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## Independence Project Overview—A Producer's Perspective

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### Abstract

This paper will summarize the different components of the record-setting Independence Project in the ultra-deepwater Eastern Gulf of Mexico. Additionally, the paper will discuss the unprecedented collaboration between multiple producers to commercialize a significant resource base in an area of the GOM devoid of gas processing and export infrastructure.

### Introduction

The world-record setting Independence Project consists of four components – ten natural gas fields, the subsea system, the Independence Hub processing platform and the Independence Trail export pipeline. The Project is about bringing gas from a new frontier at water depths up to 9,000 feet to U.S. consumers. The Independence Project will produce 1 billion cubic feet of natural gas per day (bcf/d) when it comes on line in 2007 which will add approximately 2 percent to the gas supply for the United States. Each of these components took creative technical solutions to bring the gas to production, but also a unique commercial solution was needed.

The Independence Hub platform is owned by Enterprise Products Partners L.P. and Helix Energy Solutions 80 percent and 20 percent respectively and will be operated by Anadarko Petroleum Corporation. The Independence Trail pipeline is 100 percent owned and operated by Enterprise. The wells and subsea system are 100 percent owned and operated by the different producing companies that have interests in the ten fields that will produce back to the Hub: Anadarko, Dominion Exploration and Production, Hydro and Devon Energy Corporation. These producers gathered together to develop these stranded gas reserves. The producers became known, collectively, as the Atwater Valley Producers (AVP) group and they ultimately joined forces with Enterprise to find the solution. The producers contracted for capacity on the Hub platform and pipeline rather than funding the facility

development themselves, allowing their capital to be dedicated to the exploration and development of fields in the area. The whole project has been accomplished in an impressive time frame from the formation of the Atwater Valley Producers group in 2003 to first production expected in 2007.

The name of the project is even a play on the AVP approach to the project. All the members of the AVP were classified as 'independent' oil and gas producers and they needed each other to make the project commercial. 'Independence' is a play on the word 'independents' signifying that the producers broke themselves away from the old way of doing things and rallied together to bring a unique commercial solution to a challenging technical problem. Each producer was facing similar deepwater development challenges in the Eastern Gulf of Mexico with gas discoveries that were early in their development cycle with no infrastructure in place and water depths ranging up to 9,000 feet, a world-record setting production water depth. Rather than each producer working independently, they realized they could leverage their combined talents and experience to develop a more robust project.

### Field Discovery Histories

There are 10 fields that comprise the Independence Project. These fields range in water depths from 7,800 to 9,000 feet. The first discovery was made by Kerr-McGee (now Anadarko Petroleum) in the Merganser Field in Atwater Valley Block 37 in late 2001. At about the same time MMS Lease Sale 181 in the Eastern Gulf of Mexico was held with Anadarko and other producers picking up blocks in the De Soto Canyon and Lloyd Ridge areas. This was the initial expansion of block offerings by the government in the Eastern portion of the Gulf of Mexico. The second field to be discovered was the Vortex Field in AT 261 drilled by BHP in 2002. In April through November of 2003 Anadarko made discoveries at the Jubilee (AT 305/349), Atlas (LL50) and Spiderman (DS 620/621) Fields. Dominion announced the discovery of the San Jacinto Field (DC 618/619) in early 2004. These six fields were the initial fields planned for development with the Independence Hub. Subsequently, there were four additional fields discovered that will also be tied into the Hub. They are the Cheyenne (LL 399) and Atlas NW (LL 5) Fields, which were discovered by Anadarko in 2004. The Mondo NW Field (LL 1) was discovered by partners Murphy and Anadarko in December, 2004. The last of the ten fields to be discovered was the Q Field (MC 961) in 2005 operated by Hydro with its partner Dominion. There will be 15 initial wells from these ten