



Forums on Offshore Drilling

Oil Spill Preparedness and Response

Mobile, Alabama

August 10, 2010



Purpose of the Forums

The current suspension of deepwater drilling is in effect until November 30, 2010, or until such earlier time as the Secretary determines that deepwater drilling operations can proceed safely with robust health and environmental protections in place.

Secretary Salazar directed BOEM to collect public and expert input about the following three issues pertaining to deepwater drilling activities:

1. Drilling and workplace safety.
2. Wild well intervention and containment techniques.
3. Oil spill response capabilities for offshore drilling and production facilities.

A purpose of the forums is to identify whether any modifications to the scope or duration of the deepwater drilling suspensions is warranted, based on the risks associated with specific types of operations.

We want to hear from you. Please fill out a comment card or submit your comments at www.BOEMRE.gov/forums



The Importance of Deepwater Drilling

- Tens of thousands of workers are employed in the Gulf of Mexico offshore oil and gas industry.
- Domestic energy production is important to the health of the economy, energy independence and national security.
- The Gulf of Mexico currently accounts for 30% of domestic oil production and 12% of domestic natural gas production.

The Importance of Drilling Safety and Effective Oil Spill Response: What is at Risk?



Deepwater spills have a devastating impact on:

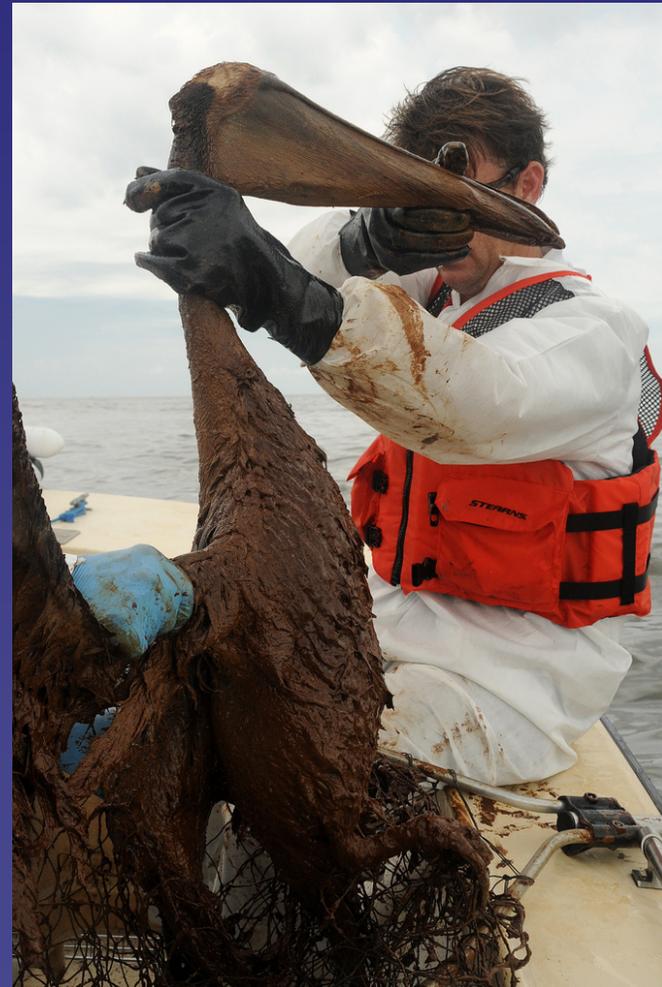
- Fishing and Shrimping
- Tourism
- Wildlife
- The ocean and coastal environments
- Local communities



The only way to minimize the harm once an oil spill occurs is through a rapid and effective oil spill response.

The Impact of the Deepwater Horizon Oil Spill

- 11 rig workers died in the Macondo well blowout and fire.
- The Deepwater Horizon oil spill has had a dramatic effect on the ocean and coastal environments in the Gulf of Mexico.
- Hundreds of miles of shoreline and wetlands in the Gulf states have been affected by the Deepwater Horizon oil spill.
- The entire Gulf ecosystem will be affected, including marine plankton, fish and shellfish, birds, marine mammals, and other wildlife.
- The Deepwater Horizon oil spill also has had a major impact on the fishing, shrimping, tourism, commercial retail and other industries in the Gulf of Mexico region.



Resources Deployed in the Deepwater Horizon Clean-Up Effort

- Oil spill response resources across the nation have been mobilized for the clean-up of the Deepwater Horizon spill.
- This includes, among others:
 - Tens of thousands of personnel
 - Millions of feet of boom
 - Thousands of vessels
 - Over one hundred helicopters and aircraft



Inadequacy of Current Oil Spill Response Plans

- Industry representatives have admitted that they are not well-equipped to handle worst-case scenarios.
- Industry regional response plans proved inadequate to address the Deepwater Horizon spill:
 - Plans overestimated the daily recovery capacity of skimming systems in the open ocean.
 - Plans failed to account for the spreading of oil and the significant shoreline impact.
 - Plans failed to provide for rapid mobilization of equipment from domestic and international sources.

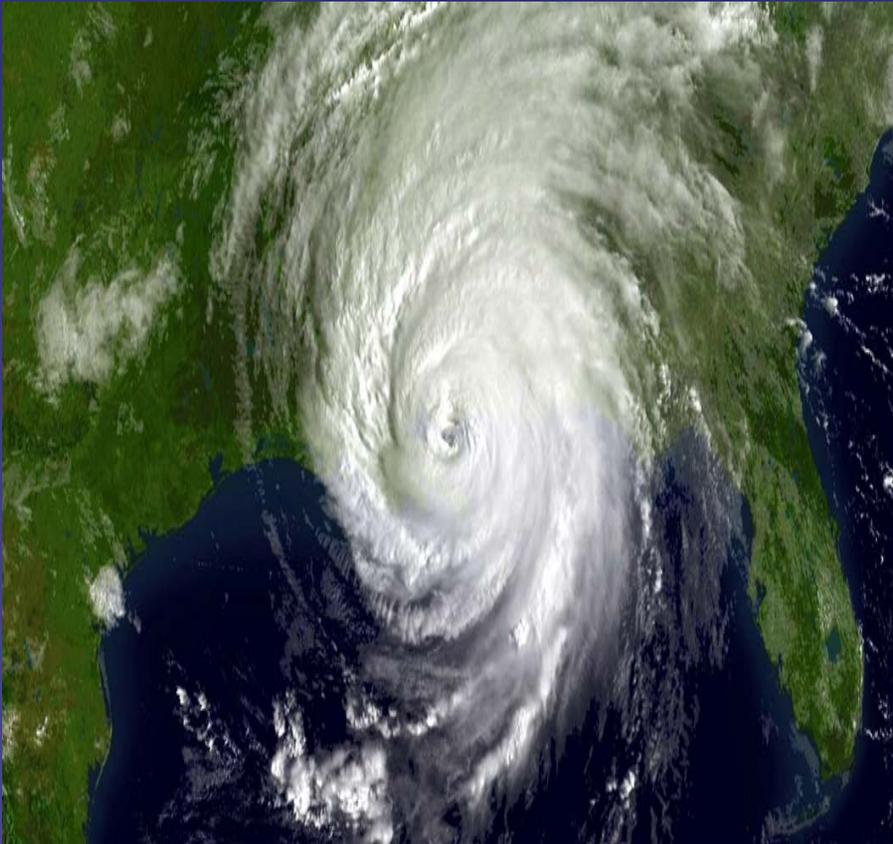




The Insufficiency of Oil Spill Response Resources

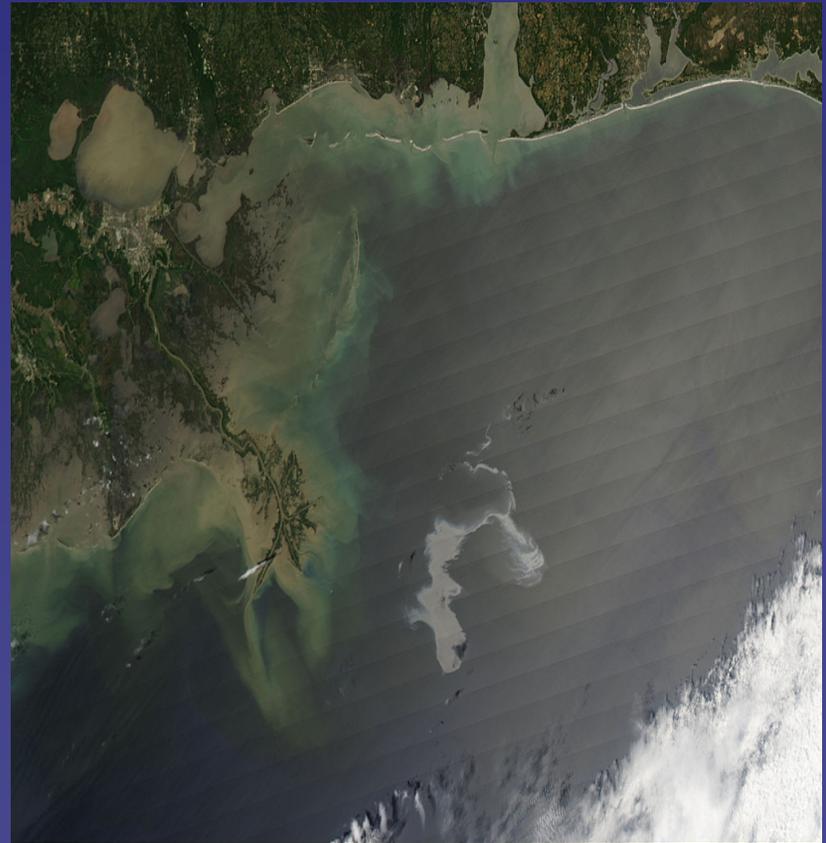
- The unprecedented deployment of oil spill response resources to the Deepwater Horizon site and regional shorelines raises serious concerns about the industry's ability to respond should another deepwater spill occur.
- Industry executives testified before Congress that they deployed all available resources to respond to the Deepwater Horizon spill.
- In a June 28, 2010, meeting with Interior, industry was unable to provide assurances that sufficient resources existed to address a second oil spill while the response to the Deepwater Horizon spill was ongoing.
- The Coast Guard determined that the number of oil skimming vessels was inadequate to recover the oil released from the Deepwater Horizon spill. Accordingly, USCG and EPA amended their oil spill response requirements to allow certain commercial and military vessels normally required to be available for spills in other regions to be deployed to the Deepwater Horizon site.
- NOAA stated that it was fully engaged in responding to the Deepwater Horizon spill and that it would have had difficulty responding if another spill were to occur simultaneously in another U.S. location.

Weather-Related Complications



- Clean-up operations during hurricane season are subject to multiple weather-related complications, difficulties and delay:
 - Response crews cannot conduct skimming or controlled burn operations in elevated sea states.
 - Increased wave heights may cause boom to break apart in some areas.
 - Storm surges may distribute oil over a wider geographic area and carry the oil into the coastline and inland.
- Although Tropical Storm Alex took a path away from the Macondo site, ocean conditions generated by the storm required all 510 skimmers responding to the Deepwater Horizon spill to return to shore.

Industry Must Develop Effective Oil Spill Response Plans





Today's Panels

- Panel I:

- *Richard Morrison*, Vice President of Operations, Gulf of Mexico, BP
- *Richard Lynch*, Vice President, Drilling and Completions, BP

- Panel II:

- *Dr. Edward Overton*, Department of Environmental Studies, LSU
- *Dr. George F. Crozier*, Dauphin Island State Lab
- *Manley K. Fuller, III*, Florida Wildlife Federation
- *Steve Russell*, Director of Business Relations and Expansion, Mobile Chamber of Commerce



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