger storm Wednesday.

Normally, more than 1,000 workers extract oil from seven platforms in the northern region of Pemex's offshore oil operations. By Tuesday morning, no more than 10 were left on each rig, said Enrique Matus Bocanegra, a spokesman for Mexico's state oil company, Pemex.

The crews had orders to keep oil pumping and ride out the storm if possible. If not, they were to shut off the pumps and quickly make for the coast. While the platforms are built to withstand hurricanes, "there is always a risk," Matus said.

The platforms, a half-hour helicopter ride from the oil city of Poza Rica, are linked to 32 underwater wells that pump 18,000 barrels of crude each day under normal conditions.

Topping Pemex's concern was the main oil-producing zone just offshore and south of the city of Campeche, directly in the storm's path.

Dean emerged from its passage across the Yucatan Peninsula as a minimal hurricane with 85 mph winds. Mexico had planned to close all three of its oil-exporting ports ahead of the storm, but the reduced winds enabled it to keep open the Pajaritos port at Coatzacoalcos at the Gulf's extreme southern end.

But production remained shut down in the Campeche Sound's Cantarell field, where more than 18,000 workers were evacuated from platforms Sunday and Monday. That cut off 80 percent of Mexico's total production - 2.7 million barrels of oil and 2.6 billion cubic feet of natural gas a day.

Closing the 32 wells off the northern Gulf coast would mean an additional production shutdown of 18,000 barrels of crude and 130 million cubic feet of natural gas daily, Pemex said.

Despite the storm, worries in world oil markets seemed to have dissipated.

Crude oil prices in New York dropped below \$70 a barrel Tuesday as Dean's winds weakened and it became clear U.S. offshore production would be unaffected. Gasoline and natural gas prices also dropped, with traders betting the storm would have no lasting effect on Mexican output.

Pemex produced an average of 3.2 million barrels crude oil a day in the first six months of 2007, of which 2.6 million barrels came from its offshore fields.

"There are sufficient stores of petroleum products to meet demand during and after the hurricane," Pemex said.