



Forums on Offshore Drilling

*Strategies for
Well Control and Containment
in Deepwater*

New Orleans, Louisiana
August 4, 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 in the Gulf of Mexico

- 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 Safely: What is at Risk?

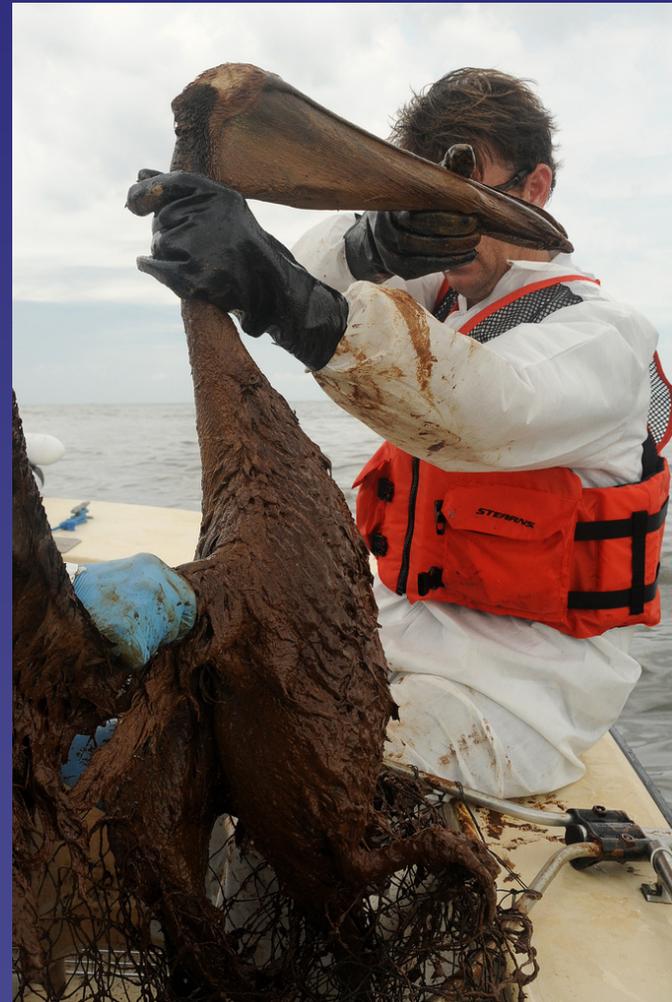


Deepwater spills have a devastating impact on:

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

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.



The Oil Industry Is Not Equipped to Handle a Deepwater Blowout

June 15 House Subcommittee on Energy and Environment Hearing

- Congressman Stupak (D-MI): So when these things happen, these worst-case scenarios, we can't handle them, correct?
- Exxon CEO Rex Tillerson: We are not well equipped to handle them. There will be impacts as we are seeing. And we've never represented anything different than that. That's why the emphasis is always on preventing these things from occurring, because when they happen, we're not very well equipped to deal with them. And that's just a fact of the enormity of what we're dealing with.



Source: Select Committee on Energy Independence and Global Warming

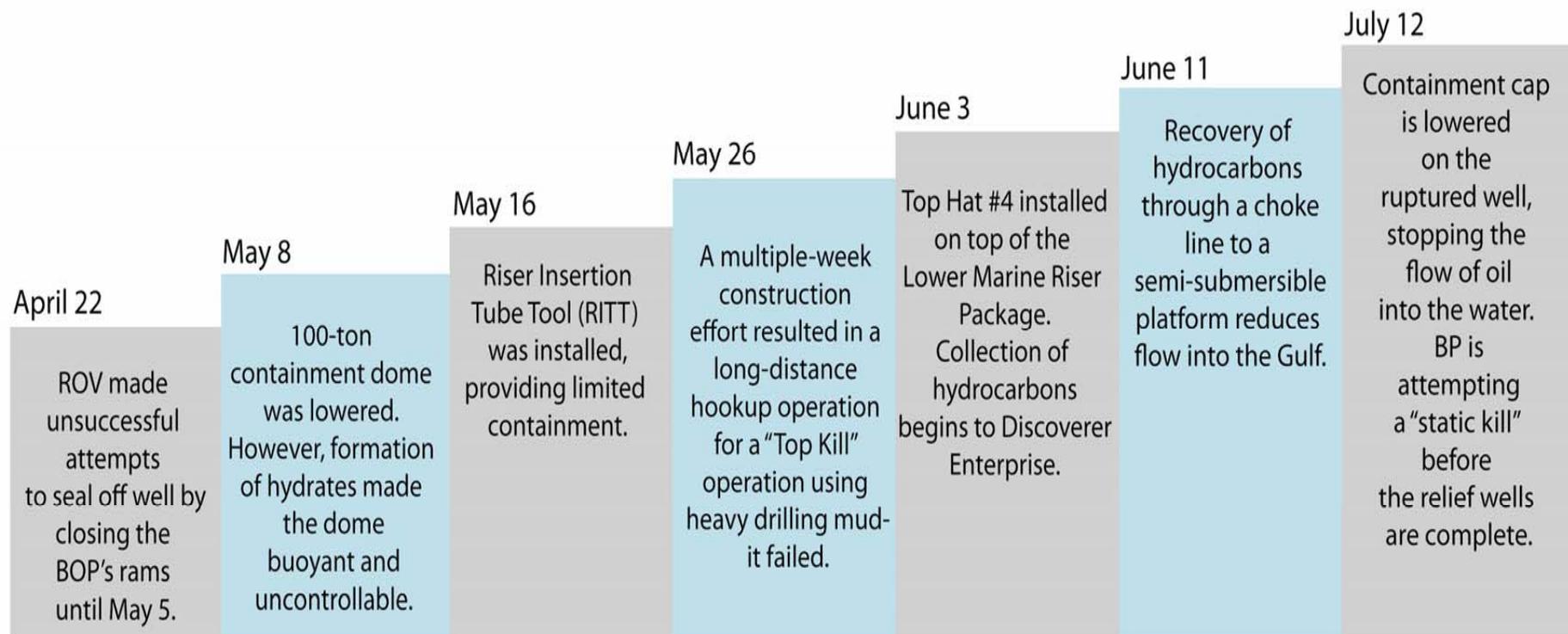
Lessons from the Deepwater Horizon Oil Spill



- No purpose-built subsea containment equipment was available for immediate deployment.
- None of the subsea containment strategies used had ever been attempted in water depths similar to those of the Macondo well.
- The subsea containment equipment built and deployed initially was ineffective at capturing most of the oil from the well.

Source: The Times-Picayune

Improvised Attempts to Contain the Macondo Well



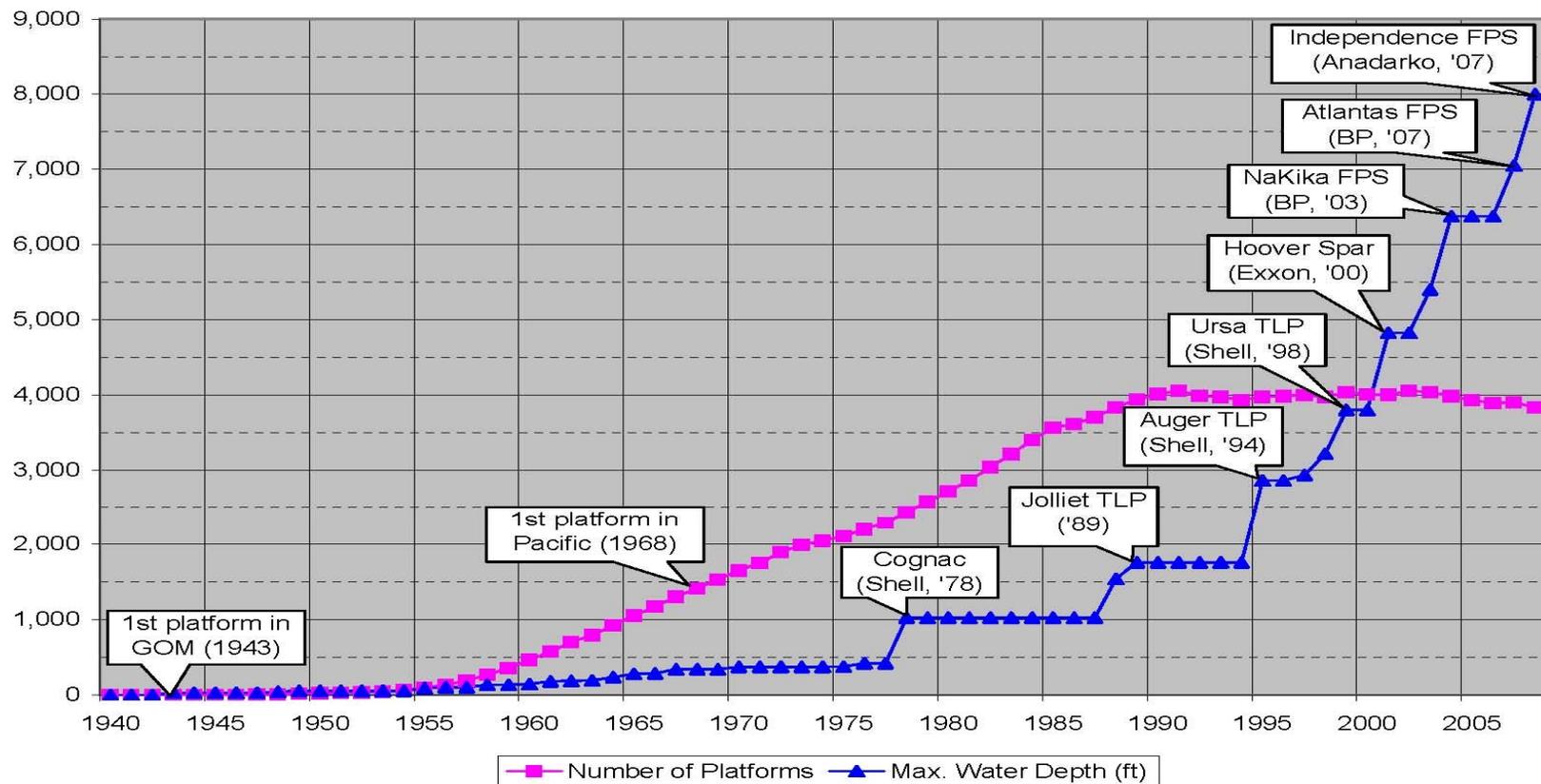
Containment Challenges Specific to Deepwater Drilling

- Deepwater drilling has been compared to operating in outer space.
- Any equipment designed for deepwater use must be able to operate under the enormous pressure and low temperatures of deepwater.
- Work in deepwater must be performed by remotely operated vehicles.
- The lack of precise information regarding the size of the uncontrolled flow greatly complicated the Macondo containment efforts.



Deepwater Activity Has Increased Dramatically in the Last 20 Years

Number of Platforms & Max Water Depth



Industry Must Develop Effective Containment Strategies for Deepwater Drilling





Today's Panels

- Panel 1
 - *Sara Ortwein*, Vice President of Engineering, ExxonMobil Development Company
 - *Melody Meyer*, President, Chevron Energy Technology Company
 - *Charlie Williams*, Chief Scientist, Shell Oil Company
 - *Steve Bross*, Manager, Project Development, ConocoPhillips
- Panel 2
 - *Stephen O. Sears*, Chair, Department of Petroleum Engineering, LSU
 - *Doug Meffert*, Deputy Director for Policy, Tulane
 - *Melanie Driscoll*, Director of Bird Conservation, Louisiana Coastal Initiative, National Audubon Society
 - *Mike Voisin*, Chief Executive Officer, Motivatiit Seafood
- Panel 3
 - Louisiana Lieutenant Governor *Scott Angelle*
 - U.S. Congressman *Anh ("Joseph") Cao*
 - Grand Isle Mayor *David Camardelle*
 - Terrebonne Parish President *Michel Claudet*
 - Lafourche Parish President *Charlotte Randolph*
 - St. Mary Parish President *Paul Naquin*
 - New Orleans Mayor *Mitch Landrieu*



Forums on Offshore Drilling

*Strategies for
Well Control and Containment
in Deepwater*

New Orleans, Louisiana
August 4, 2010