“KATRINA”
Thru
The Eyes of a Service Company

Presented by:
Bruce Carlile & Scott Fenwick
COQG - New Orleans, LA
February 2006
“KATRINA” – August 29, 2005
“RITA” – September 24, 2005
Supply System – Where Were You?

...in the Supply System

OFFSHORE

Lease Tankage

Pipeline Tankage

Marine Terminal Tankage

MARINE

TANKER

ONSHORE

Salt Dome Storage

Salt Dome Storage

Refinery Tankage

REFINERY

Supply System – Where Were You?

...in the Supply System
## Gulf of Mexico Oil & Natural Gas Facts

<table>
<thead>
<tr>
<th>Category</th>
<th>Gulf of Mexico</th>
<th>Total U.S.</th>
<th>% from “GOM”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crude Oil (million barrels per day)</td>
<td>1.562</td>
<td>5.488</td>
<td>28.5%</td>
</tr>
<tr>
<td>Federal Offshore Crude Production</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total GC Region Refinery Capacity</td>
<td>8.068</td>
<td>17.006</td>
<td>47.4%</td>
</tr>
<tr>
<td>Total GC Region Crude Imports</td>
<td>6.490</td>
<td>10.753</td>
<td>60.4%</td>
</tr>
<tr>
<td>Imports – LA, MS, and AL</td>
<td>2.524</td>
<td>10.753</td>
<td>23.5%</td>
</tr>
<tr>
<td>Imports – LOOP</td>
<td>0.906</td>
<td>10.753</td>
<td>8.5%</td>
</tr>
<tr>
<td>Natural Gas (billion cu ft./day)</td>
<td>10.4</td>
<td>54.1</td>
<td>19.2%</td>
</tr>
<tr>
<td>Federal Offshore Marketed Production</td>
<td></td>
<td></td>
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</tbody>
</table>
Oil Production Decline

Figure 4. Shut-In Federal Offshore Gulf Crude Oil Production

Mbd = Thousand barrels per day, $/bbl = Dollars per barrel
Short-Term Energy Outlook, February 2006
Shut-In Production Comparison

- Shut-In Production Comparison of Hurricanes Ivan and Katrina + Rita

- Chart showing production decline over days after landfall for Hurricanes Ivan and Katrina + Rita.

- Note: Ivan shut in roughly 130,000 bbls of oil and 0.3 Bcf of natural gas from Jan.-Mar. 2005. The graph above shows 3 months.
Laboratory Services
The Human Element

• 260 Employees in the Louisiana Region were safely accounted for…
  (1,000 USA wide)

• Immediate supply trailers sent to the area with water, food, clothes, generators and personal items

• Several travel trailers were leased and driven to Southeast Louisiana to house displaced employees

• Numerous employees were relocated and transferred to other functional offices

• The New Orleans laboratories experienced very little damage and were operational within 2 days

• Logistics of hydrocarbon samples to complete customer jobs
Additional Difficulties

- Access to certain areas
  1. Anything south of Belle Chase on Hwy 23
  2. Anything east of New Orleans on I-10
  3. 4 refineries shut down for extended periods (longer than 1 month)

- Courier and sample delivery services
  1. Fed-Ex and UPS did not deliver to zip codes for several months
  2. Samples were routed to our Baton Rouge facility and couriered at least once daily
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Additional Difficulties
Thank you

A Crude Oil Trader…

Above all he/she has to be a straight shooter. His word must be as good as his bond. Deals are made orally and informally, often over the telephone, and may be in effect for weeks before the lawyers complete the formal contracts.

But a crude-oil man must not be a “sharp-trader” in the derogatory sense of taking advantage of the other fellow. All of them have to give as many favors as they ask. They need each other's help. Whether crude is in short supply or long.

“Oil & Gas Journal - 1962