

BUREAU OF OCEAN ENERGY MANAGEMENT
ENFORCEMENT AND REGULATION
Public Forum on Offshore Drilling
Panelists and Elected Officials
Lafayette Hilton & Towers
Lafayette, Louisiana
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PANEL I:

Sarah Ortwein
Vice President of Engineering
Exxon Mobil Development Company

Melody Meyer
President
Chevron Energy Technology Company

Charlie Williams
Chief Scientist
Shell Oil Company

Steve Bross
Manager, Project Development
ConocoPhillips

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PANEL II:

DAVE BARROW

Wild Well Control

BRYCE A. LEVETT

Director of Energy Solutions

Energy North America, Det Norske Veritas

BART HEIJERMANS

Chief Operating Officer

Helix Energy Solutions Group, Inc.

JOHN SMITH

Associate Professor

Craft & Hawkins Department of Petroleum

Engineering, LSU

FRANK GALLANDER

Consultant,

Subsea Well Intervention Team, Chevron

Global Upstream Gas

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PANEL III:

SCOTT ANGELLE

Louisiana Lieutenant Governor
State of Louisiana

CHARLES BOUSTANY

United States Congressman
Seventh Congressional District

CHARLIE MELANCON

United States Congressman
Third Congressional District

JOEY DUREL

City-Parish President
Lafayette, Louisiana

JOHN YOUNG

Jefferson Parish Councilman

CHARLOTTE RANDOLPH

Parish President
Lafourche Parish

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ARLANDA WILLIAMS

Terrebonne Parish Councilwoman

WAYNE LANDRY

St. Bernard Parish Councilman

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1 **DAVID SMITH:**

2 My name is David Smith. I'm with the DOI,
3 Public Affairs Office. Welcome. We appreciate
4 your attendance this morning.

5 In just a few minutes Director Bromwich
6 will come out to open the forum with our first
7 panel. So I ask at this time that you go ahead
8 and find seats, go ahead and turn your cell
9 phones off or set them to silence, and we'll get
10 started in just a minute.

11 Right now we have just the main entrance to
12 the back of the room open for entry and exit.
13 In the event of a fire alarm or some other sort
14 of an emergency, though, we do have doors here
15 on the sides. Use your closest exit, make your
16 way to the staircase and leave the building if
17 we have such an incident.

18 Also, if you need the use the restroom, out
19 the back doors and to the right you will find
20 facilities there.

21 Other than that, we ask for your
22 participation today. We have comment cards in
23 the back, outside in the sign-in area. We ask
24 that you fill one of those out, but don't limit
25 yourself to the space on the card. We are also

1 accepting public comment on the issues that we
2 are discussing today, via our website, and also,
3 you can submit your comments via mail. All of
4 the instructions for both of those are on those
5 comment cards in the back. So make sure you
6 pick one of those up before you leave today. If
7 you complete it here, you can feel free to drop
8 it off and give it to any of us with one of
9 these name tags, and we'll get that squared away
10 for you.

11 So thanks again. Like I said, in just a
12 moment, we will get started.

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1 **DIRECTOR MICHAEL BROMWICH:**

2 Good morning, everyone. My name is Michael
3 Bromwich. I am the Director of the Bureau of
4 Ocean Energy Management Regulation and
5 Enforcement. We're here in Lafayette, Louisiana
6 today to conduct the eighth of our public forums
7 on deep water drilling that we have been
8 conducting over the last 40 days. We started in
9 New Orleans in early August; August 4, to be
10 precise. We then moved on to Mobile, Alabama
11 and Pensacola, Florida. We then went to Santa
12 Barbara, California and Anchorage, Alaska. Last
13 week we were in Houston, Texas and Biloxi,
14 Mississippi. And we are appropriately ending
15 this series of eight public forums here in
16 Lafayette, Louisiana.

17 This has been a very interesting set of
18 forums that we have conducted. We received a
19 wealth of information from presenters. We've
20 gone back and counted up, and we've had 98
21 presentations over the course of the last six
22 weeks or so; on 61 of those, including the ones
23 we are going to hear today, from people in the
24 street, academia, people from environmental
25 organizations, as well as people from the

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1 various business communities in the cities in
2 which we held these public forums.

3 In addition to that, including today, we
4 will have heard from 37 public officials,
5 ranging from city council people to United
6 States senators.

7 The purpose of these forums, as I think
8 most of you know, has been to gather information
9 from a wide variety of sources to determine
10 whether the current deepwater drilling
11 moratorium can and should be modified or ended
12 before the current November 30th deadline. As I
13 think you know if you've been following these
14 forums, I've been required by Secretary Salazar
15 to deliver a report to him, which summarizes what
16 we have learned during these forums, no later
17 than October 31. We hope and aim to submit the
18 report as much as a month early; that is, by the
19 end of this month. That is our hope, and that
20 is our intention.

21 The format today will be the same as the
22 format that we followed in past public forums.
23 I will give a brief presentation that frames the
24 issues in very general terms, then we will have
25 three panels. The first two panels will be

1 composed of people from industry and academia,
2 and the final panel will be composed of public
3 officials. We are scheduled to go for an hour
4 for the first panel, an hour for the second
5 panel, then we will take a brief break, of
6 anywhere from 15 minutes to a half an hour, and
7 then we will return for our final panel of
8 public officials.

9 We have tried not to cut any of our
10 presenters short during the course of these
11 forums, and so if we go a little long, we go a
12 little long.

13 So that sets the table for the forum today.
14 What I would like to do just for the next few
15 minutes is to provide a brief presentation that
16 will frame the issues.

17 As I mentioned a few minutes ago, the
18 purpose of the forums is to deal with the issues
19 surrounding the deepwater drilling moratorium.
20 On July 7 of this year, Secretary Salazar
21 directed me to collect industry and academic
22 expert input on the three issues that underlie
23 the deepwater drilling moratorium, and those
24 issues are: Drilling and workplace safety; wild
25 well intervention and containment; and well

1 spill response capabilities for offshore
2 drilling and production.

3 Each of these forums has tended to have a
4 specific theme. One week we will devote to
5 drilling and workplace safety. Another occasion
6 we will focus on the well spill response.
7 Today, in our final forum, we are going to be
8 focusing on item two on this, "Wild well
9 intervention and containment techniques."

10 And again, as I said before, the principal
11 purpose of these forums is to determine whether
12 any modifications to the current deepwater
13 drilling moratorium should be made, and whether
14 the moratorium should be ended or modified
15 before the current expiration date of November
16 30.

17 These are public forums. We are glad to
18 have a nice size audience here today. You can
19 supply any comments that you have on comment
20 cards that you can obtain outside of this
21 meeting hall, as well as submitting them online
22 to the web address that is submitted on this
23 slide.

24 One of the things that is quite clear is
25 the importance of deepwater drilling in the Gulf

1 of Mexico in all sorts of ways. We know that
2 tens of thousands of workers are employed
3 directly in the Gulf of Mexico in the offshore
4 oil and gas industry. We also know that
5 domestic energy production is essentially
6 important to the health of our economy, to have
7 energy independence, and, indeed, to our
8 national security.

9 The Gulf of Mexico currently produces
10 approximately 30 percent of our domestic oil
11 production, and approximately 12 percent of our
12 domestic natural gas production.

13 The importance of drilling safely. What is
14 at risk? We've now learned all too well from
15 the Deepwater Horizon tragedy that deepwater
16 spills can have a devastating impact on a
17 variety of industries, people, and communities.
18 Those include fishing and shrimping, wildlife,
19 tourism, the ocean and coastal environments, and
20 a broad set of local communities that can be
21 affected.

22 More specifically, we have looked at the
23 impact of the Deepwater Horizon spill, itself.
24 First and foremost, there is the terrible
25 tragedy that 11 rig workers died in the Macondo

1 well blowout and fire. But even beyond that
2 terrible tragedy, the Deepwater Horizon oil
3 spill has had a dramatic impact on the ocean and
4 coastal environments throughout the Gulf of
5 Mexico. Scores of miles of shoreline and
6 wetlands in the Gulf states have been affected
7 in various ways by the Deepwater Horizon spill,
8 and the entire Gulf ecosystem has been, and will
9 continue to be affected in ways, all of which we
10 can't know at this point, including marine
11 plankton, fish and shellfish, birds, marine
12 mammals, and other kinds of wildlife.

13 As you know, the Deepwater Horizon spill
14 has also had major effects on fishing,
15 shrimping, tourism, commercial retail, and other
16 industries throughout the Gulf of Mexico.

17 Among the lessons we have learned from the
18 Deepwater Horizon spill, and what we are going
19 to be talking about today, in large part, is
20 that there was no purpose-built subsea
21 containment equipment that was available for
22 immediate deployment in the immediate wake of
23 the Deepwater Horizon explosion and spill. None
24 of the subsea containment strategies used had
25 ever been attempted in water depths similar to

1 what was called for in dealing with the Macondo
2 well blowout.

3 And what we also learned was that the
4 subsea containment that was built and deployed
5 in dealing with the blowout spill was
6 ineffective, at least initially, in capturing
7 most of the oil that was spilling from the well.

8 Let's talk briefly about the specific
9 containment challenges that are specific to
10 deepwater drilling. Deepwater drilling has
11 frequently, in the press and elsewhere, been
12 compared to operating in subsea equivalent of
13 outer space. Any equipment design for deepwater
14 use must be able to operate under the enormous
15 pressure and extremely low temperatures of the
16 deep water.

17 In addition to that, work in deep water
18 must be performed by remotely operated vehicles,
19 as human beings can't survive at those depths.

20 The lack of precise information regarding
21 the size of the uncontrolled flow greatly
22 complicated the efforts to deal with the
23 Deepwater Horizon blowout and spill.

24 Industry has been working extremely hard to
25 develop more effective deepwater containment

1 strategies and to learn from some of the initial
2 failures in dealing with the Macondo well. And
3 in fact, what we are going to be hearing about
4 today is further progress that's been made in
5 the proposal or program that's been put together
6 by four of the major companies in trying to deal
7 with the shortcomings that we saw during the
8 initial stages of fighting the Deepwater Horizon
9 blowout.

10 Let me introduce the people who are with me
11 here on stage. Sitting to my immediate left is
12 Lars Herbst. Lars is the Regional Director of
13 the Gulf of Mexico region of our agency. He is
14 a petroleum engineer by training and has led the
15 Gulf Region of the agency since 2007. He served
16 in various positions with the region field
17 operations office since 1983.

18 Sitting to Lars' left is Bill Hauser. Bill
19 is the Chief of the Rules and Standards Branch
20 of the agency. He served at headquarters for
21 approximately 20 years. Earlier in his career,
22 Bill served as a petroleum engineer in the
23 Alaska region.

24 Let me now introduce the distinguished
25 members of our first panel. Sitting closest to

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1 me is Sara Ortwein. Sara is the President for
2 the Exxon Mobil research company. During the
3 course of her career, Sara has had numerous
4 technical operations and planning assignments
5 within the upstream part of the company. She
6 held a variety of positions within U.S.
7 production operations working in a variety of
8 locations, including New Orleans, Midland,
9 Texas, and Houston, Texas.

10 Sitting to Sara's left is Melody Meyer.
11 Melody is the President of Chevron's Energy
12 Technology Company headquartered in Houston, and
13 responsible for Chevron's global upstream and
14 downstream technology research and development,
15 and technical services to Chevron operating
16 companies throughout the world. Melody was
17 previously the President of Chevron's Gulf of
18 Mexico Strategic Business Unit, responsible for
19 all offshore exploration and production
20 activities in the Gulf of Mexico. During this
21 assignment, Melody has led the crisis management
22 efforts through the Katrina and Rita hurricane
23 seasons and the restoration of Chevron's
24 operations.

25 Sitting to Melody's left is Charlie

1 Williams. Charlie is the Chief Scientist for
2 Well Engineering and Production Technology for
3 Shell Oil Company. He was appointed Chief
4 Scientist in 2005. From October 2005 through
5 June 2006 he was on special assignment as Vice
6 President of Gulf of Mexico Hurricane Recovery,
7 including project management for the Mars
8 Tension Lake platform Reconstruction and
9 Recovery project. This project was awarded the
10 National Ocean Industry Association's Safety in
11 the Seas Award, the UK Energy Institute Award
12 for Technology, and Offshore Engineering Project
13 of the Year.

14 Sitting to Charlie's left is Steve Bross.
15 Steve has worked for 23 years in exploration
16 and production, and has experience in
17 conventional gas, coalbed methane, light oil,
18 and heavy oil developments globally. His focus
19 has been on new developments, both onshore and
20 offshore, shelf and deepwater. He was raised in
21 Beaumont, Texas and attended Texas A & M
22 University where he studied chemical
23 engineering.

24 The members of this first panel really
25 kicked us off on August 4, so it's good to have

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1 them as bookends for this public forum process.
2 We look forward to hearing about the progress
3 that's been made with respect to containment
4 strategies and, specifically, the advances in
5 the containment program. Charlie Williams has
6 the distinction of being a recidivist, a
7 three-time recidivist. He joins us here for not
8 just a second time, but for the third time. So
9 we really appreciate the commitment of time he
10 provided us. Charlie, you will have a gold star
11 waiting for you at the end of the first panel.
12 Thanks very much.

13 **PANEL I PRESENTATION 1**

14 **MS. SARA ORTWEIN**

15 **VICE-PRESIDENT OF ENGINEERING**

16 **EXXON MOBIL DEVELOPMENT COMPANY**

17 Thank you, Director Bromwich. We
18 appreciate the opportunity to speak with you at
19 your final public forum on offshore drilling.

20 Our four companies believe that continued
21 open and constructive dialogue between
22 government, industry, and the American public,
23 is essential, as we learn from the Deepwater
24 Horizon incident.

25 Today, we will talk to you about the

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1 progress that we are making in an unprecedented
2 effort to improve incident preparedness.

3 Together with Chevron, ConocoPhillips, and
4 Shell, Exxon Mobil is taking the lead in
5 designing and building a rapid response system.

6 The system will capture and contain oil
7 given the event of a potential underwater well
8 blowout in the deepwater Gulf of Mexico. It is
9 designed to enhance our response capabilities
10 for the protection of the environment and the
11 safety of personnel and the public.

12 We've accomplished a lot in the seven weeks
13 since we announced plans to build and deploy
14 this new system. We have completed conceptual
15 engineering, and we're procuring existing
16 equipment to increase our current response
17 capability.

18 We have also scheduled information sessions
19 for the U.S. Gulf of Mexico oil and gas
20 operators, many of whom have already expressed
21 interest in joining us as members of the Marine
22 Well Containment Company. We are committed to
23 maintaining the rigorous procedures the industry
24 has used to safely drill more than 14,000
25 deepwater wells around the world. And it is our

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1 were initiated immediately after the Macondo
2 incident, with the aim of restoring confidence
3 in safety for drilling operations. All three of
4 these areas are responsive to the areas that
5 Director Cromwich mentioned in his opening
6 comments.

7 First and foremost, the industry has been
8 very focused on prevention. Immediately after
9 the Macondo incident, there were task forces
10 formed for both equipment and processes, to make
11 recommendations and input, that the BOEM has
12 issued new notice to leasees 5 and 6, that have
13 substantially raised the bar to the best
14 practices of the industry in the area of
15 prevention.

16 If prevention fails, the task forces have
17 been working on two other areas: One in the
18 area of well containment and intervention
19 capability, and certainly the well intervention
20 system that we are recommending -- or that we
21 are discussing today, that we are proceeding
22 with today, is part of that task force
23 initiative. And the broader spill response
24 capability is the third task force. The task
25 forces on spill response and well containment

1 and intervention have made recommendations just
2 recently to the BOEM.

3 What we are going to talk about today is
4 the Marine Well Containment System, which is the
5 company that we are forming. We are going to
6 talk more details about that.

7 As I said, the industry has been committed
8 to improving our response capabilities, and we
9 are going to continue our focus on prevention,
10 while developing these new response
11 capabilities.

12 As Sara said, Chevron, ConocoPhillips,
13 Exxon Mobil, and Shell have initiated a new
14 rapid response system. The system we'll
15 describe will fully contain the oil in the event
16 of a potential future underwater blowout. It is
17 designed to address a variety of scenarios in
18 the Gulf of Mexico. It's specifically
19 purposed-filled designed equipment, constructed,
20 tested, and available for rapid deployment.

21 It can operate in deepwater depths of up to
22 10,000 feet, it's flexible and adaptable, and it
23 adds containment capability of a hundred
24 thousand barrels a day, which exceeds the size
25 and scope of the Gulf spill that we've

1 experienced.

2 The commitment is towards the initial
3 investment of a billion dollars in this
4 specially-designed equipment. The system can be
5 expanded and adapted for new technologies.

6 What that billion dollars does not include
7 is also the access to existing containment
8 equipment and vessels that will be part of the
9 immediate kit, and the long-term operating cost
10 of the system. There will also be some funding
11 in the company associated with this system, for
12 ongoing research and development to insure that
13 the system and the equipment is maintained at
14 state of the art, for a long time.

15 So I'd like to hand it over to Charlie
16 Williams, and we're going to talk in more detail
17 about this system.

18 **PANEL I - PRESENTATION 3**

19 **CHARLIE WILLIAMS**

20 **CHIEF SCIENTIST**

21 **SHELL OIL COMPANY**

22 Thanks Melody.

23 So this is an overview of what the
24 containment system looks like, and I highlight
25 in the central part of this picture the subsea

1 containment assembly, which is the first part of
2 the system. And the components that are shown
3 there in yellow are the components that are
4 going to be purposed-designed built and kept
5 ready in case they ever need to be deployed.

6 And so the subsea containment assembly is a
7 key part, because this can also be used, not
8 only to direct the flow to the surface capture
9 vessels, but can be used to install and actually
10 shut the well in, which can be done -- you know,
11 a lot of people have talked about well capping.
12 This can be used for well capping, which is an
13 immediate response to the problem. And if that
14 can be done, then we don't need to direct the
15 flow back to the surface capture vessels. So
16 this is a central part of the project.

17 And then you'll see there on the ocean
18 floor there's a lot of interconnecting piping on
19 the subsea system. There's assemblies for
20 dispersant injection. There's an assembly for
21 regaining control of the blowout preventer.

22 And then you also see these vertical
23 risers, which are freestanding risers. And if
24 we do need to flow the well, we can re-direct
25 the flow of these risers to these containment

1 vessels on the surface.

2 Now, the containment vessels will be used
3 for other purposes until they are needed, and
4 they'll have facilities on them to install
5 modules to process the production we think we
6 need to flow.

7 And so that's the basic design of the
8 system that we are going to build.

9 And one of the aspects that Melody
10 mentioned on this system, this is a full
11 containment system, so we'll either make a
12 connection directly to the well -- and I'll show
13 you some pictures about that in a minute -- or
14 we'll make a connection actually to the sea
15 floor. And I'll show you the technology we have
16 for that, which would be good in case there was
17 flow outside the blowout preventers or say,
18 outside of the casing, near the ocean floor.

19 So this shows the different methodologies
20 for making this connection. And again, when
21 these connections are made, these are
22 connections that will be made and sealed and
23 fully contain the flow within the system. And
24 you will see the one in the middle shows the
25 subsea containment facility, and it is installed

1 right on top of the blowout preventers. There's
2 actually a connector on top of the blowout
3 preventers. And there's a piece above there
4 called the lower marine riser package, LMRP,
5 which you may have -- you know, many people, I'm
6 sure, have heard about. But that can actually
7 be disconnected, and you can connect this subsea
8 containment assembly, or even another set of
9 blowout preventers, you know, on to this
10 connection.

11 This particular subsea containment assembly
12 that we would install on there, besides
13 redirecting flow to the containment vessels and
14 the system and also shut the well in, can also,
15 with the blowout preventers you see on top of
16 it, allow working inside the well and direct
17 vertical access into the well. So you can have
18 a feature to actually do repairs and potentially
19 do plugging within the well, if that was
20 necessary.

21 So you can see two other -- on the left and
22 right are two other methodologies of how this
23 can be deployed, and on the right, shows it
24 connecting to a damaged riser, which is similar
25 to what we have seen in the Horizon incident.

1 But we're going to have a full suite in
2 this project of connectors, to connect to all
3 different types of blowout preventers and
4 wellhead assemblies, including more rapid ways
5 to fully contain and connect to damaged risers.

6 And then on the left hand side you can see
7 two other ways. You can actually remove the
8 blowout preventers, and there's an end --
9 already a connection there to the wellhead
10 housing where you can put a containment assembly
11 on. That's on the far left. And then the other
12 picture there between the far left of the center
13 picture shows connecting actually to a casing
14 stub.

15 So in this particular situation you would
16 have, if there was nothing left on top of the
17 well to connect to, you can use a set of blowout
18 -- essentially blowout preventers to go down and
19 go over the casing stub and seal there.

20 So we have all these embodiments to make a
21 full connection. We'll have all the adapters
22 and equipment available to make those
23 connections directly to the well.

24 The next view graph is on is our connection
25 to the sea floor. So again, this will be a full

1 containment idea. You know, this is an idea
2 that we are developing as part of the project.
3 It's new, but it's based on existing technology
4 that's been used for many years in deepwater,
5 and the technology is suction pile technology,
6 which is essentially an anchoring methodology,
7 where you take a piece of pipe, put it on the
8 ocean floor, and then withdraw the sea water
9 from inside this and pull it down into the ocean
10 floor with this suction or with this pressure
11 differential, and it actually develops
12 tremendous force that you can use as an anchor.

13 What we've adapted here, where we have left
14 the in -- you know, the inside of the suction
15 pile will be left open, and this can go over the
16 blowout preventers or the casing stub or
17 whatever is left. And this will be pulled down
18 and anchored just like we normally do a suction
19 pile anchor. And then we can put a top on top
20 of it. And you can see the top installed there.
21 And then we would get full containment again.

22 Now, this would be primarily used, like I
23 said, when you have flow from the casing
24 adjacent to the well and you have some flow out
25 of the blowout preventers that you can't make a

1 mechanical connection to. And you can see on
2 top of that it has the subsea containment
3 assembly. So we can -- in this particular
4 situation we'll have to re-direct the flow back
5 to our surface containment vessels and back
6 through our manifolds and vertical risers. And
7 it will be redirected out of this assembly.

8 The next thing I wanted to mention was
9 dispersants. And in this system -- and Steve
10 will talk about it more later. But our system
11 will have to move the containment vessels during
12 a hurricane. It will be rapid disconnect and
13 rapid reconnect, and the vessels will be
14 dynamically positioned so we can do this very
15 rapidly. But in any case, while we're gone --
16 while the containment vessels are gone, we will
17 have to put dispersant into the subsea well
18 containment assembly, and leave that assembly
19 open and flowing during that period of time, if,
20 you know, if we're not able to just cap the well
21 and shut it in. And we'll be using dispersants
22 for that.

23 Also, we would be using dispersants in the
24 flow, the subsea, while we're rigging up with
25 the subsea containment assembly and other

1 equipment that we'd use to cap the well.

2 And it's important to know that this has a
3 lot of advantages. And the first advantage is
4 just in making the oil receptive to being
5 biodegradable in the ocean. But also, it improves
6 the safety of the people that are operating to
7 do this containment work, and it increases the
8 effectiveness of this dispersant to use at
9 subsea in any case, and reduces the amount of
10 dispersants that would have to be used on the
11 surface.

12 So as you saw on an earlier diagram, we do
13 have this dispersant injection capability and
14 the module to do that.

15 So now I'm going to turn it over to Steve,
16 and he's going to talk about the surface system,
17 where we would flow to and capture the oil, if
18 we needed to.

19 **PANEL I PRESENTATION 4**

20 **STEVE BROSS**

21 **MANAGER, PROJECT DEVELOPMENT**

22 **CONOCOPHILLIPS**

23 Thanks, Charlie.

24 Charlie has effectively described to you a
25 tool box, if you will, of the adaptor assemblies

1 that should allow us to make a mechanical
2 connection to any type of well assembly,
3 hopefully in a variety of scenarios out there.
4 And we really want to stress that, in the event
5 that we have mechanical integrity of the well
6 bore, once the subsea containment assembly is
7 installed, we can shut that well in very
8 quickly.

9 A lot of the capture system that you are
10 going to see us describing are primarily
11 associated with scenarios where you do not have
12 mechanical integrity, and, therefore, you are
13 forced to capture and flow the oil to the
14 surface.

15 The riser system being the key component of
16 that. We continue to make significant progress
17 on the engineering of this system. We intend to
18 use two or more substanding hybrid risers
19 designs anchored to the sea floor with suction
20 piles. These risers will terminate below the
21 sea surface, and be connected to our capture
22 vessels with flexible jumpers.

23 Charlie did mention the manifolding and
24 subsea assembly that we intend to use. The
25 manifolds and subsea jumpers will allow us to

1 locate the riser systems and capture vessels
2 well away from the area proximal, or right above
3 the spill, to try and alleviate some of the
4 congestion in the area.

5 The best way to think of the riser
6 assemblies, themselves, are almost a plug and
7 play, to fit the flow rate that you need. In
8 the event we need to expand or add incremental
9 capacity we can run additional risers into the
10 system. It also allows us to a pretty wide
11 range of flexibility on a number of vessels that
12 we choose to connect to.

13 Again, we do plan to design from a modular
14 system with deployment depths of up to 10,000
15 feet; so again, coming back to the plug and play
16 type philosophy.

17 As Charlie noted, we are having to design a
18 system that we disconnect from during
19 hurricanes, both from a personal safety
20 perspective, as well as design considerations.
21 We have opted in our basis of design for speed
22 of deployment. We intend to use dynamically
23 positioned vessels that can move in very
24 quickly, but in the event of a hurricane, can
25 disconnect, drop the flexible riser, run to

1 safety, and come back in a very short time
2 frame. So we intend to have very quick
3 turnaround times in this system.

4 Moving forward to the next page, Charlie
5 did refer to the capture vessels, themselves.
6 These are the vessels that will be used to
7 capture the produced fluids coming up from the
8 subsurface containment assembly. The
9 modularized process equipment will be installed
10 on these decks. These are effectively oil gas
11 separation modules. The gas will be flared to
12 produce fluids captured in the capture vessel,
13 and ultimately transferred to shuttle tankers
14 through tandem loading, to be brought to shore
15 for final processing.

16 The modules are pretty flexible, and we are
17 engineering a system that can be installed on a
18 variety of vessels. If we need, we can bring
19 more containment capacity to bear on site. We
20 can mobilize additional vessels and install
21 these processing modules on top of them.

22 The best way to think of them are
23 fundamentally well test type production testing
24 modules, and about 25,000 barrels a day of
25 capacity, per module.

1 Moving quickly on to slide 11. This system
2 does look fairly familiar in face and design to
3 what was utilized, ultimately, in the Macondo
4 response. However, there are a number of
5 significant differences.

6 First and foremost, the system is designed
7 to fully capture the contained oil flow to the
8 surface. So we plan to be able to capture in
9 excess of 100,000 barrels a day production, and,
10 to a degree, if we need to increase that
11 capacity through our flexible riser manifold
12 system, we can bring additional capture vessels
13 to bear.

14 As Charlie alluded to by simplifying the
15 containment system, going with larger more
16 fit-for-purpose vessels, we can significantly
17 reduce the congestion in the near response
18 vicinity. And that was a significant concern
19 during operations with Macondo, and we received
20 some very good insight from BP on how to better
21 manage that through these larger vessels.

22 This system is going to be pre-designed,
23 constructed, maintained in the Gulf of Mexico.
24 We have utilized all existing technology in the
25 basis of design. We did not try to design a

1 system that required some evolution or step
2 function change in technology to function. We
3 are utilizing in our adapter assembly
4 connections that are currently utilized
5 throughout industry so we don't have any need to
6 invent components for this system to work
7 properly.

8 Again, the team's fundamental basis of
9 design was on rapid and safe deployment. We
10 wanted the system to be able to be mobilized
11 within 24 hours to get the subsea containment
12 assembly moved to location, get it installed on
13 the wellhead, and ultimately, within weeks, have
14 the capture system in place, if it's needed, if
15 you're wanting to shut in the well, at that
16 point.

17 It does offer us the ability to fully
18 functionally test and deploy the system. We are
19 currently working through how we would do
20 functional tests and trial runs in the Gulf.
21 But this system should be able to be maintained
22 in a state of continuous readiness, dedicated,
23 fit for purpose for the application that we are
24 looking at.

25 And again, as you have heard through all of

1 our presentations, we designed this system with
2 the utmost in flexibility in mind. We intend it
3 to be almost, if you will, a universal tool box
4 or universal adaptor.

5 It is fit for purpose for the Gulf of
6 Mexico, due to our many ocean conditions, our
7 bottom conditions that we have. This is
8 designed for Gulf of Mexico response, targeting
9 the subsea wells that we have in our deepwater
10 environment. But it will operate against the
11 full range of water depths and weather
12 conditions that we expect in the Gulf of Mexico.

13 And more importantly, as we noted, we have
14 been making significant progress in our
15 engineering on designing a system to scale, that
16 can be built and adaptable to the wide variety
17 of systems that are probably out there. We can
18 incorporate a lot of the existing capacity
19 that's available in the industry.

20 We have a very aggressive time line in
21 place. Things are moving extremely quickly,
22 from the engineering perspective. We are
23 continuing to support the industry's initiatives
24 that are focused on prevention and the API task
25 force and our policies and processes that allows

1 to improve our safe drilling practices. But
2 within the project itself, over the six months,
3 Exxon Mobil has been elected as the operator of
4 this venture, and is moving very quickly to try
5 and secure existing response equipment that is
6 available to us out there. We did not want to
7 be in a position where we sat back and waited
8 for 18 months to have the containment
9 capability. So as part of the Marine Well
10 Containment Company we are focusing over the
11 next six months, and even today, on securing
12 access to the available assets and resources
13 that are out there. And Sara is going to speak
14 a little bit more about that.

15 We are moving quickly to establish the
16 Marine Well Containment Company. That's
17 actually the entity that will be the long-term
18 operator and owner of the system that the four
19 parties are committed to build. And again, we
20 are going to provide a little bit more
21 information on that today, but the formation of
22 that company is progressing well.

23 Over the next 18 months, we will continue
24 to pursue the engineering fabrication and start
25 up an installation of the larger scale

1 containment system. As these components of this
2 system become available, we will incorporate
3 them into the Marine Well Containment Company as
4 soon as they are available. So we don't intend
5 to wait until the 18 month target to buy a
6 one-time system. We will continue to enhance
7 our current response capabilities with the
8 existing systems that we can put under contract
9 to progress our containment capabilities over
10 the 18 month time frame.

11 Our current project plan is to have the
12 entire system functionally checked out and ready
13 to go at the completion of 18 months.

14 Beyond the 18 month time frame, we do have
15 a commitment within our drafts of the Marine
16 Well Containment Company to focus on research
17 and development. We recognize that this system
18 needs to be on the cutting edge of technology,
19 remain technologically evergreen, and that will
20 be -- and so the research and development
21 component of MWCC is going to be a critical part
22 of that company's efforts.

23 With that, Sara, I will turn it over to
24 you.

25 **MS. SARA ORTWEIN**

1 We have accomplished a lot in the seven
2 weeks since we announced our commitment to build
3 this system. We immediately established our
4 project organization, and we appointed Exxon
5 Mobil Senior Project Manager, Lloyd Guillory, to
6 lead that organization.

7 Lloyd, by the way, grew up in Louisiana,
8 and he has 25 years of experience in deepwater
9 projects and oil and gas operations. And he is
10 actually here with us today.

11 Engineers and scientists from our four
12 companies have been working full time on the
13 design of the new system. We have completed
14 conceptual engineering, and we expect to award
15 engineering contracts before the end of this
16 month.

17 We've also identified and screened
18 potential contractors for the subsea, the top
19 sides, and the marine work. And we are in
20 current discussions with tanker owners about
21 conversions of their ships to the vessels that
22 we will need for our system.

23 I'm also pleased to report that we have
24 reached an agreement with BP to assess the
25 usefulness of their existing equipment and

1 facilities for a near-term response capability.
2 And BP is sharing with us their technical
3 experience from their recent incident response
4 in the Gulf of Mexico.

5 Acquisition of this equipment from BP and
6 from others is consistent with our plan to
7 capture existing resources within six months,
8 while we go ahead and build the new system that
9 exceeds the current capabilities.

10 Our four companies are also working
11 together to form the Marine Well Containment
12 Company. This is a non-profit organization that
13 will be responsible for operating and
14 maintaining the system. The company will
15 provide fully-trained crews to operate the
16 equipment, and to ensure that it's maintained
17 and ready for immediate response.

18 We are building the initial system using
19 technology that exists today. But we want to
20 make sure that the system keeps pace with
21 technology developments in the future. So this
22 new company that we're forming will be set up to
23 conduct research, to make sure that it keeps
24 pace with industry advances.

25 We're also encouraging all operators in the

1 U.S. Gulf of Mexico to join us in becoming
2 members of the Marine Well Containment Company.
3 All members in the company will have equal
4 ownership and voting rights, and all members
5 will share the development and operating costs.

6 Equipment and services will be accessible
7 also to non-members through a separate fee
8 structure. We're happy to report that a number
9 of companies have already expressed interest in
10 joining Marine Well Containment Company, and we
11 are also going to conduct information sessions
12 for the U.S. Gulf of Mexico operators. These
13 sessions will be held in Houston later this
14 month and in mid-October, as shown on the chart.
15 We look forward to those meetings as they launch
16 the process for other companies to join us in
17 the Marine Well Containment Company.

18 Concurrent with our project, our industry
19 is making significant efforts to improve
20 prevention, well intervention, and spill
21 response. These efforts will continue.
22 Development of Gulf of Mexico energy resources
23 is critically important. It accounts for 30
24 percent of U.S. Oil & Gas Production, and
25 supports more than a 170,000 American jobs,

1 many, as you know, are right here in Louisiana.

2 The American people expect that the energy
3 that we all need will be produced safely and
4 reliably. Our industry shares that expectation,
5 and it is an expectation that we are committed
6 to meet.

7 The system that we have described today
8 embodies our commitment. It is a system that we
9 intend never to use. But if we must, we are
10 confident that this system will quickly and
11 effectively mitigate the impacts of a deepwater
12 blowout. It will exceed the current response
13 capabilities that exists today. It is the kind
14 of response system that the American people
15 expect and deserve.

16 We thank you for your interest in our work
17 to improve instant preparedness.

18 Director Bromwich, we would be happy to
19 take any questions that you have.

20 **DIRECTOR MICHAEL BROMWICH:**

21 Terrific. Thank you, very much, for your
22 presentations, which do give us an update on
23 where things stand.

24 I just have a few questions, and I just
25 throw this out for any of you to answer.

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1 A couple of you mentioned the conceptual
2 engineering part of the project is complete.
3 Can you describe, in more detail, what that
4 actually means.

5 **MR. CHARLIE WILLIAMS:**

6 Well, so the first thing that we do is we
7 go through and really look at all the different
8 possible embodiments that can meet the
9 functional requirements that we have of the
10 project, and then when we sort through them, we
11 decide on what's the optimal concept.

12 And then the next thing after that would be
13 to start going into detailed design. So the
14 concept is really choosing the overall system
15 and then we move to the detailed designs phase,
16 and then ultimately, the construction phase.

17 **DIRECTOR MICHAEL BROMWICH:**

18 As you move through the subsequent phases,
19 will aspects of the conceptual engineering need
20 to be changed, or, for example, we find out that
21 something you planned to construct that was
22 going to be a part of this system, may run into
23 operational difficulties, in terms of
24 constructing.

25 **MR. CHARLIE WILLIAMS:**

1 Yes. That's the key -- you know, part of
2 the whole project, is to optimize as you go. So
3 as you learn more in the design, it will be
4 optimized and changed, and then ultimately, be
5 completely function tested at the end to make
6 sure that all of the components work. But
7 continuous optimization is a key part of the
8 project.

9 **DIRECTOR MICHAEL BROMWICH:**

10 My second question relates to the
11 relationship of the Marine Well Containment
12 Company to the work that's being conducted by
13 the Joint Industry Task Force. I think a couple
14 of you again mentioned that there's a task
15 force, and we heard from them in Houston last
16 week about some of their activities. What do
17 you foresee as the ongoing relationship, if any,
18 between the activities of the Marine Well
19 Containment Company, on the one hand, and the
20 Joint Industry Task Force, that focuses on
21 containment, on the other?

22 **MR. CHARLIE WILLIAMS:**

23 Well, of course a lot of people in the task
24 force are also a part of the NWCS and NWCC
25 projects. So actually the same people in a lot

1 of cases that are -- but the relationship is
2 that the task force was quite a bit broader than
3 just containment, as you know. We were also
4 looking at relief wells, and work inside of
5 wells to supply containment, and, you know,
6 also, there were other aspects, like tents and
7 cofferdams and intermediate solutions that you
8 might move over debris fields, specifically in
9 the NWCS. So it was broader.

10 But to specifically answer your question,
11 the key recommendation, as you know, of the task
12 force, was to set up an industry consortium to
13 supply this capability. And so the intent is
14 that the NWCC would be that, and would fill that
15 recommendation from the task force.

16 **MS. SARA ORTWEIN:**

17 Director Bromwich, I think also a key thing
18 that our four companies and others recognized
19 early on, these Joint Industry Task Forces are
20 key in putting together recommended practices,
21 best practices, and clearly we're focused on
22 prevention first. But this is a project where
23 we're going to be designing and building
24 something. And in order to expedite that,
25 recognizing the importance of having a system in

1 place, we felt like this effort needed to be
2 pulled out and developed as a project, that
3 would fulfill the commitment of the Joint
4 Industry Task Force, but would be led as a
5 separate effort, and will be expedited.

6 **MR. CHARLIE WILLIAMS:**

7 Well, I guess -- I just want to add one
8 other item, was that particularly on the early
9 response, we're talking to all people, all the
10 contractors, all the suppliers that have early
11 response capability. And we mentioned BP, but
12 we have talked to other people that have that
13 capability and plan to include them in the
14 project, if they have early response capability.
15 It's important to deliver our needs.

16 **DIRECTOR MICHAEL BROMWICH:**

17 My next question is in terms of long-term
18 costs of this project. I think when you
19 announced this back in July you mentioned that
20 your four companies, collectively, were going to
21 be contributing a billion dollars start up
22 money. Do you have an estimate, at this point,
23 as to what the overall development and operating
24 costs of the company, over time, will be?

25 **MS. MELODY MEYER**

1 We don't have a full estimate. Our
2 preliminary cost is at least a billion, and we
3 recognize that that billion dollars doesn't
4 include the cost of the early containment
5 system, and there will be some costs associated
6 with those contracts with vessels, and also
7 access to that equipment.

8 In longer term, the operating cost of the
9 system, we haven't fully estimated those costs.
10 Those will all be costs of Marine Well
11 Containment Company and covered by the members
12 in that company. But we do expect the cost to
13 exceed the billion dollars initial commitment.

14 **DIRECTOR MICHAEL BROMWICH:**

15 My final question is, we are all out of
16 forums, as you know. So what's the mechanism
17 that the MWCC will have to -- on an ongoing
18 basis, report to the public on its progress, so
19 we can see how you're doing, in terms of meeting
20 the milestones that you've set up?

21 **MS. SARA ORTWEIN:**

22 We will, of course, continue to meet with
23 the BOEM and other regulatory and legislative
24 bodies that are important to the progress of
25 this project to share the project design, the

1 status, the plans, and then, periodically, we
2 will also be making announcements as to our
3 progress, as well, to make sure the public stays
4 informed of our progress, as we are today and
5 will continue now.

6 **DIRECTOR MICHAEL BROMWICH:**

7 Great. Thank you. Lars?

8 **MR. LARS HEBERT:**

9 I have several questions. First, I guess
10 going back to the time line issue again. You
11 mentioned six months and eighteen months to
12 further develop the system. Now that BP has
13 been brought in, and obviously various equipment
14 was developed for this response, the moratorium
15 right now is scheduled through the end of
16 November, so we're rapidly approaching that. So
17 when that moratorium ends, is there a real
18 short-term solution to this fear? If there was
19 an instance say, in December, before this
20 six-month time period, that you would pull those
21 resources -- are you able to pull those
22 resources and respond?

23 **BY MR. STEVE BROSS:**

24 Absolutely. In the near term, our focus is
25 to secure most of the resources that are

1 available right now within the Gulf of Mexico,
2 so that we can demonstrate a containment
3 capability. Right now, we are in the process of
4 evaluating the existing systems that are out
5 there, deciding what pieces are fit for purpose,
6 can be redeployed, and be used. Those systems
7 will become available almost immediately as we
8 tend to press our deals with both BP, as well as
9 other contractors out there with capability.

10 So that what we hope to see is kind of a
11 continuing, if you will, of enhanced containment
12 capability, progressing from where we stand
13 right now with the systems that are available to
14 us, and just incrementally progressing and
15 adapting, increasing the flexibility and scope
16 of the systems, up and to the 18 month target,
17 where we have the new complete fit for purpose.

18 So it's probably not appropriate to think
19 of it as discreet steps, but more of a
20 continuing of increasing capabilities as we move
21 forward here.

22 **MR. CHARLIE WILLIAMS:**

23 Okay. And we're also, you know, going
24 through and seeing what's available for purchase
25 right now, because a lot of it, the adapters,

1 connectors, and capping equipment, subsea
2 containment assembly, are things that, you know,
3 we can purchase right away, So we want to look
4 at what can be purchased acquired, as well.

5 **MR. LARS HEBERT:**

6 Another question. I believe I heard you
7 say that the containment vessels, themselves,
8 could be used for other operations and not
9 necessarily solely developed for this project
10 and kept stockpiled. Can you explain a little
11 bit more what your thinking is there. Is this a
12 vessel of opportunity or is it drilling rigs?
13 How can we be sure that those vessels are
14 available?

15 **MR. STEVE BROSS:**

16 What we envision right now are vessels that
17 are absolutely dedicated to this service, so
18 they have to immediately call off their
19 responsibility, to respond. We'd like to focus
20 on potentially equipment that can be utilized
21 and kept, if you will, warm, up to date, crews
22 trained, and utilize that equipment in alternate
23 services. Because none of us really envision
24 being able to build a system and put a tarp over
25 it, if you will, for 20 years. So we need to

1 keep a system that is functioning, is state of
2 the art from a technology perspective, with a
3 crew trained in navigation.

4 The absolute intent, though, is to have a
5 contractual priority and immediate 24 hour
6 delivery type target for this system.

7 **MR. LARS HEBERT:**

8 Just a couple of other questions, both of
9 them really related to capping of the well
10 versus containment and flow of that. Obviously
11 capping is preferable to some type of
12 containment and flow back. I'm not sure if it
13 was mentioned today or at a previous
14 presentation about the tie-in to well design,
15 and ensuring that a capping procedure will work
16 with the well design that the various companies
17 are using. If you can expand on that.

18 **MR. CHARLIE WILLIAMS:**

19 Yes. To fully shut in, obviously the well
20 design has to have integrity that will allow for
21 a full shut-in. So the key aspect there is
22 having the well designs that deliver that type
23 of -- you know, the full shut-in capability, and
24 when they do, you know, we can go with the
25 containment assembly in a matter of days, and

1 simply shut it in.

2 **MR. STEVE BROSS:**

3 It is important to note that it ties back
4 to the vessel equipment. We tend to be in a
5 situation where we can mobilize the subsea
6 containment system immediately to begin that
7 installation of mechanical containment
8 capabilities, so that the well can be shut in.
9 We can do that immediately, and then in
10 parallel, begin the mobilization of the actual
11 capture system in the event that it's needed.

12 **MR. LARS HEBERT:**

13 So what you see is a potential change in
14 well design, where, for instance, if the flow is
15 coming up the annulus, which at least at one
16 particular time was thought to have occurred on
17 this well, would that other casing string be
18 designed for a shut-in?

19 **MR. CHARLIE WILLIAMS:**

20 Well, you know, I think, as you know,
21 there's a lot of different -- different
22 companies have different practices around how
23 they design wells. But, you know, practices
24 should give the capability of being able to do
25 it.

1 **MR. LARS HEBERT:**

2 And the final question I have is about the
3 decision making process. There will be very
4 tough decisions to be made if there is an
5 incident like this again, as far as perhaps
6 removing a stack, removing the LMRP, especially
7 an inoperable stack, but you may have some
8 containment, you maybe make the situation worse
9 temporarily to get a different capping type
10 mechanism on top of it. Are there other things
11 being developed, as far as procedures, in the
12 decision making process along that line, that
13 goes with this?

14 **MS. SARA ORTWEIN:**

15 We'll have, obviously, the system itself,
16 will have crews that are fully trained to
17 operate the system, and will have adaptors and
18 connectors to adapt to whatever is looking up at
19 it from the sea floor.

20 From the standpoint of those decisions,
21 they'll continue to be taken, by Unified
22 Command, the operator and the other regulatory
23 bodies that are involved. And our role as
24 Marine Well Containment Company will be to adapt
25 to the situation that's there at hand, and

1 obviously participate with the expertise of the
2 operations of the system.

3 **MR. CHARLIE WILLIAMS:**

4 And I think one of the big -- many big
5 benefits of having the company is that we can go
6 through and do -- we've had a lot of discussion
7 about safety cases and risk and mitigation
8 analysis, and we can do all of that in advance,
9 and I think it is going to be a big benefit to
10 have pre-thought about that and pre-discussed
11 it, and, you know, have those plans in place, in
12 advance, and be prepared.

13 **MR. LARS HEBERT:**

14 Thank you. Bill.

15 **MR. BILL HAUSER:**

16 Thank you for your presentation. I had a
17 question about the caisson. Are there plans to
18 test caisson of that size?

19 **MR. CHARLIE WILLIAMS:**

20 Yes. They've got -- all of the components
21 are going to be functioned tested, but,
22 particularly in that case, that embodiment has
23 never been built exactly to that configuration,
24 even though we have lots of suction piles. And
25 this will be bigger, as you know, both suction

1 piles. So definitely it will be testing work
2 and design work, and making sure we can deploy
3 that.

4 And then, of course, we will be testing the
5 capability of it to -- you know, what pressure
6 it can hold, you know, once you put the dome on
7 top of it, and contain the plug.

8 So there is a series of work to make sure
9 that that can be deployed and will hold the
10 pressure we need to.

11 **MS. SARA ORTWEIN:**

12 I think that's a point that's really
13 important to make too, as an advantage of the
14 system being pre-designed, pre-engineered,
15 pre-constructed, is that each component will be
16 tested. And so we know the function and the
17 service that we have intended for prior to ever
18 needing to use it for an incident. So not just
19 the caisson, but the other components, as well.

20 **MR. BILL HAUSER:**

21 My last question is, this is for the
22 Deepwater Gulf of Mexico. Have you been
23 contacted by the international community about
24 something similar, throughout the world?

25 **MS. MELODY MEYER:**

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1 There has been interest by regulators in
2 the industry around the world, and our companies
3 are participating in the Oil and Gas Producers
4 Group. It's an international producing group
5 that is evaluating containment needs around the
6 world. So we're participating in that joint
7 industry, local path, of course, evaluating
8 needs around the globe.

9 **MR. BILL HAUSER:**

10 Thank you.

11 **DIRECTOR MICHAEL BROMWICH:**

12 I have one final question. You talked a
13 lot about purpose-built equipment, and equipment
14 that is going to be designed specifically for
15 this use, and I think a number you have
16 mentioned you are hoping, indeed your
17 expectation, I think, is we're all sure that
18 it'll never be used. What kinds of testing,
19 though, will you do, to make sure that it
20 actually works, short of having to deploy it in
21 an actual spill? What kind of simulations are
22 you thinking about doing? What other kinds of
23 near-real-world testing are you exploring, in
24 order to prove both to yourselves and the
25 public, that, yes, if needed, it will actually

1 work as designed?

2 **MR. CHARLIE WILLIAMS:**

3 Well, I think -- certainly we are going to
4 test all of the individual components, and we're
5 also going to do what we call a "stack-up test,"
6 and actually do -- lease some parts of the
7 system. And we'll go out and, you know,
8 real-life deploy a lot of these pieces likely,
9 of the containment, suction pile and containment
10 dome, you know, and actually install and test it
11 on the sea floor. So most of the things will
12 actually be done in a real-life situation on the
13 sea floor, less the actual well prong. So there
14 will be an extensive amount of work on that.

15 And then the other thing we will do is use,
16 you know, we can do a lot of simulations, as far
17 as the ROV access and ROV deployment parts of
18 that, you know, we can do some of that real-time
19 on the sea floor. We can also simulate that,
20 and do practices on installing different
21 features of that, with the simulator.

22 **MS. MELODY MEYER:**

23 As the Marine Well Containment Company gets
24 formed, they'll develop a set of operating
25 practices too, that will involve drills to

1 continually be ready and responsive to an
2 incident. So that will be part of the operating
3 practices of the new company.

4 **DIRECTOR MICHAEL BROMWICH:**

5 Okay. I don't think we have anymore
6 questions here. Again, thank you for coming to
7 Lafayette today and giving us an update on where
8 things stand in your work.

9 **MS. MELODY MEYER:**

10 Thank you.

11 **MR. CHARLIE WILLIAMS:**

12 Thank you.

13 **DIRECTOR MICHAEL BROMWICH:**

14 We will not take a break now. We're going
15 to bring the second panel in right now. As soon
16 as they are seated, we will begin.

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1 **DIRECTOR MICHAEL BROMWICH:**

2 In record time, we have changed the
3 identities of the people on the panel. Let me
4 go ahead and introduce them before they make
5 their presentations. And I'll start closest to
6 me.

7 Closest to me is Dave Barrow. Dave has 33
8 years of international industry experience,
9 including technology development and managerial
10 roles in offshore production operations,
11 reservoir engineering, crisis management, major
12 projects, and commercial negotiations. Dave is
13 a Professional Engineer registered in the state
14 of Louisiana. He's a member of the Society of
15 Petroleum Engineers, and he is a distinguished
16 lecturer on knowledge management. He's also an
17 energy advisor to the Houston Technology
18 council.

19 Sitting to Dave's left is Bryce Levett.
20 Bryce is the Director of Energy Solutions for
21 Energy North America for Det Norske Veritas.
22 Bryce has over 20 years of experience in the oil
23 and gas industry, specifically in design,
24 testing, and manufacturing support for downhole
25 completion equipment and drilling equipment. He

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1 also has extensive experience in risk
2 management, consulting for a variety of offshore
3 and onshore drilling and production projects.

4 Sitting to Bryce's left is Bart Heijermans.
5 Bart became Executive Vice-President and Chief
6 Operating Officer of Helix in September of 2005.
7 Prior to joining Helix, he worked as Senior
8 Vice-President of Offshore and Gas Storage for
9 Enterprise Products Partners, L.P. from 2004 to
10 2005. And previously, from 1998 to 2004 was
11 Vice-President Commercial and Vice-President of
12 Operations and Engineering for GulfTerra Energy
13 Partners, L.P.

14 Sitting to Bart's left is Professor John
15 Rogers Smith, who is an Associate Professor and
16 holder of the Campanile Charities Professorship
17 in the Craft & Hawkins Department of Petroleum
18 Engineering at LSU. Dr. Smith received his BS
19 in Electrical Engineering from the University of
20 Texas at Austin, and his MS and PhD in Petroleum
21 Engineering from LSU. His research interests
22 are focused in drilling engineering, especially
23 for deep wells in deep water, including managed
24 pressure drilling and underbalanced drilling,
25 well control and blow out prevention, bit

1 performance, rock mechanics, well design, and
2 well bore integreties, cementing and sustained
3 casing pressure.

4 Sitting to Professor Smith's left, and last
5 but not least, is Frank Gallander. Frank is a
6 consultant on the Subsea Well Intervention team
7 for Chevron Global Upstream Gas, where he offers
8 global support in the commissioning maintenance
9 and field operations of the OP control systems
10 and well interventions. He's been with Chevron
11 since 1981. He chairs API's committee on API
12 RP 53, which is Recommended Practices for
13 blowout prevention equipment systems for
14 drilling wells.

15 So as you can see, we have a very
16 distinguished panel of five presenters, and we
17 look forward to their presentations. Dave.

18 **PANEL II PRESENTATION 1**

19 **DAVE BARROW:**

20 **WILD WELL CONTROL**

21 Thank you, Director.

22 I basically have three points to make with
23 my presentation this morning. In fact, a number
24 of them were already covered in the previous
25 panel. So I'm going to keep them as brief as I

1 can.

2 The three points, basically, are around
3 what we've learned from the Macondo containment
4 exercise, and what that means for what we can
5 expect in the future on a similar incident,
6 should it happen in the future.

7 I'd like to put that in the context of the
8 efforts of the Joint Industry Task Force on
9 containment that Charlie Williams is chairing,
10 and its role in advising the Marine Well
11 Containment Company.

12 And then, finally, I've got an observation
13 for you about the need for rigor in discipline,
14 not just in the drilling arena going forward as
15 deep waters develop, but also in producing
16 operations.

17 Containment of Macondo basically began on
18 the 22nd of April and was completed about 83
19 days later. This was the situation ending up.
20 And, frankly the slide that you presented in New
21 Orleans last month does a better job than I
22 think I can do in trying to characterize the
23 efforts that were undertaken to try to contain
24 the well. And, of course, I have not gone to
25 the extent of trying to depict that pictorially.

1 I think we'll all remember the containment dome,
2 the riser, insertion tool, the equipment that
3 was put on the sea floor to facilitate the top
4 kill, and then finally the lowering of the LMRP
5 and capping stack that finally succeeded.

6 What I would like to highlight in the
7 context of this overall mega project, is what
8 worked. And I'd also like to take a moment and
9 highlight the amount of engineering time and
10 development that went into each and one of these
11 potential solutions. It was a tremendous amount
12 of schedule time that -- the schedule was
13 heavily burdened by the engineering, the
14 development, the testing in shop and also in the
15 field for each one of these efforts.

16 But basically what succeeded, as we will
17 recall, is removal of the debris and then
18 installation of the lower marine riser capping
19 stack. The debris removal basically employed
20 conventional technology and was successful after
21 five days, although there were problems
22 involved. And the point being that it actually
23 could have been accomplished more quickly than
24 the five days.

25 Installing the lower marine riser package

1 and capping stack, it was initiated on the 12th
2 of July. And then after testing, the well was
3 closed in after three days, on the 15th.

4 Overlaying those successful activities on
5 your schedule then, basically you could see that
6 had the lower marine riser package been
7 available, once the debris was cleared, the
8 total elapsed time to accomplish the containment
9 might have been eight days, total time.

10 In the future, assuming that there would
11 likely be some period of time for assessment,
12 deliberation and decision making, then I don't
13 have any problem asserting -- or offering the
14 assertion for the group here that, given shoe
15 and wellhead seal integrity, that a containment
16 can be accomplished within one or three weeks.

17 Of course, the failure mechanism that we
18 saw with Macondo is not the only potential
19 failure mechanism as the previous panel, and the
20 intentions of the Marine Well Containment
21 Company got in to. With Macondo, we did have
22 vertical access, and had it been possible to
23 simply re-latch, as I mentioned earlier, that
24 could have been done within a three-day time
25 period. But essentially, what happened with

1 Macondo, was the well had to be re-headed, or
2 cut off, and then re-latched.

3 In the event that there's not vertical
4 access, as we saw from the Marine Well
5 Containment Company's plans, there might need to
6 be installation of a suction pile or cofferdam
7 around it. And what I would like to do in the
8 next couple of slides is kind of describe what
9 our company has done in shallower water, and to
10 kind of compare that to Macondo. Which our
11 experience is roughly 15 to 30 days to excavate,
12 re-head, and stem the flow of the well like
13 this, in shallow water again.

14 And this slide illustrates that excavation
15 process as it's employed. It's been employed
16 around platforms that have been destroyed by
17 Hurricanes Katrina, Rita, and Ike. This
18 actually shows a number of wells. Of course,
19 they're not blowing, they're static, but they
20 still need to be re-headed and accessed to
21 accomplish a full regulatory plug and
22 abandonment procedure.

23 The next slide illustrates a kind of more
24 severe excavation operation on a different
25 platform. But again, the issue is -- or what's

1 intended here is to show what you would do in
2 shallow water. And our view is that that can be
3 accomplished on a single well, in deep water, in
4 fairly short order.

5 This kind of gives kind of a photographic
6 illustration of the re-heading process. The
7 wells on the left are in a situation -- or the
8 process is called "wedding caking." And then
9 the wells on the right show the subsea
10 re-heading of the wells in preparation for
11 killing them. But these are the additional, I
12 guess technologies and techniques that are kind
13 of within the remit of the Joint Industry Task
14 Force for extending that capability from the
15 shallow water into the deep water; that being
16 the Joint Industry Task Force on containment.

17 So my recommendation or my strong
18 suggestion for the group here is that those
19 efforts of the Joint Industry Task Force be
20 strongly supported. They are an advisor to the
21 Marine Well Containment Company that there is a
22 broad industry participation in the Joint
23 Industry Task Force. And what's needed though,
24 beyond that, is simply -- is to confirm that
25 this capability that we're talking about being

1 available through the Marine Well Containment
2 Company and others, be confirmed through the
3 holding of joint drills and exercises.
4 Obviously, what we're going to do through drills
5 and exercises is demonstrate that the response
6 capability that's described is actually
7 deliverable to the field.

8 The other thing that's critical, and the
9 other panel referred to that, is that you want
10 to be able to test your Unified Command to make
11 sure that you've got competent people making
12 decisions under fire.

13 This slide illustrates my last point, and
14 that is that there is a need, in my view, for
15 attention, not just to the drilling operation,
16 but also production. These slides illustrate
17 the kind of issues that we get called out on.
18 They happen to be in state waters, Lars, so you
19 don't need to worry too much about them showing
20 up in your area. But they are illustrative, in
21 my view, of what I call "organizational
22 entropy," but a real expert would just call them
23 laziness.

24 But the point is that, over time, producing
25 operations will degrade. And what we find more

1 often in our practice is that, well, most severe
2 blowouts are actually a result of wells being
3 knocked over their -- the art of producing
4 operations that have just degraded through
5 neglect. And my point is that if you translate
6 that to the deepwater, that organizational
7 entropy or the attention on -- or a potential
8 for out-of-sight/out-of-mind is still there.
9 The inspection, maintenance, and replacement
10 activities are expensive, and so there's kind of
11 a natural inclination to let some of this go.

12 And so I'm here to advocate for rigorous
13 inspection, maintenance, and replacement
14 activities. Obviously, if that's not done and
15 one of these wells gets away, you've got higher
16 flow rates and, certainly a higher consequence.

17 I think that can be done, as we've seen in
18 the past, through attention to standards
19 development and jointly with regulator
20 monitoring standards adherence through failure
21 reporting and the like. This was an activity
22 that I participated in in the 1980s following
23 platform fires that happened in the 1970s. It
24 was very successful. And I think that may have
25 contributed to our, you know, inability to

1 foresee something like Macondo happening.

2 **DIRECTOR MICHAEL BROMWICH:**

3 Thank you very much. Bryce?

4 The way we'll do this is, we'll let each of
5 you do your presentation, and then we'll come
6 back and ask questions of each of you at the
7 end.

8 **PANEL II - PRESENTATION 2**

9 **BRYCE LEVETT**

10 **DIRECTOR OF ENERGY SOLUTIONS**

11 **ENERGY NORTH AMERICA, DET NORSKE VERITAS**

12 Thank you, Director Bromwich.

13 I'd like to kind of continue on and provide
14 a position that Det Norske Veritas wants to talk
15 about, as well, and continuing the same vein as
16 David ended up in, in his presentation. We're
17 talking really about what does it take to have
18 safe equipment and balancing between risk
19 control and condition.

20 These DNV credentials have already been
21 shown by my colleague, Dr. Pitblado, in the
22 Houston one, so I won't belabor the point here.
23 But of course, it's there for the record in case
24 anybody needs to understand what Det Norske
25 Veritas is.

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1 It's interesting that Dave brings up
2 problems with production wells, and most
3 accidents have been demonstrated not to be an
4 unforeseen threat, as is indicated here, but
5 rather, it's a degradation of safeguard over
6 time that tends to end up causing major
7 accidents.

8 So from our position, we think is the most
9 important thing is to think of equipment in a
10 role as a barrier, to really understand what
11 it's providing in the way of a barrier. Is it
12 preventing a threat from becoming an accident or
13 an event, or is it actually there to prevent an
14 escalation of an event, and to really
15 philosophically think about equipment in this
16 perspective.

17 And we have, of course, the famous Swiss
18 cheese model for those of you who may or may not
19 have seen this before, which really talks about
20 how barriers work. And it is possible to line
21 the holes up perfectly and to have some sort of
22 event get all the way through the barriers. So
23 it's very important to understand how many
24 layers you have, what are the weaknesses, where
25 are the holes, what are the potentials for it to

1 line up, and then to finally make its way all
2 the way through the barriers.

3 But, from our perspective, what we feel
4 like is, the three components that you need to
5 understand: One, of course, is: What do you
6 want this barrier to do? The second is: Who is
7 really responsible for the condition and the
8 performance of the barrier? Is that clearly
9 understood? And then, lastly: What is the
10 relationship of this barrier with all the other
11 barriers in the system? And take, for example,
12 the system with the well containment system that
13 they're proposing now. The question becomes:
14 What role does that play? What's really needed
15 out of some -- that, in specific, well
16 situation? And God forbid if it's being
17 deployed somewhere else, somebody's depending
18 upon it, then what do you do? Because you don't
19 have that in place.

20 So how does the picture change if you
21 remove any one of these barriers? Is that
22 clearly understood? And a typical way that that
23 can be illustrated is through what we call a
24 "bow tie diagram," where the top event is in the
25 center. You have barriers on the left-hand

1 side, which really talk about preventing that
2 threat from even occurring. You have barriers
3 on the right-hand side that prevent it from
4 escalating. But you also understand who are the
5 owners and what sort of degradation mechanisms
6 might affect those barriers. So it helps you
7 understand what you need to control and what
8 kind of conditions you need to monitor
9 throughout the life.

10 We also like to think that when you talk
11 about the performance of a barrier, you know,
12 think about it through three aspects,
13 understanding: What are the overall risks
14 against that equipment? What are the threats?
15 Anything that this particular piece of equipment
16 or types of equipment need to address? What
17 kind of mechanisms are needed in place for this
18 equipment, such as design standards,
19 regulations, safety management systems? And
20 lastly: What kind of condition monitoring is
21 required to make sure that you don't have a
22 failure? How do you detect a failure if you
23 don't have degradation over time?

24 But all three elements need equal
25 attention. All three are important. We'd like

1 to see a balance between all three - as much
2 effort is put into understanding what the risk
3 is, as there is understanding what are the
4 controls and what are the conditions.

5 In terms of looking at the regulatory
6 regime, which right now is being considered for
7 revision, from our perspective, we see that it
8 needs to be a balance between the two
9 descriptive rules, which are very specific rules
10 that we feel like should define the baseline for
11 technical solutions. And of course, there's
12 applicable rules and standards that are driven
13 by or address historical events.

14 In addition to that, we also advocate
15 performance-based type rules, whereby the
16 regulator needs to define what are the
17 objectives, if not the specifics. And then the
18 operator has to demonstrate that the technical
19 solution that they're coming up with actually
20 addresses those threats. And as was alluded to
21 in the Department of Interior report, the Safety
22 Case Concept is very fundamental, this kind of
23 performance-based structure.

24 There are pitfalls to singular approaches
25 for both. And it can't be said that

1 performance-based, for instance, is the utopian
2 answer to everything, nor is prescriptive.

3 If you take a pure prescriptive approach,
4 the sort of problems you run into there is there
5 is a lagging, in terms of how the standards keep
6 up with the industry. And a classic example is
7 API 16-A for drill through equipment, where the
8 standards for shear ram tests still only go up
9 to 5 inch grade 105 pipe; whereas the industry
10 has been using 6-5/8, S-135, 135,000 mule
11 strength, for several years now. So even that
12 standard is not addressing what sort of pipe is
13 being used in the industry and what are the
14 requirements for a shear ring to cut through it.

15 The pure performance-based approach, if you
16 don't try to take advantage of the historical,
17 creates problems, because you will spend most of
18 your time trying to address baseline or
19 historical threats, which should be addressed
20 through standards and sort of the historical
21 perspective.

22 So that's why we talk about -- we feel that
23 a blend is the perfect. A prescription
24 guarantees that you are taking advantage of your
25 lessons learned and good practices. And then a

1 performance-based adds that additional level
2 that says, "What's new about all of this? What
3 do we need to be thinking about that's not just
4 the norm? And how do we demonstrate that our
5 solution that we've come up with is addressing
6 those new items?"

7 An example, this graph shows the UK North
8 Sea sector, in terms of hydrocarbon releases,
9 beginning in 1996 when they came out with the UK
10 HSE regime in safety cases. And you've seen a
11 dramatic decrease in the amount of releases and
12 certain escalation in major events over that
13 time period. So there is a definite reducing
14 trend in taking this performance-based approach
15 as, well, and not just purely prescription.
16 This is nearly a tenfold increase in less
17 hydrocarbon leaks.

18 In terms of roles and responsibilities, we
19 feel that the owner is the one that needs to
20 demonstrate that they have the high level of
21 safety that needs to be achieved and maintained,
22 and they own the overall risk. They own the
23 safety case. The regulators should be reviewing
24 and accepting its safety case, but not approving
25 it. So you can definitely take a devil's

1 advocate role here, and continue to ask
2 questions over and over again, until you're
3 completely satisfied that whoever the operator
4 is presenting their case has examined all the
5 risks and knows all these different
6 relationships.

7 The industry of course has the deeper
8 knowledge. That's why they need to have
9 responsibility for this. They're the ones that
10 are coming up with the new ways of approaching
11 things and introducing novel hazards, as such.
12 And as such, the industry can carry out the risk
13 assessments and find the necessary controls and
14 conditions.

15 And, of course, the BOEM and the United
16 States Coast Guard have very specialized
17 manpower, and they really should focus on their
18 skills building, in terms of understanding
19 performance-based regulation, in addition to the
20 already existing prescriptive regulations, and
21 also ensure that the confidence is there for
22 those who are performing the inspections or
23 doing risk assessment, providing the third party
24 inspection.

25 And lastly, we do believe there is a role

1 for independent third parties in here, for both
2 the industry and the regulatory body, bringing
3 lessons learned and such from the international
4 arena, as well.

5 So in conclusion, I'd just like to say,
6 from our perspective, we think equipment safety
7 is achieved through understanding of its role as
8 a barrier, in clearly defining what kind of
9 performance is required out of the equipment,
10 who has the ownership, and what is its
11 relationship in terms of the threat and its
12 relationship to all the other barriers. It
13 definitely needs to be a balance of risk,
14 control, and condition. And we think this blend
15 of prescriptive and performance is really the
16 best in terms of looking at the past, as well as
17 looking at the present, and then applying it all
18 towards the future, in terms of equipment
19 safety.

20 The clear roles that we advocate are that
21 the operator owns and demonstrates, and that the
22 regulator reviews and accepts, and we also
23 believe that independent third parties can bring
24 something to both sides of the table.

25 Thank you.

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1 **DIRECTOR MICHAEL BROMWICH:**

2 Thanks very much, Bryce. Bart?

3 **PANEL II - PRESENTATION 3**

4 **BART HEIJERMANS**

5 **CHIEF OPERATING OFFICER**

6 **HELIX ENERGY SOLUTIONS GROUP, INC.**

7 Thank you, Director Bromwich. I appreciate
8 the opportunity to share some of our learnings
9 from the Macondo, the fast response system that
10 we used on Macondo and some of the
11 recommendations.

12 As you can see on this picture the Q4000 is
13 one of our vessels that played an active role on
14 Macondo. At the bottom of the slide here I
15 underlined the word "Fast" response, because we
16 have to respond faster than what we did as an
17 industry on Macondo. And also, fast response
18 requires a special mindset. I mean, it's not a
19 project that you can manage over a two-year
20 period; you have to be in the fire-fighting
21 mode. You have to be aggressive.

22 The Gulf of Mexico at deepwater, it's not
23 only that there is a large amount jobs at stake
24 and production in the Gulf of Mexico and for the
25 U.S., but also, if you're looking at the Gulf of

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1 Mexico, it's really an innovation basin. I
2 mean, the Gulf of Mexico deepwater has been the
3 leading deepwater region in the world. So what
4 other companies are doing in the Gulf of Mexico,
5 it's going to be copied in the rest of the
6 world. And the same applies for the response of
7 the discussion that we're having now.

8 Setting the stage, Helix Energy Solutions
9 is a publicly traded US company specializing in
10 subsea construction, well intervention, and
11 robotics. It's a global business. We also have
12 an E&P business that operates on the shelf in
13 the Gulf of Mexico and in deepwater. So we also
14 have drilling activities that are being on hold
15 because of the drilling moratorium.

16 So we provide a solution for industry, but
17 we also, as an operator, want to see a solution
18 in place.

19 Unfortunately, we have all of our people
20 that work in the Gulf of Mexico, so the longer
21 the drilling moratorium stays in place, I mean,
22 the more of our jobs are being affected. Of
23 course, that's pale compared to the number of US
24 jobs that are at risk.

25 We played an active role in supporting BP

1 and the Unified Command in the Macondo response.
2 We have three vessels that were working; the
3 Helix Q4000, the Helix Producer 1, and the
4 Express.

5 At this moment, we are in discussion with a
6 large number of operators who want to use our
7 containment system that we have deployed to the
8 Macondo, and that we are working on modifying,
9 and that can be used as part of the Industry
10 Fast Response System. And we believe it should
11 be part of industry response system.

12 The Helix Q4000 and the Producer 1 will be
13 made available for any response in the future,
14 industry assets that are proven and play a key
15 role in the response needs.

16 Containment -- which was also addressed by
17 the first panel -- containment is only required
18 if well integrity concerns, meaning
19 known/unknowns, resulting in fear of an
20 underground blowout prevent a well to be shut-in
21 until they can perform the diagnostics and/or
22 reservoir depletion to allow the well to be
23 capped.

24 So containment is not separate from well
25 capping, but well capping, of course, has to be

1 the first focus. And in the benefit of
2 hindsight -- I mean, wells, of course, can be
3 capped much quicker, but the whole idea is to
4 make sure that you reduce the number of
5 uncertainties so you can cap faster and you can
6 have a good diagnostic system in place.

7 Going to Macondo, this was the most
8 beautiful day after the well was capped in mid
9 July. I've circled three of our key vessels
10 that were active in the response. Helix
11 Producer 1 in the middle, the Q4000 on the
12 right, and Express on the left.

13 Quickly, let's talk a little bit about
14 these vessels and what they did. The Helix
15 Q4000 was really used by BP as a utility vessel.
16 It was more or less involved in all the
17 different phases. It's the vessel that is US
18 Flag, which is rare, if you look at the vessels
19 working in the Gulf of Mexico deepwater.

20 The picture on the right, it's a little bit
21 difficult to see, but everybody talks about
22 hydrates and how difficult it is to deal with
23 hydrates. I mean, the picture on the top right
24 side is the hydrate that was in the four-story
25 containment dome that was installed. And you

1 can see it is long, black, ice, and it's
2 definitely a big challenge.

3 This 250-ton dome became neutrally buoyant
4 because of the ice filling the dome.

5 The Q4000 was involved in a dynamic kill.
6 Of course, the containment dome that I showed
7 you on the previous slide, then dynamic kill,
8 and then with the evergreen burners, where we
9 burned the oil. Then it was used for the static
10 kill operation. And then last week we recovered
11 the Horizon BOP. And it was also used as a
12 control platform for the LMRP and BOP yellow
13 control pod. So we played a critical role in
14 the response.

15 The Helix Producer 1. This is the first
16 floating production unit, ship-shaped,
17 dynamically positioned in the Gulf of Mexico,
18 built in accordance with US Codes of Federal
19 Regulations. This vessel was stationed on our,
20 what we call our "Phoenix Field." It used to be
21 the Typhoon Field owned by Chevron and BHP that
22 we acquired five years ago. So this vessel was
23 ready to start production from the field, where
24 we hold a 70 percent working interest. It's a
25 wonderful vessel and, I mean, should be part of

1 any containment solution in the future.

2 As you can see here on the slide, there's a
3 side-mounted turret with flexible risers to the
4 seabed. It has a quick release disconnect. We
5 can disconnect from a well within 45 seconds.
6 And so we can stay on location much longer than
7 other vessels. So if a hurricane threatens, we
8 can stay on location. At the end of the day,
9 the hurricane goes to the East Coast, we're
10 still on location.

11 So we got a call to action on June 12,
12 2010, and we departed the Typhoon/Phoenix
13 location within two days. And then we were
14 operational 30 days later, which is, for the
15 next time, too long. So what we are doing is
16 making the necessary modifications so we can
17 respond to a call-out in ten days. I mean, that
18 is our objective and our goal. And it is not a
19 blue sky scenario. We want to be on location
20 containing oil within ten days of the call-off.
21 And we've prepared a detailed schedule, we
22 believe, that's reasonable.

23 As you can see in this picture, our buoy
24 stayed at the Typhoon location because it is
25 connected to the flexible hoses and all the

1 piping, and to the sea bed. We had to build a
2 new 270 ton buoy structure, which took two
3 weeks. Of course, that buoy is now in place.

4 So our goal is, next time, we get a call on
5 day one, not a call on day 53, and that also we
6 respond within ten days. As I mentioned
7 earlier, the well has to be prepped first. I
8 mean, you have to clear the obstructions,
9 etcetera, etcetera.

10 So the modifications that we made from the
11 Macondo to the HP1 was fabrication of a new
12 buoy, fabrication of a water curtain system to
13 cool down the flare, because our flare was never
14 designed to flare 24 hours a day -- only during
15 process upsets. And then we had to fabricate
16 off-loading systems.

17 So for future response, we believe that the
18 Helix Producer 1, which is Gulf of Mexico based,
19 and, therefore, is the best suited vessel for
20 hydrocarbon containments. And it does mean we
21 have to make a couple of other permanent
22 modifications to the vessel so we can get the
23 systems permanently classed by the
24 classification.

25 This is a big picture of Express. These

1 are the type of vessels that are needed to
2 install the subsea hardware. This installed all
3 the flexibles for Macondo.

4 So the system that we have at this moment
5 consists of real assets. These are not
6 schematics. These are real pictures. And we
7 want to make these systems available.

8 For us to shorten response time to ten
9 days, we have to invest around 25 million
10 dollars, which means we are investing a portion
11 of it ourselves, while we speak, to have the
12 system fully classed, ready to go, to coincide
13 with the lifting of the moratorium, drilling
14 moratorium.

15 So we have approached several operators, I
16 mean, to get them to pay their share of funding
17 in return for a right to use the system for
18 their drilling permit applications.

19 The general feedback that we're getting --
20 we probably met with 15 to 20 operators.
21 Everybody's just so, I mean, uncertain about the
22 industry and the regulatory -- potential
23 regulatory changes. Everybody's reluctant to
24 make any investments. So therefore, we are
25 funding critical path techniques ourselves

1 because we believe this system is needed for the
2 industry.

3 And then also -- I mean we -- most of the
4 people that our company talked to are
5 independents, operators. Fifty percent of the
6 Gulf of Mexico leases -- or more than 50 percent
7 of the Gulf of Mexico leases are owned by
8 independents. So at the end of the day, we also
9 need to have an affordable system. Otherwise, I
10 mean, these independents are not going to be
11 able to pay for their share of the containment
12 system.

13 So really, historically, the industry has
14 been focusing on clean-up, and clean-up for oil
15 response plan based on MSRC & Glean Gulf. I
16 mean, clearly at the Macondo, we saw clean-up
17 and containment at the source. And, I mean, the
18 system that we have, the Helix Fast Response
19 System, has the capacity of 55,000 barrels of
20 oil a day, or 70,000 barrels of liquids per day,
21 and almost a hundred million cubic feet of gas
22 that can be expanded to 135 million, with 10,000
23 psi of pressure in 8,000 feet of water. That's
24 the system that will be available in December.

25 This is really a bridge to a -- I mean, to

1 a long-term solution. A bridge to the long-term
2 solution that MWCC has proposed. This is not in
3 competition with MWCC, but again, should be a
4 bridge and a component of the MWCC long term
5 solution.

6 And the key thing for us, that we have to
7 use operational systems. With a crew that's
8 capable of operating it, that knows how to
9 operate it, the system that's being used, like
10 the Q4000, we were on the well, we had our
11 intervention riser deployed, working for
12 Newfield in April. We got the call. Three days
13 later, we were on the Macondo, using the same
14 crew, the same riser. You have to use an
15 operational system. And I think that's the key
16 with -- in order to have fast response. You
17 have to have a response that is going to be
18 fast.

19 And then also a quest for a perfect
20 solution for every potential scenario needs to
21 be avoided. We can all study this until the
22 cows come home. I mean, we need to have systems
23 that are fit for purpose, with quick ability to
24 adapt.

25 So really, the system that we're talking

1 about is the system that we have. It's really
2 -- we would go out to location. We would
3 remove, in this scenario the LMRP section. We
4 would install the SSOD -- or subsea shut-off
5 device, that we have in the yard here in
6 Houston. It's 10,000 psi rated. We would
7 install it either on the tree or the BOP. We
8 would run our riser. We use the Q4000 as a
9 manifold platform where we would burn 10,000
10 barrels a day. Then the remaining would go
11 through a flexible flowline into the turret of
12 the HP1. And from there, it would go to a
13 Non-DP US flag tanker, because those are readily
14 available and the tanker will be moored in
15 between the DP tug and HPI.

16 This system will have an in-service date of
17 ten days after call-off. And once we get all
18 the funding sorted out, I mean, the system will
19 be ready in December of 2010. That will give
20 the industry an available containment solution
21 to meet your conditions for -- for meeting one
22 of the conditions for lifting the drilling
23 moratorium.

24 All these components are proven, except the
25 SSOD, the subsea shut-off device. But that has

1 been built and will be ready to be used.

2 Quickly, the point that I want to make --
3 and I'm going to be finished pretty soon -- is
4 that when we talk about worst case discharge
5 scenario, response to the capacity we really
6 need is significantly less than worse case
7 discharge scenario. When you talk about wells,
8 worst case discharge scenarios in open water
9 blowouts, 100,000, 150,000 barrels a day, you
10 don't need that containment capacity at the
11 service vessel. This is a real model that was
12 prepared by an operator that we're working with.
13 And just using, I mean, the Q4000 with its
14 intervention riser system, and by holding a back
15 pressure on the system of 6500 PSI, you'll lower
16 the containment capacity to less than 50 percent
17 of your worst case discharge scenario.

18 So when you talk about worst case discharge
19 scenario, a hundred thousand barrels doesn't
20 mean that you need to contain in the vessel a
21 hundred thousand barrels. I mean, that is
22 really critical to understand.

23 So we have a paralyzed industry.
24 Uncertainty all around. The worst case
25 discharge calculations that have been

1 calculated; what the clean-up capacity is
2 needed; what response time; what's the role of
3 containment; what's going to be the liability
4 cap; ability to buy insurance; the bonding
5 requirements. There's going to be net worth
6 requirements for operators. And we heard a lot
7 from the marine containment company, what's
8 really the cost of the system? How do we access
9 it? What if you don't really need -- you only
10 need ten percent of the tool box or the tool
11 kit, do you have to pay -- do you have to shell
12 out a billion dollars, etcetera, etcetera.

13 Level of participation governance. There's
14 an enormous amount of uncertainty that has to be
15 addressed.

16 The key thing is that, I mean, also with
17 increased focus on prevention. How much
18 containment is really needed? How much money
19 are you going to spend on the containment?

20 Again, I mean, this slide really
21 illustrates that when you look at the
22 containment assets, Helix Producer 1, Q4000, all
23 operational assets, I think they provide 80
24 percent of the solution. The next two years we
25 have said we will make these vessels available

1 at no cost, no retainer -- I mean, no retainer
2 for anybody who wants to use these. Well, if
3 they have to use them, of course, then you have
4 to pay a day rate, but there's no obligation
5 other than 25 million dollars, there's no cost
6 associated with it.

7 The last point I want to make, we hear a
8 lot of proposed changes to laws and regulations
9 that we passed, that would result in the
10 departure of foreign flag vessels from the Gulf
11 of Mexico. Everybody always gets -- I mean,
12 when something like this happens, everybody
13 starts focusing on Americanization and the need
14 for US flag vessels. Just on the Macondo, if
15 you look at what's -- without foreign flag
16 vessels on Macondo -- and this is a very
17 important point that I'm making, because, I
18 mean, we can talk about response, but if you
19 don't have foreign flag vessels, then -- look at
20 all these vessels. Only the Q4000 and a couple
21 of supply boats would be allowed to stay,
22 because those are the only US flag vessels that
23 were involved in the response. So you cannot
24 have effective response if it's not a global
25 response using foreign flag vessels. And the

1 majority of the foreign flag vessels have
2 American crew. Like Helix Producer 1 is a
3 foreign flag vessel, but has a hundred percent
4 U.S. crew.

5 So the last couple of points that I'm going
6 to make today is that the Helix Q4000 and the
7 Helix Producer 1 are GOM based and uniquely
8 capable, and they should be part of any future
9 industry fast response.

10 We're also making the necessary
11 modifications. There's still a small gap that
12 we need to bridge on the funding of that. This
13 is not in competition with any marine well
14 containment solution, but it can be used as a
15 bridge. It can be part of it.

16 Also, we are willing to invest in a new
17 Helix Producer 1 on an opportunistic basis to be
18 used in the Gulf of Mexico for well testing,
19 production, and spill containment -- all, I
20 mean, to keep the cost down and lower the burden
21 for the operators.

22 The well containment capacity required is
23 significantly less than the worst case discharge
24 scenario. I cannot make that point too often.

25 And also, a quest for a perfect solution.

1 This is not a project where the next five years
2 we need to get all of our -- the smartest
3 scientists involved. I mean, we need to have a
4 fit-for-purpose solution with the ability to
5 adapt. And what I say here is the perfect, and
6 it includes -- we need to have fit-for-purpose
7 vessels.

8 And then the last point I made before, is
9 that, I mean, the problem gets worse if foreign
10 flag vessels are not allowed to operate in the
11 Gulf of Mexico.

12 That concludes my presentation.

13 **DIRECTOR MICHAEL BROMWICH:**

14 Thank you very much. Appreciate it. Mr.
15 Smith?

16 **PANEL II - PRESENTATION 4**

17 **JOHN SMITH**

18 **ASSOCIATE PROFESSOR**

19 **CRAFT & HAWKINS DEPART OF PETROLEUM**

20 **ENGINEERING, LSU**

21 I'd like to say I'm happy to be back in
22 Lafayette. This is where I got my first
23 introduction to the offshore oil and gas
24 business, and it's also where I met my wife.

25 I'd like to give you my perspectives on a

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1 little bit broader scope than just containment,
2 because this is the last meeting and I think, as
3 some of the other speakers have made the point,
4 these things all go together. And I'll be
5 giving you, primarily, my personal perspectives,
6 not a state -- opinion. So I'm going to start
7 out talking a little bit about history, talk
8 about what I think we gained from the Macondo
9 experience, that should put us in a better
10 position going forward, and then things that we
11 need to do for the future.

12 If you've been at these meetings, you've
13 seen plots like this before. The point here is
14 just that we've made major improvements in our
15 productions and personal injuries in our Gulf of
16 Mexico operations, and our current performance
17 is as good as anywhere in the world. It's
18 pretty much worldwide.

19 But if we look at other statistics that our
20 regulators track, our performance is that we
21 still have fires and explosions. We still have
22 loss of well control. We still have spills of
23 hydrocarbons. The relative point would be,
24 these are statistics that include very, very
25 minor incidences, and not just blowouts. For

1 example, there's a couple of years there where
2 there's loss of control events occurred, but
3 they were brief. They were not blowouts.

4 Nevertheless, it shows that we both
5 continue to have risks and that our performance
6 is not necessarily improving, particularly
7 recently. We've talked about some of these
8 things already. But we know that there's
9 challenges that face us going forward in the
10 future that relate both to the deep water
11 operations, with their more complex systems that
12 are evolving technologies, our less experience
13 that we have with dealing with these systems and
14 what their long-term difficulties are, and
15 thinner population densities and especially
16 higher production rate potentials. But we are
17 still going to need to pay attention to our
18 shelf operations there, even though they're
19 simpler, they are well understood. We have
20 these long-term maintenance issues that you've
21 already seen pictures of.

22 And we can't forget the aspect of personal
23 safety, of injury prevention. That has to
24 remain a priority. But we can't get lost in
25 putting all of our effort on that one subject.

1 So what I think we've gained over the last
2 few months, is we have new regulations that --
3 or requirements, that we focus on things that
4 we've learned are important, our weak points in
5 the system and that are kind of weak points in
6 our strategies, particularly in terms of
7 response times. We have the kind of
8 capabilities that Bart has just talked about so
9 detailed, to respond to problems. And not just
10 the containment collections systems, but also
11 the improved ROB intervention capabilities that
12 we've developed, knowledge that we got on subsea
13 dispersants, and even the surface collection
14 systems have improved some.

15 So I think this may not be understanding as
16 much as it is remembering. But we've had a
17 really strong reminder that not all of the
18 things that we're doing are routine, or things
19 that we know well or that have -- that we know
20 all of the risks or possible complications. We
21 know that our probability of failure or mistakes
22 has been low, but it's not zero. We've got
23 ideas for how to keep producing it, but a point
24 that I would make is that that probability is
25 never going to be zero, if we make a mistake or

1 have equipment failure.

2 And so we need to have these back-up
3 response systems. And what we've learned, maybe
4 even more rudely than I can imagine, is that the
5 impacts can be huge. And that when we make
6 mistakes of this magnitude, it affects not just
7 the environment, it kills people, which we can't
8 recover, and it has regional economic impact,
9 that I think probably everybody in the room is
10 familiar with.

11 So we've also gained this knowledge for how
12 we go forward with ideas like we've heard Helix
13 and the Marine Well Containment System have
14 talked about. We've got a brand new OCS Safety
15 Board report talking about things that can be
16 done to strengthen regulations. And we've got
17 the ongoing commissions and investigations and
18 study groups that are going on, that will
19 continue to be making recommendations that we
20 can act on in the future.

21 So my perspective about things that deserve
22 attention going forward are we need to be sure
23 that our engineering design and our planning
24 practices take account of risks and identify,
25 mitigate, develop contingency plans for those,

1 recognize that we're not good at identifying all
2 future risks for new or evolving systems, but
3 especially that we adjust an attitude.

4 I've sensed in places in our industry that
5 presumes that a new technology that addresses a
6 specific concern or gives us a way to achieve a
7 new opportunity is unquestionably safe or
8 unquestionably better than what we are use to
9 doing. And instead, think about the what-ifs
10 and what-thens that need to be taken into
11 account with new systems that develop new
12 potential failure paths, and to have extra
13 caution when implementing those, instead of
14 saying that they solve all our problems.

15 The best practices have been talked about.
16 We need to keep working on keeping our best
17 practices up-to-date as our knowledge evolves.
18 And we've done some of that exceptionally well
19 for deepwater operations, but there's more that
20 needs to be done.

21 We need a response system that backs us up.
22 If all of our normal prevention methods go
23 wrong, if all of our normal well control
24 practices fail us, if our equipment fails us,
25 then we've got a system we can bring in. And

1 we've heard about that a lot. But a key point
2 we need to remember is, that doesn't protect us
3 if we're there. The first line is the
4 prevention onsite. That's where the priority
5 has to be the highest, because that's where we
6 keep, you know, you and me from getting killed.
7 And so we need to prepare ourselves better to do
8 that.

9 I'll contend that we need to re-look at our
10 training that we're doing, whether it's required
11 or it's in practice. We need to have training
12 that helps people understand real systems and
13 real behavior and multi-phase flow systems like
14 many of us learned with back in the 70s and 80s,
15 that's not used as much today.

16 We need to step beyond just refreshing
17 ourselves on routine practices and make sure
18 that we're getting training that relates
19 specifically to the operations that we're going
20 to conduct, especially when they're new. And I
21 can say that there are many of our operators and
22 service companies are doing this, but that it's
23 certainly not something that is regulated, or
24 standard.

25 Then we need to recognize that in this new

1 environment you've got very little production
2 experience in this environment. We're going to
3 have things happen that we don't anticipate.
4 And so we need to have training that prepares
5 our onsite personnel to respond to things they
6 haven't seen before, and to identify them and
7 figure out what to do what about them. An
8 example of an effort to try to provide that kind
9 of training is the IADC Well Cap Plus for well
10 control.

11 And so summarizing all this, things that, I
12 think we've heard a lot -- we've heard some of
13 this today, that we need to be doing right now,
14 we need to make sure as an industry, that we're
15 complying with the new NTLs, that we got plans
16 and equipment and permits that we can submit,
17 that demonstrate that we will comply. We need
18 to get our heads around being more vigilant in
19 detecting things that are different than what
20 should be, especially on operations that are
21 higher risk or that we have less experience
22 with. We do need to have the equipment that was
23 created for Macondo available, where we could
24 use it again if we need it. And when we've got
25 those things done, I think it's time to go back

1 to work. It's time to go back to delivering the
2 future for this huge component of our energy
3 resources for the United States.

4 For the future, I think we need to figure
5 out both as an industry and a society of
6 government, is to how we adjust our culture to
7 re-emphasize these things that we've said are
8 important. That our design planning does
9 recognize the risks and prepare to deal with
10 those risks. That we are continuing to develop
11 and define and communicate best practices. That
12 we do have a secondary response system like
13 MWCS, like Helix has talked about, that
14 continues to evolve and be improved, as we go
15 forward, and it has been practiced so that we
16 know that it will work when the time comes. And
17 we need to do training that both recognizes the
18 reality of the systems that we're dealing with,
19 and prepares us for new operations, and prepares
20 us for solving the kind of unanticipated
21 problems, that, for those of us that have been
22 in the industry, we've probably all learned from
23 -- we'd like to learn from with a successful
24 ending rather than a disastrous ending.

25 And that's what I've got.

1 DIRECTOR MICHAEL BROMWICH:

2 Thank you very much for that very
3 interesting presentation. Frank?

4 **PANEL II - PRESENTATION 5**

5 **FRANK GALLANDER**

6 **CONSULTANT**

7 **SUBSEA WELL INTERVENTION TEAM**

8 **CHEVRON GLOBAL UPSTREAM GAS**

9 Thank you, Director Bromwich. I am glad to
10 be here today. My name is Frank Gallander and I
11 am with Chevron, and I'm currently the chair of
12 API RP-53. I also chaired a recent project on
13 the reliability of the equipment. My intent of
14 this presentation is to get you up to speed as
15 to what the industry is doing as far as API,
16 and some of the committee works that are going
17 on.

18 **DIRECTOR MICHAEL BROMWICH:**

19 You're going to need to get that microphone
20 a little closer.

21 **MR. FRANK GALLANDER:**

22 The Reliability study was commissioned by
23 the industry in April of 2007. It was the first
24 study that looked at reliability in the Gulf of
25 Mexico for deepwater operations. It was

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1 specific to the Gulf of Mexico operations.
2 We've reviewed all the data from all the wells
3 that were permitted from January 1, 2004 to
4 December 31, 2006. The final report was issued
5 in May of 2009.

6 Once again, this is the first study that
7 was -- the first reliability based study that
8 was produced since 1996 during the Tetrahedron
9 study, and the first since the 1999 SINTEF
10 study.

11 The study included the largest number of
12 5th and 6th generation rigs. In that time
13 period, they were coming in the Gulf. It's the
14 industry's first statistically based study,
15 that's looking at the component level, as well
16 as the system levels.

17 This is a graph, or chart, of the 99
18 percent success probability, when you look at
19 the current 14-day testing regime. And the 35
20 day was the number where the lowest common
21 denominator there would be in the annular,
22 beneath the section, to start going to the 98
23 percent.

24 So we try to look at everything and say
25 we're in a probability of success of 99. Where

1 is the cut-off point? And it was identified at
2 the 35 day interval.

3 The next thing the study looked at was the
4 mean time of failure at the component level,
5 then again at the hydraulics -- excuse me. The
6 control systems was also -- had more of a system
7 type failure.

8 As I stated, during the study there was 239
9 wells that were permitted by MMS at the time.
10 And of those, we received records for 238 of
11 them for a total records of over 4,000. During
12 the course of the study, there was a total of 62
13 failures that were found. And the distribution
14 of those failures are seen on the pie chart to
15 the right. The average regulatory test per well
16 is 21. And looking at the vast number of
17 components that were tested during that time
18 period was over 89,000. The average component
19 test per well was 375.

20 The goal of the study group was to find out
21 that we needed a -- in order to have a good
22 sample of data, we needed at least 95 percent.
23 Based on the cooperation of the industry and
24 MMS, at the time, we were able to exceed the
25 goal and achieve the 99 percent confidence

1 factor.

2 As a result of the study to the MMS, these
3 were the recommendations that came out of the
4 study to -- there were two points of
5 clarification that was requested for --
6 specifically to 250.449. There were two
7 modifications requested for 250.447, and two
8 modifications to 250.449.

9 There was also a recommendation for the
10 issuance of a safety part with the annular
11 systems for restricting annulars. Those were
12 presented to the MMS at the time when the study
13 was concluded.

14 Recommendations to the API. API RP-53;
15 Recommended Practices for Blowout Prevention
16 Equipment Systems for Drilling Wells. There
17 were five specific requests or recommendations
18 that were presented. All those have been
19 submitted.

20 The next one was the API 16A, which is the
21 Specification for Drill Through Equipment. Both
22 of the recommendations that are identified here
23 are associated with the locking mechanisms for
24 the blowout preventer rams.

25 The current initiatives. Currently,

1 API RP-53 and the Sub-Committee 16A that I
2 mentioned earlier, and also 16D, which is the
3 Specifications for Control Systems and Drilling
4 Well Control Equipment and Control Systems for
5 Diverter Equipment. These committees have
6 reconvened and are currently working towards
7 changes.

8 The RP-53 committee has a very broad group
9 of participation. The BOEM has recently been
10 invited, and my understanding is they're going
11 to participate. The documents that we're using
12 for content to help us in the revision of these
13 documents is the Department of Interior 30-day
14 report, the NTLs 05 and 06 of this year, also,
15 this Joint Industry study recommendations, as
16 well as any information or reports that we get
17 from the several Deepwater Horizon
18 investigations.

19 The focus areas for the API recommended
20 practice specifications, right now, we're
21 focusing specifically on stack configurations.
22 This is very broad statements put up here. But,
23 clear definitions, other standarizations within
24 the industry, and anything that we can learn
25 that comes out of the Deepwater Horizon

1 investigations, as they are made public.

2 And that's all I have, sir.

3 **DIRECTOR MICHAEL BROMWICH:**

4 Okay. Thank you very much. I thank all
5 the panels for their presentations. Let's go
6 ahead and follow up with some questions.

7 The first question is for Dave Barrow.
8 Dave, you mentioned, and I think this is a theme
9 that some of the other panelists focused on, as
10 well, is the need for drills and exercises to
11 demonstrate response capabilities in the real
12 world and test Unified Command. Has that been
13 done in the past? And if it has not been, what
14 do you suggest is a way of putting it together,
15 going forward?

16 **MR. DAVE BARROW:**

17 Different companies in the past have
18 sponsored drills and exercises for their own
19 purposes internally, and then they reach out, as
20 needed, to provide the reality to agencies,
21 NGOs, media.

22 **DIRECTOR MICHAEL BROMWICH:**

23 But it hasn't been done on an industry-wide
24 basis?

25 **MR. DAVE BARROW:**

1 But it hasn't been done on an industry-wide
2 basis. In my recollection or in my experience,
3 Amoco's done it. And I would observe -- I
4 think, in fact, the Coast Guard even tested
5 this. Marathon held one in the last couple of
6 weeks. It was a very extensive exercise
7 involving about 400 people that centered in
8 Lafayette.

9 **DIRECTOR MICHAEL BROMWICH:**

10 Was that company specific, or did they make
11 an effort to involve other companies.

12 **MR. DAVE BARROW:**

13 It wasn't an effort to involve other
14 companies, except as observers.

15 **DIRECTOR MICHAEL BROMWICH:**

16 Have you heard any discussions in the
17 industry about trying to work on formulating
18 industry-wide drills and exercises rather than
19 company specific ones?

20 **MR. DAVE BARROWS:**

21 I haven't heard it discussed in industry
22 bodies, but it's something that different
23 companies discuss undertaking an initiative,
24 initiating, and then calling in other companies
25 to observe. And so I haven't heard it actually

1 discussed in regulatory.

2 **DIRECTOR MICHAEL BROMWICH:**

3 Because that actually sounds like a very
4 promising development, and I think it would be
5 real progress.

6 Lars?

7 **MR. LARS HERBST:**

8 Really just a comment more than a question.
9 Following up on the statement that you made
10 about testing Unified Command. I think that's a
11 critical part in this whole thing. And I would
12 encourage the industry to get with BOEM and with
13 the Coast Guard and work that issue. I think it
14 is a critical one, and it needs to be worked out
15 well in advance of another incident so we're not
16 trying to make decisions that haven't really
17 been tested.

18 **DIRECTOR MICHAEL BROMWICH:**

19 Bill?

20 **MR. BILL HAUSER:**

21 Yes. Debris removal was a factor in the
22 Macondo well?

23 **MR. DAVE BARROW:**

24 Right.

25 **MR. BILL HAUSER:**

1 And it could have been much more
2 complicated. Do we need more technology or more
3 work on the debris removal?

4 **MR. DAVE BARROW:**

5 As you may recall from the shearing
6 exercise with Macondo, there were problems with
7 getting a diamond wire saw to the top of the
8 marine well riser package. The saw actually
9 found itself bound up on the drill pipe that was
10 inside the riser. That's still a promising
11 technology, the diamond wire saw at depth.

12 And there were problems with being able to
13 get hydraulic power down to the shoes. That
14 caused a delay of a few hours.

15 So those are all areas for this Joint
16 Industry Task Force to explore developing. And
17 if I go back to the other point that director
18 Bromwich made, exercising in the field. And the
19 development has to focus on taking the ability
20 to use that equipment at 5,000 feet up to a
21 depth of about 10,000 feet.

22 **DIRECTOR MICHAEL BROMWICH:**

23 My next question is for Bryce Levett.
24 Bryce, you focused quite a bit on advocating a
25 mix of prescriptive and performance-based

1 standards. Obviously, our agency has
2 historically had a prescriptive approach. And
3 we've heard a lot of information about other
4 countries, the UK, Norway, and so forth, going
5 with a performance-based model. You advocate a
6 hybrid. I think that's where this country will
7 be heading in the future. Are there any
8 countries that you're aware of that currently
9 have such a hybrid model? That is, both
10 prescriptive, substantial prescriptive,
11 requirements, as well as performance-based?

12 **MR. BRYCE LEVETT**

13 No, not to my knowledge. To some degree,
14 the Norwegians have some prescriptions, but they
15 still apply it in the context of a
16 performance-based approach.

17 So from our perspective, looking at, you
18 know, really all of the regimes around the
19 world, we see this hybrid as being kind of the
20 best of all of it and really trying to take
21 advantage of all the lessons learned in the
22 prescription-based, and then have the
23 performance-based only focus on those aspects
24 that we needed to concentrate on, the novelty,
25 or whatever, of the specific well itself. No.

1 To my knowledge, there are no regimes that have
2 this.

3 **DIRECTOR MICHAEL BROMWICH:**

4 Did you foresee problems in trying to move
5 from one system to another? That is,
6 incorporating elements of the performance-based
7 model into a system that's been built on
8 prescriptive regulations?

9 **MR. BRYCE LEVETT:**

10 Yeah, if we're honest, I think we'll have
11 some growing pains. But I think it's primarily
12 just around understanding how you execute a
13 performance-based type regime. And that's why
14 we were sort of advocating the focus in terms of
15 the staff in your department, as well as the
16 United States Coast Guard, really focusing on
17 how they need to understand how a
18 performance-based system works, and then
19 realizing that their role has to be looking at
20 it and reviewing it and accepting it.

21 So, yes, there will be some growing pains.
22 But again, this is where we also advocate that,
23 if you bring in independent third parties who
24 have been dealing with these other regimes
25 around the world, I think things will probably

1 progress a little smoother than they would if
2 you just tried to start from scratch with no
3 knowledge of how this is going to fly.

4 **DIRECTOR MICHAEL BROMWICH:**

5 Thank you. Lars?

6 **MR. LARS HERBST:**

7 I believe just one question. Thank you for
8 a very thought provoking presentation that you
9 had there. I think it points to, I guess, U.S.
10 political and public expectations of both
11 regulators and companies working in the Gulf.

12 One point I'd like to hit on, where we can
13 start on is the independent third party
14 discussion. Currently, BOEM does have some of
15 that, the regulations of the CBA type process.
16 You discuss that there's been some criticism of
17 that as far as the CBA that is generally paid
18 for by industry versus the regulator, with some
19 type of cost-recovery mechanism there. How
20 would you get around that criticism if the third
21 party is actually paid for by industry?

22 **MR. BRYCE LEVETT:**

23 I think you really have to look at the way
24 those independent companies are set up. I think
25 the criticism can always be there. Somebody has

1 to pay for that role in some shape or form. And
2 even when you talk about splitting it, if you
3 try to have both sides paying for half and half,
4 there's always going to be criticism that the
5 independent third party is going to be funded by
6 somebody, and how do you overcome the prejudice.
7 It really comes down to the way those companies
8 are set up and structured.

9 And in terms of the roles that they play,
10 for instance, with Det Norske Veritas. Our
11 integrity is about the only thing that we
12 survive off of. If we ever do anything to lose
13 our integrity, we end up not existing anymore as
14 an entity in the world. So therefore, we simply
15 push back and challenge that it is possible for
16 an independent third party to be completely
17 impartial and independent in that case. And I
18 just don't think there's any other practical way
19 around it.

20 People just have to accept the fact that
21 it's possible for an entity to exist like that,
22 and not look at who's actually funding it, but
23 actually look at the company that is providing
24 that. Which, again, is back to the suggestion
25 we had in terms of the government's role to also

1 evaluate the confidence of these companies, as
2 well, to render that. Therefore, if you have
3 the operator paying for the independent third
4 party but the government believes that the
5 confidence of that company is there, then they
6 can weigh in to that.

7 **MR. LARS HERBST:**

8 Thank you. Bill?

9 **MR. BILL HAUSER:**

10 Yes. The Bureau is going to soon require
11 the developing and implementation of a safety
12 management system for all operations. How do
13 you see that fitting in and the potential of a
14 safety case? What might be missing from a
15 safety case?

16 **MR. BRYCE LEVETT:**

17 You have to understand that the safety case
18 itself is merely a demonstration of how all that
19 ties together. So the safety case is a
20 documentation that also explains how does the
21 safety management system work. And the safety
22 management system is, in fact, a controlled
23 mechanism in part of that triad that we talked
24 about with risk control and condition. And so
25 all the safety case does is really document,

1 "How does your safety management system work?"
2 And if you have certain performance standards
3 that you stated for your equipment, the critical
4 equipment that you need, you also have to
5 demonstrate how all of this incorporates. How
6 does your safety management system work to tie
7 all that in to identify the ownership and all of
8 that.

9 So I think a lot of people may be under the
10 misunderstanding that a safety case is somehow
11 replacing something. It's not. A safety case
12 is merely documenting how all of this works.

13 **MR. BILL HAUSER:**

14 Thank you.

15 **DIRECTOR MICHAEL BROMWICH:**

16 Bart, just one question for you. You
17 focused a significant amount in your
18 presentation on the use of the various Helix
19 vessels in the Macondo response. I ask you to
20 take a step back and evaluate ways in which
21 those vessels could have been used better by the
22 Unified Command, how they could have been
23 deployed better. You focused on some delays in
24 getting vessels on the scene. But I'd like you
25 to be critical of the way the government and

1 others actually used those vessels in a way that
2 that might be prudent in the future.

3 **MR. BART HEIJERMANS:**

4 I think the area where -- I mean, the use
5 of it can be optimized, will be the speed of
6 call-off. I still think that's the one where
7 you get the biggest bang for your buck. I mean,
8 if you have a spill like Macondo again in the
9 future, I mean, the system -- a capable vessel
10 like the Helix Producer 1 should be called off
11 on day one, and not on day 53.

12 And for the rest, I mean, like, for
13 instance, the Q4000 was used in so many
14 different modes. I mean, you have to change
15 from one mode to the other mode, and that takes
16 time. But at the end of the day, I mean, just
17 to -- I mean, just to install the required
18 equipment from the dynamic kill mode to the
19 burning mode, I mean, that took 18 days. And I
20 think that is -- I mean, that's pretty fast. I
21 mean, especially if you don't have systems
22 ready.

23 But I mean, in the future, I mean, our plan
24 is to buy a 10,000 barrel a day burner, and and
25 have it on the skids and have, I mean,

1 everything ready and so next time we can respond
2 faster with the Q4000.

3 The capacity for the Helix Producer 1
4 depends on the gas/oil ratio of the well with a
5 maximum of 60,000 barrels a day of liquid
6 capacity, and I think that will go a long way.

7 **DIRECTOR MICHAEL BROMWICH:**

8 Thank you. Lars?

9 **MR. LARS HERBST:**

10 Really just a comment, Bart. One is,
11 having worked at the Unified Area Command for
12 over a hundred days, I just wanted to go out
13 with a thanks to Helix. And I think the public
14 now sees, I guess, how many specialized vessels
15 that Helix brought to fight this incident, the
16 Q4000, the Helix Producer, and the Express, in
17 particular. It was so important to this
18 operation. I think in the case of the Helix
19 Producer, I think also the fact that the vessel
20 went under some rigorous inspection by BOEM for
21 this incident, and was ready to go, was very
22 important. And there was another vessel out
23 there which hadn't undergone that, which was
24 overseas, and then there were difficulties in
25 getting that vessel going. But I think that was

1 critical to this as well. And I just want to
2 thank Helix for all the work that they did on
3 this well.

4 **MR. BART HEIJERMANS:**

5 That's an easy question to answer.

6 **DIRECTOR MICHAEL BROMWICH:**

7 Yes. Thank you.

8 **MR. BILL HAUSER:**

9 How many more special-built vessels do we
10 need in the Gulf for future operations in
11 possible intervention?

12 **MR. BART HEIJERMANS:**

13 I think what you need is one more Helix
14 Producer 1 type vessel. And I think we need to
15 have two of those vessels. And you need to have
16 tool kits that you can use subsea. I mean, the
17 biggest challenge is to have the tool kits to
18 connect to the BOP or to the tree or to the
19 wellheads. And we have to be ready to connect
20 to bend -- well head bends. Once you connect to
21 it, the riser can be run -- I mean, there are
22 various high-pressure risers that can be used.
23 I mean, we have one of them, and then we have
24 drilling rigs like the Enterprise Discovery rig.

25 And to me, if you have another Helix

1 Producer 1 vessel, then you will have an ample
2 redundant vessel. And I think downstream of
3 those vessels, I mean, you can just use ordinary
4 US flag non-DP tankers to discharge it.

5 **MR. BILL HAUSER:**

6 Thank you.

7 **DIRECTOR MICHAEL BROMWICH:**

8 Professor Smith, I particularly appreciate
9 your taking a step back and looking at the big
10 picture and the various dimensions of issues
11 that we're focusing on. I have a couple of
12 questions for you.

13 Towards the end of your presentation, you
14 focused on the need to change the attitude that
15 new technology is safe or safer, and that it
16 needs no investigation of what-if or so on. How
17 do we do that? How do we institutionalize the
18 thinking ahead on new technologies, to make sure
19 that the what-ifs and what-happens-ifs are
20 considered? I didn't promise you an easy
21 question.

22 **PROFESSOR JOHN SMITH:**

23 I'm not sure that there are any simple
24 answers. You know, I am not very familiar with
25 safety case sort of approach. But certainly,

1 one step would be that when we're moving to new
2 capabilities or new methods or new equipment,
3 that additional review is required. And whether
4 that's something that's built into our operating
5 culture or it's required somehow through
6 regulation, that's harder than I can figure out.

7 The piece that we, as a petroleum
8 engineering profession, need to do, I think, is
9 to remember that that's part of the engineering
10 profession and not get so enamored with the
11 wonderful new thing that we can do, that we're
12 not thinking about what's the right way to use
13 it, and how are we ready for the complications
14 that it creates or the complications that today
15 we're not imaginative enough to get to.

16 **DIRECTOR MICHAEL BROMWICH:**

17 Here is the puzzle, just to flush out my
18 concern, of doing what you're suggesting. And
19 that is, I think that a lot of these new
20 developments and new technologies are
21 proprietary and contain a lot of confidential
22 proprietary technical information. When in your
23 academic world you deal with new advances, you
24 have peer reviews. I think, given the structure
25 of the industry and the competitive nature of

1 the industry, you really have almost a bar, a
2 wall, that would block the ability of the kind
3 of peer reviews that you're accustomed to, that
4 would help companies explore the what-ifs. So I
5 wonder if there's a structural or institutional
6 bar that would prevent the kind of thinking --
7 or at least would be a deterrent to the kind of
8 quite creative and critical thinking that you're
9 really calling for.

10 And the government and the defense
11 department, for decades, they have what they
12 call their "Red Teaming," which was to figure
13 out ways to deal with certain security issues
14 that was thinking outside the box, and they were
15 looking to find flaws in the way that we were
16 developing certain systems. And one of the ways
17 to implement the idea that you're thinking about
18 then, which is to challenge the assumption that
19 each new technological advance makes things
20 safer or it's the safest, is to have challenges
21 from outside the people who develop that
22 challenge. And I wonder whether there are
23 institutional barriers that will prevent that.

24 **PROFESSOR JOHN SMITH:**

25 Well, I'm going to say certainly there can

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1 be with proprietary technologies. And then
2 there's these things that we do that say that we
3 can overcome that, at least to some degree.
4 Like the example that fits in with things that I
5 work on is the IADC, UBD, MPD Operations
6 Committee. Just regular professional society
7 meetings, is where some of my emotion around
8 this comes from. Is that there are things that
9 some of us think absolutely need to be talked
10 about and worked on and thought through, that
11 other people say you can't talk about those in
12 public. And it's not just BP.

13 **DIRECTOR MICHAEL BROMWICH:**

14 My final question for you is: One of the
15 things that I've been thinking about is what are
16 the best ways to engage, more directly, the
17 academic community and the work that we are
18 doing as a regulator? We deal with industry all
19 the time, obviously, but we deal with the
20 academic world only on a more occasional basis.
21 It seems to me the people on the LSU faculty,
22 with you, and various other engineering schools
23 around the country, presumably have a lot to
24 offer and some critical thinking that they can
25 devote to the way the system works and the way

1 the system, the regulatory system, can be
2 changed. What are your preliminary thoughts on
3 the best way to kind of cement that engagement
4 and to make use of the resources and the
5 creative thinking that exists in academia?

6 **PROFESSOR JOHN SMITH:**

7 Well, I'm not sure that this addresses the
8 best way, but the practical piece is the same
9 piece that we tell our industry colleagues.
10 That this community that you're talking about
11 within the petroleum engineering academic
12 community and the engineering, you know,
13 sciences academic community is there. But we
14 can't afford to be involved in activities that
15 don't generate revenues for the universities.

16 Anybody that reads the morning newspaper
17 knows about what our state universities in
18 Louisiana are going through now, and what
19 they're getting ready to go through next year.
20 You know, you may think of the university
21 faculty member as the guy you can pick up the
22 phone and call and he's going to answer your
23 questions, and for a lot of us that's true. But
24 there needs to be a systemic reason to be
25 involved. And the one that our administrators

1 like is this research money that's coming in.
2 That's kind of as frank as I can put it.

3 **DIRECTOR MICHAEL BROMWICH:**

4 Okay, thank you. Lars?

5 **MR. LARS HERBST:**

6 Yes, just a couple of questions, Dr. Smith.
7 It's been quite a while since I graduated from
8 the LSU Petroleum Engineering Department, so
9 things, you know, may have changed a bit over
10 that time.

11 But if you could talk briefly about -- you
12 mentioned training being very critical as we
13 move forward. Are there steps that either LSU
14 is doing through well training or your knowledge
15 of IADC that is moving towards taking lessons
16 learned, and there'll be more coming out of this
17 incident -- or this accident investigation --
18 but taking those lessons learned and building
19 those into well control training?

20 **PROFESSOR JOHN SMITH:**

21 You know, I haven't been in kind of the --
22 what I think of as the commercial well control
23 training business, directly, in, I guess, almost
24 ten years now. But I think it would be fair to
25 say that all of the well control training

1 entities, probably worldwide, will be taking
2 knowledge gained from this incident and trying
3 to fit that into their regular instruction. And
4 that's relevant, important, and desirable. But
5 it really doesn't get to what, I think, is more
6 important. And that's that there's these
7 different elements that don't fit very well into
8 the way well control training, in particular,
9 has evolved, at least, I'm going to say, outside
10 Canada.

11 So there's a piece that I think that's
12 important of people working with real equipment
13 and real fluids that both make sure they are
14 calibrated to what reality is and how it
15 behaves, and that builds confidence for new
16 things. And we've got people -- and having said
17 that, that's a -- if you're familiar with PITS
18 in Canada, maybe that's the extreme version of
19 how you address that. But there are companies
20 that we work with at LSU that are doing that for
21 their new, evolving technologies. They are
22 making sure their people know how their
23 equipment works, in reality.

24 The piece of our great crew change and
25 preparing people that are in our great crew

1 change, the way some of us were prepared, that's
2 more difficult. Because the test wells and
3 training wells that Chevron and Shell and Exxon
4 and Gulf and the University of Texas, University
5 of Oklahoma, they're not being used at all. And
6 if I go much further than that, it starts to be
7 that I'm giving a sales pitch for LSU, and we
8 don't have the manpower to do a whole lot more
9 than what we're doing now. But we need revenue.
10 And we probably have a hiring freeze. We have
11 worse than a hiring freeze.

12 These other pieces may be a more
13 straightforward. That kind of training that
14 some of those service companies are doing on new
15 equipment that some of the operators used to do
16 are trying to make sure that their training fit
17 what the real operations were. The example on
18 paper is what the industry used to like to call
19 "DWOP," Drill the Well on Paper.

20 You know, as we're adopting new systems, we
21 need to do system specific training or method
22 specific training. And then this piece that
23 really frustrates me is, "Well, how do we train
24 people to tackle more difficult problems?" And
25 not specific problems, but the business of

1 identifying and tackling problems. And again,
2 we've worked with some companies to do some of
3 that at LSU. And IADC made a major effort a few
4 years ago to develop something they call
5 "WellCAP Plus," that basically industry has
6 ignored. And so I don't know what the complete
7 answer is, but there's opportunities that we
8 haven't done a good job of taking advantage of.

9 **MR. LARS HERBST:**

10 And moving forward, training the next
11 generation of engineers, is LSU or other
12 universities that you may be aware of, looking
13 at more of the hazard analysis and looking at
14 maybe the what-ifs and the bow-tie analysis
15 trying to identify hazards and identify
16 barriers? Is that being built into curriculums?
17 It seems like that's very important from what
18 we've seen from this accident.

19 **PROFESSOR JOHN SMITH:**

20 At LSU, not in any explicit way. And at
21 other places, not that I know of. You know,
22 that's more like the kinds of things you would
23 see in an industrial engineering department. So
24 maybe we'll need to think about that.

25 **DIRECTOR MICHAEL BROMWICH:**

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1 Thank you. Bill?

2 **MR. BILL HAUSER:**

3 No.

4 **DIRECTOR MICHAEL BROMWICH:**

5 Okay. I don't have any questions for
6 Frank. Lars, do you?

7 **MR. LARS HERBST:**

8 Just one or two questions. You've been
9 working closely with API 53 and somewhat maybe
10 with 16A and D. I'm not familiar with any of
11 the new recommendations that we've looked at
12 there moving forward. But from your knowledge
13 of the 30-day report on the increased safety
14 measures that was put out by the department to
15 the President, are those issues being addressed
16 by API in those documents? Some things, for
17 example, ROV, intervention capability,
18 potentially blind shear rams, casing shear rams,
19 those issues. Stack configuration.

20 **MR. FRANK GALLANDER:**

21 Yes, sir, we are looking at them very
22 closely. One of the things that has come out,
23 specifically from Macondo, was the
24 standardization of the ROV interfaces for the
25 hot stabs, and so on. We've pretty much adapted

1 that across the three groups; the subsea control
2 systems, the manufacturing of the BOP
3 specification, and also the recommended
4 practices component of API.

5 So there are things coming out from the
6 studies, as well as the reports, from the 30-day
7 reports that you mentioned. There were some
8 very important parts that were -- I didn't look
9 extremely close at it. You had mentioned the
10 dual blind shear rams. You know, there are some
11 pros and cons to those. And that's part of the
12 few bogus areas, is stack configurations and
13 what does that really -- what does that really
14 mean?

15 **MR. LARS HERBST:**

16 What about some of the secondary BOP
17 control systems; the deadman, the auto shear? I
18 believe the language in API RP53 now has that as
19 the language that you have to have those
20 systems. Is that being looked at and change to
21 be more descriptive?

22 **MR. FRANK GALLANDER:**

23 Yes, sir. That's another really important
24 area that we're looking at. On the
25 specification side, it was an optional

1 component. We're looking to more enforcement to
2 say that thou shall have these equipments on.
3 We're having some issues understanding, you
4 know, okay, what's the implications when we go
5 this route. But for the most part, the industry
6 is, I mean -- or has realized that we are to a
7 point where things are different now. We just
8 can't go with the business as usual. Especially
9 with some of the older rigs. But we are looking
10 at every aspect of it. Yes, sir.

11 **MR. LARS HERBST:**

12 Thank you.

13 **MR. FRANK GALLANDER:**

14 Yes, sir.

15 **DIRECTOR MICHAEL BROMWICH:**

16 Bill?

17 **MR. BILL HAUSER:**

18 Yes. What's the schedule for completing
19 the RP53?

20 **MR. FRANK GALLANDER:**

21 Currently, we're looking at possibly a
22 two-phase component of it. We're taking the
23 30-day report, the NTLs that have come out, this
24 GIP recommendations, and whatever reports that
25 have come out of Macondo, and we're looking to

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1 see what is it we can do in the immediate. The
2 document hasn't been updated in a while, so
3 we're looking at putting in a clause to say here
4 soon we're going to make a decision. Do we
5 update it just what we know, try to get it
6 within the 90-day period, kind of like the RP96
7 did, to focus on specific areas and go with it,
8 or do we make it a two-phase where, if we can't
9 get it all done, then we're going to go ahead
10 and look at expanding it more. Because more
11 will be coming out on the Macondo study. We
12 assume so. We need something a little bit more
13 tangible in the immediate, so there's possibly
14 going to be a two-phase approach.

15 **MR. BILL HAUSER:**

16 Last question. Training of personnel to
17 handle BOP equipment, will that be addressed in
18 53?

19 **MR. FRANK GALLANDER:**

20 Currently, it was not in the discussions or
21 any of the documentation that has come out. But
22 clearly, it has been brought to the forefront,
23 and it is a very important component to the
24 documents now. Not so much on the specification
25 side, but more on the recommended practices

1 side. The training carries on, not just to the
2 drilling contractors, the operators, but all the
3 way down to the manufacturing side, because
4 there are some -- we've just grown.

5 **MR. BILL HAUSER:**

6 Thank you.

7 **DIRECTOR MICHAEL BROMWICH:**

8 Okay. That ends our second panel. I want
9 to thank all five of you for your very
10 thoughtful and informative presentations, of a
11 very high quality.

12 We're going to take a 20 minute break now,
13 and we will resume in about 20 minutes. And we
14 have one final panel to go. It's the elected
15 officials from Louisiana and the local area. So
16 I'll see you back in 20 minutes.

17 (BREAK TAKEN AT 11:35 A.M.)

18 * * * * *

19

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25

1 **DIRECTOR MICHAEL BROMWICH:**

2 Okay. We will go ahead and get started.
3 We have a third and final panel of today's
4 forum, and the final panel of all of the forums.
5 We have a both large and very distinguished
6 group of elected representatives. Let me
7 briefly introduce them and then I'll turn things
8 over to them to give their presentations.

9 Closest to me is Lieutenant Governor Scott
10 Angelle. Lieutenant Governor was appointed
11 Lieutenant Governor in 2010 after then
12 Lieutenant Governor Landrieu was elected Mayor
13 of New Orleans. Previously, Mr. Angelle served
14 as the secretary of the Louisiana Department of
15 Natural Resources for six years. In 2008, he
16 served as the chairman of Groundwater Resources
17 Commission. He is chairman of the Louisiana
18 State Mineral Board, and the LSU Center for
19 Energy Studies, and advisory council.

20 Sitting to Lieutenant Governor's left is
21 Charles Boustany, who is the United States
22 Congressman from the Seventh Congressional
23 District. He is a heart surgeon by training,
24 with more than 20 years of experience, and was
25 first elected to the United States Congress in

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1 December of 2004. He currently is serving his
2 third term as the representative which covers
3 Acadiana and Southwest Louisiana. Congressman
4 has championed health care reform, sound energy
5 policy, as well as hurricane recovery.

6 Sitting to Congressman Boustany's left is
7 Charlie Melancon, who is the United States
8 Congressman from the Third Congressional
9 District. He has been serving the people of the
10 Third District since January of 2005. His
11 district covers much of South Louisiana. He has
12 been a member of the Energy and Commerce
13 Committee, and, as such, he's involved in
14 activities that have an impact on a broad range
15 of issues affecting this state, including the
16 oil and gas industry. He also serves on the
17 Energy Committee's Subcommittee on Energy and
18 Environment.

19 Sitting to the Congressman's left is Joey
20 Durel. Mr. Durel is the City-Parish President
21 for Lafayette. He is by training and
22 background, a businessman, who is in his second
23 term, currently, as the Lafayette City-Parish
24 President. He was first elected to the position
25 in November of 2003, and ran opposed in October

1 of 2007. Since taking office, Mr. Durel has
2 worked on his campaign promise to change the
3 culture of government by improving efficiency of
4 local government.

5 Sitting to Mr. Durel's left is Charlotte
6 Randolph, who is the Parish President for
7 Lafourche Parish. She was elected as the
8 President of that parish in 2004 and re-elected
9 in 2008. She has been an active committee
10 member for several decades. She served as the
11 President of the South Lafourche Chamber of
12 Commerce, and was a charter member of the Board
13 of Directors for leadership there. She was also
14 Board Member for the Board of Directors for the
15 Bayou Industrial Group, Chairwoman of the Board
16 for the Chamber of Lafourche and Bayou Region,
17 and President of the Parish Group Against
18 Coastal Erosion.

19 Sitting to Ms. Randolph's left is Arlanda
20 Williams, who is a councilwoman from Terrebonne
21 Parish. Councilwoman Williams has served as the
22 Chairwoman of the Parish Council since January
23 of 2009, and has served more generally on the
24 council since May of 2006. She's the second
25 Vice-President on the National Association of

1 Black County Officials.

2 Sitting to Ms. Williams' left is John
3 Young, who is a Jefferson Parish Councilman.
4 Councilman Young has been serving on the
5 Jefferson Parish as Council Chairman and
6 Councilman-at-Large since January of 2004. His
7 goals as Chairman include economic development,
8 improving education, fiscal responsibility,
9 uniting Jefferson Parish, and promoting regional
10 cooperation. Prior to being elected Councilman,
11 Mr. Young served as District Attorney for the
12 Parish of Jefferson from 1997 to 2004.
13 Currently, he is a member of the National
14 Association of Counties Oil Spill Task Force.

15 Last, but not least, to Mr. Young's left is
16 Wayne Landry, who is a St. Bernard Parish
17 Councilman. He is currently the Councilman at
18 large and Chairman of the Council. He also
19 serves as District Chairman of the St. Bernard
20 Hospital Service and is the Chairman of the
21 Coastal Zone Committee for oil spill recovery.

22 So I want to thank all of you. I know some
23 of you had to come a very long way for this
24 forum. I very much appreciate your coming here,
25 and we look forward to your comments. Thank

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1 you, very much.

2 **PANEL III - PRESENTATION 1**

3 **LIEUTENANT GOVERNOR,**

4 **SCOTT ANGELLE**

5 **STATE OF LOUISIANA**

6 Thank you, Mr. Director. Thank you for
7 your service. As I previously indicated to you
8 I realize that you have been pressed into
9 service at a very challenging time in America's
10 history. And on behalf of the people of
11 Louisiana, I appreciate your commitment to
12 public service.

13 I bring greetings to you from Governor
14 Bobby Jindal, and the men and women of Louisiana
15 who have been working day in and day out for the
16 last 147 days to restore our way of life, while
17 never forgetting the eleven great Americans who
18 lost their lives in the DeepWater Horizon
19 tragedy. Let us all remember to keep their
20 families and our thoughts in prayers.

21 It is especially my pleasure to welcome you
22 and your staff to Lafayette, in the region of
23 Acadiana, home to one of America's most
24 prominent oil and gas economies, where we are
25 proud to be a state. It helps add to America's

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1 energy security.

2 You see, in our Louisiana, thousands of men
3 and women get up each day, put on their
4 steel-toe boots and hard hats, kiss their
5 families goodbye and set out along the Gulf
6 Coast to explore, produce, refine, process and
7 transport the energy to fuel our nation's
8 economy, while at the same time many on the East
9 Coast and West Coast criticize their work and
10 yet daily enjoy the fruits of cheap and abundant
11 fuel and its many by-products.

12 Few states are willing to do what we do and
13 to paraphrase a quote from a popular movie,
14 "America needs us on that wall, you want us on
15 that wall," because none of us can afford to pay
16 more for energy.

17 Mr. Director, today I wish to address
18 urgency. We are in need of urgency in every
19 way, shape, and form to lift this moratorium.
20 We believe urgency can be accomplished without
21 cutting corners.

22 We have had six recessions in this country
23 since 1972, and prior to each one of them the
24 price of oil saw a sustained increase over the
25 previous year. A major increase in fuel prices

1 has almost always been an indicator or a driver
2 of a major recession or a downturn in our
3 economy.

4 The potential for supplies being reduced,
5 energy prices going up, and more Americans out
6 of work in a faltering economy should not be our
7 nation's legacy to this tragedy.

8 While we certainly appreciate the fact that
9 you are here today -- and we again, thank you
10 for your service -- we can't help but believe
11 our repeated suggestions, and the suggestions of
12 others, continue to be ignored relative to
13 lifting the moratorium.

14 Let's examine the record, because it is
15 very clear. The Department of Interior issued a
16 moratorium on May 28 to suspend deepwater
17 operations. We were shocked that our federal
18 government leaders would hastily move to shut
19 down an entire segment of an industry for six
20 months with one stroke of a pen.

21 So then, why six months?

22 We always maintained that calling a time
23 out on drilling operations was appropriate
24 public policy, but why an arbitrary and
25 capricious six months? It took the previous

1 administration only four days to resume flying
2 after the tragedy of 9/11. So then, why, six
3 months?

4 Perhaps the current administration fails to
5 understand the urgency of the elimination of
6 American jobs and the need to strengthen our
7 energy security. Perhaps a sense of urgency is
8 lacking at every decision point in this matter,
9 but don't just take my word for it. When the
10 presidential commission finally met two months
11 after it was created, co-chair William Reilly
12 stated, "It's not clear for me why it should
13 take so long to reassure oneself about safety
14 considerations on those rigs."

15 The commission's other co-chair, former
16 Senator Bob Graham, stated he was disturbed by a
17 "disconnect between Washington and the Gulf
18 Region about the sense of urgency needed."

19 Mr. Director, we need urgency in every way,
20 shape, and form to return American workers to
21 the Gulf of Mexico and to find the fuel to
22 energize America.

23 And while we were shocked that the federal
24 government would issue such a moratorium, we
25 were not the only ones. Imagine, immediately

1 after the moratorium was ordered, five of seven
2 experts engaged by the Department of Interior to
3 advise the secretary on this matter issued a
4 letter publicly opposing the moratorium saying,
5 "It will not measurably reduce risk further, and
6 it will have a lasting impact on the nation's
7 economy."

8 In fact, in their cover facsimile
9 transmission to Governor Jindal and Senators
10 Landrieu and Vitter, they explained their dismay
11 of the imposition of the moratorium, they state
12 "The report does not justify the moratorium, as
13 written," and goes on to further state that "The
14 secretary should be free to recommend whatever
15 he thinks is correct, but he should not be free
16 to use our names to justify his political
17 decisions."

18 That's extremely strong language from the
19 experts hired by the secretary, himself.

20 In addition to your own experts disagreeing
21 with you, on June 22 in the Eastern District
22 Court of Louisiana, a federal judge issued a
23 preliminary injunction against the May 28
24 moratorium, calling it arbitrary and capricious.
25 Yet, in defiance of this court order, a press

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1 release was issued by the Department of Interior
2 that same afternoon quoting the secretary, "I
3 will issue a new order in the coming days that
4 eliminates any doubt that a moratorium is
5 needed."

6 And in what many call poking a finger at
7 the judicial branch, on July 12 the secretary
8 did just that -- he issued a second moratorium,
9 stating that it was a "new decision by the
10 secretary and had new evidence regarding safety
11 concerns, blowout containment shortcomings
12 within the industry and spill response." But
13 after careful review and a detailed analysis,
14 the federal courts said on September 1,
15 Moratorium 2.0 "fashions no substantial changes"
16 from Moratorium 1.0.

17 The Department of Interior's own experts
18 disagree, the Department of Interior has not won
19 a single hearing in the courts, and yet the
20 Department of Interior continues to pursue a
21 public policy that we believe is wrong for
22 America.

23 We always maintained following the BP
24 incident that it could not be business as usual;
25 that a time to huddle was appropriate. And we

1 believe that has been accomplished. And that
2 has been confirmed by the Bipartisan Committee
3 Center just last month.

4 The findings of a study by that group,
5 requested by the administration's own Oil Spill
6 Commission, reported that, "the moratorium has
7 served the productive purpose of allowing time
8 for both industry and government to prepare for
9 a safer, more vigilant and dependable future for
10 U.S. offshore drilling."

11 The study noted that new rules already
12 developed achieved a significant and beneficial
13 reduction in risk.

14 Yet, even in shallow waters, where there is
15 no declared moratorium, we still see that
16 drilling has come to a near halt, even as the
17 industry has continually reached out to the
18 regulator to find a way forward.

19 In 2009, before the moratorium, the lowest
20 new permit total for a single month in OCS
21 shallow waters was eight. Only seven new
22 permits have been approved in the last four
23 months combined. This, in spite of our
24 full-court press, hosting over a dozen
25 conference calls, each with 25 to 30

1 participants, since June 22, to get into the
2 lead on exactly what is being required with
3 NTL 6.

4 Again, we know it cannot be business as
5 usual, but this is in an area that both the
6 President and Secretary have publicly stated are
7 open for business. And this confusion is why
8 this state, the state of Texas, the state of
9 Alaska, and various chambers of commerce across
10 the nation are calling to bring this moratorium
11 to an end. Even in an area declared open and
12 ready, the confusion on what is required is
13 crippling activity.

14 And speaking of shallow water drilling
15 permits, the lack of new drilling permits is a
16 dire concern for the state of Louisiana. For
17 over 60 days, I have made repeated requests to
18 the Bureau of Ocean Energy for additional
19 personnel in district offices to help facilitate
20 the issuance of permits in shallow waters. I
21 followed up on this request in writing in my
22 letter dated August 30th to Secretary Salazar,
23 wherein I explained the need for and requested
24 additional personnel in the Bureau of Ocean
25 Energy to efficiently process permits.

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1 My concern is for a tremendously
2 understaffed bureau with little ability to
3 timely review the permit applications, for an
4 area where the President and Secretary, again,
5 said are open for drilling, for a confirmed and
6 report dated September 1st to Secretary Salazar
7 by the OCS Safety Oversight Board.

8 This report clearly states that the
9 district offices in the Gulf of Mexico are
10 severely challenged by the heavy workload and
11 the complexity of permit applications. And this
12 challenge was the subject of an article dated
13 September 12, in the Advocate.

14 Unless immediate action is taken to
15 increase the personnel to review permits,
16 American jobs will hang in the balance and
17 American oil and gas production will decrease.

18 Mr. Director, we need a sense of urgency in
19 every way, shape, and form in regards to
20 additional personnel.

21 While it is appropriate for it to not be
22 business as usual in the oil and gas industry,
23 so it also should not be business as usual when
24 it comes to personnel at the Bureau if we are
25 really serious about issuing shallow water

1 permits.

2 This is a fixable problem. And I
3 appreciate our private conversations, earlier
4 today, with regards to your comment on this,
5 however, it is very, very critical that we take
6 a look at this issue, and bring some of these
7 out to the American people.

8 Mr. Director, again I thank you for your
9 service, but the record is clear. Your own
10 experts, the Bipartisan Policy Commission, and
11 every federal courtroom your agency has been
12 summoned to, agree that this moratorium can be
13 lifted today. And we ask that you do that.

14 Thank you, very much.

15 **DIRECTOR MICHAEL BROMWICH:**

16 Thank you, very much. Congressman
17 Boustany.

18 **PANEL III - PRESENTATION 2**

19 **CHARLES BOUSTANY (R-LA)**

20 **U.S. CONGRESSMAN**

21 **SEVENTH CONGRESSIONAL DISTRICT**

22 Thank you, Director Bromwich, and welcome
23 to Lafayette. When we last met, you were four
24 days on the job and looked a little overwhelmed
25 at the point in time. I trust that you are

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1 doing better now.

2 **DIRECTOR MICHAEL BROMWICH:**

3 I'll let you be the judge for that.

4 **CONGRESSMAN CHARLES BOUSTANY:**

5 You know, it wasn't long ago that nearly
6 15,000 people in this community came together to
7 protest what is felt to be capricious and
8 arbitrary moratorium on drilling.

9 We all recognize, more than anybody else in
10 this state, Louisianians understand the human
11 tragedy that was involved with this -- the
12 environmental tragedy that ensued, and now the
13 economic tragedy that is ongoing. And it's
14 serious.

15 Scott Angelle just outlined historically, a
16 number of very respected authorities, including
17 the federal court that declared this deepwater
18 drilling moratorium to be arbitrary and
19 capricious. But in the interest of American
20 energy security, it is truly detrimental.

21 Now, I want to throw something out there.
22 Just in the last six months, if you look at the
23 trade deficit -- look at the trade deficit that
24 is being dragged on the U.S. economy. It
25 amounted to 294 billion dollars for six months.

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1 140 billion of that was important oil.

2 Now, if we're going to have a sensible
3 energy policy, it means that we have to focus on
4 American energy production, and the first thing
5 you want to do in any kind of energy strategy is
6 not penalize -- not punish your current American
7 energy production. It's starts with that.

8 Now, we can argue and go on, but experts
9 after experts have declared this to be
10 unreasonable. And I believe as Secretary
11 Angelle does and others on this panel believe
12 that there is no way to move forward, to put
13 safety first and foremost as we go through
14 American energy production.

15 Now, I will say -- and I know this for fact
16 because I've spoken to so many people in my
17 district and throughout South Louisiana -- the
18 workers down here -- the workers who get on
19 these rigs, day in and day out and do the work,
20 are highly professional, high trained, highly
21 motivated, and focused first and foremost on
22 safety and on safety of their colleagues and
23 workmates on these rigs.

24 You know, this is our culture, and we have
25 had -- we have an energy-producing working

1 coast. And this is an industry that has evolved
2 over time with this type of work ethic, this
3 type of safety ethic. And I think regulators in
4 Washington each respect that, interact with it,
5 and understand it as we go forward with sensible
6 policy.

7 This moratorium on deepwater drilling hurts
8 American energy, security, and it's going to
9 make us clearly more dependant on foreign oil as
10 time goes on, and it is killing jobs, at a time
11 where we can ill-afford more unemployment. This
12 is nothing short of disastrous for our state and
13 for the Gulf Coast, and I believe, ultimately,
14 for the nation. It's a policy that just does
15 not make sense.

16 Now, with regard to shallow water, clearly
17 since NTL 5 & 6, I think there have been maybe a
18 total of five permits issued. And the fifth was
19 just recently, in the last couple of days.

20 Scott Angelle mentioned urgency. We need a
21 sense of urgency. It doesn't give us a whole
22 lot of confidence when the President's energy
23 adviser, Carol Browner, makes a statement that
24 if the independent companies cannot meet the
25 costs, if our independent producers cannot meet

1 the cost, and they cannot meet their regulation,
2 and they cannot meet the cost of insurance, then
3 they shouldn't be operating. We don't believe
4 that. That's not what's in the interest of the
5 United States.

6 What we believe is we have the hardest
7 working people, the most productive people on
8 the Gulf Coast, taking care of the energy needs
9 of the entire United States. Please honor that.
10 We need a sense of urgency.

11 My office -- I've authored several letters
12 to the administration -- to the President, to
13 Secretary Salazar, and others regarding this.
14 Several letters. And I've gotten one response.
15 These letters are not just coming from me,
16 they're coming from the entire Louisiana
17 delegation. Both senators and all of the house
18 members. Bipartisan letters. Or have been in
19 conjunction with the Texas delegation. And
20 we're not getting a response? In fact, I got
21 one letter back -- it took Secretary Salazar two
22 months to respond. And the letter really
23 basically said nothing. It said nothing. It
24 just said, "We're going to keep this moratorium
25 until November 30, or until such time as I see

1 fit to lift it."

2 Now, if that doesn't sound arbitrary, I
3 don't know what does.

4 And we know you're relatively new at this
5 position. We're saying this is a national
6 priority and there's a way to get beyond the
7 complete -- the complete barrier, and inhibiting
8 American energy production from going forth. So
9 we ask you to work with our delegation, work
10 with the local officials, but even more than
11 that -- work and respect the workers who are out
12 there trying to make a living and produce energy
13 for our nation.

14 Thank you.

15 **DIRECTOR MICHAEL BROMWICH:**

16 Thank you. Congressman Melancon.

17 **PANEL III - PRESENTATION 3**

18 **CHARLIE MELANCON**

19 **U.S. CONGRESSMAN**

20 **THIRD CONGRESSIONAL DISTRICT**

21 Thank you, Director. I appreciate you
22 holding this forum.

23 I know you've heard just about every
24 prospective imaginable when it comes to offshore
25 energy development. But today, here in Cajun

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1 Country, you are surrounding by men and women
2 that do the hard work on these rigs every day.
3 They want two things: They want to get back to
4 work; and, they want to get back to a safe job
5 site. They wanted both of those things months
6 ago, and we can deliver on both of them today.

7 BP was a bad player. And we have
8 discovered in numerous Congressional hearings,
9 and in forums like this, they took dangerous
10 shortcuts to save money. They ignored warning
11 signs and the advice of their own workers who
12 were concerned about the stability of the well.
13 And they continued to drill, even when they knew
14 that the safety mechanisms in place to prevent a
15 blowout were not working properly. And 11 men
16 died because of this greed.

17 The tragedy on Deepwater exposed the false
18 sense of security brought on by lax oversight
19 and cookie-cutter response plans. It showed us
20 the importance of strengthening the enforcement
21 of both new and existing laws, and for the need
22 to protect workers who report their companies'
23 dangerous and even illegal practices to
24 regulators, so that we can stop another accident
25 before it happens.

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1 But this indiscriminate, blanket moratorium
2 in place today punishes the innocent along with
3 the guilty for the actions and poor judgment of
4 one reckless company. If a rig meets all of the
5 tough new safety requirements issued by the
6 Department of the Interior, if it has been fully
7 inspected and deemed safe, it should not sit
8 idle. It should be allowed to go back to work.

9 The people that I grew up with right here
10 in South Louisiana, understand that this
11 heavy-handed moratorium doesn't make any sense.
12 They look at the coal mining disasters and note
13 that there were no six month moratoriums on
14 mining activities after each explosion. They
15 wonder why their state's economy, and their
16 jobs, are less important than other states'.

17 We want more than anyone to prevent another
18 disaster from happening, significantly because
19 it was our people that were hurt, both by the
20 injuries and by the environmental ramifications.
21 But the irresponsible decisions and the
22 dangerous actions of one company shouldn't shut
23 down an entire sector of our economy, sending
24 thousands of workers to the unemployment line.
25 We need to fix the problems that led to this

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1 disaster in the Gulf, and we need to get back to
2 work.

3 Last July, the House of Representatives,
4 this past -- two months ago, voted to pass a
5 strong rebuke of the six-month moratorium.
6 Democrats and Republicans approved my amendment
7 to lift the moratorium. Democrats and
8 Republicans. The legislation would direct BOEM
9 to issue drilling permits for those rigs that
10 meet the new safety requirements put forth by
11 the Department of the Interior in the wake of
12 the explosion.

13 Some of those that voted with me would
14 never approve of offshore energy development in
15 their back yard, but they know our country needs
16 oil and natural gas to survive, and they know
17 that jobs are important at this juncture in
18 history and this country. They know Louisiana
19 has stepped up to deliver these resources for
20 decades, and they know we need to get back to
21 work.

22 Sometimes lost in the conversation about
23 the deep water moratorium, is the health of our
24 shallow water production industry. A formal
25 moratorium doesn't need to exist for shallow

1 water production to be shut down. In fact, just
2 lack of guidance from field offices and slow
3 permitting processes have led to countless rigs
4 stacked up along the coast, and I am personally
5 seeing that there's a lot of people within the
6 agencies and the permitting process that are
7 just so afraid to make a decision for fear that
8 someone above them may come down on them.

9 Director Bromwich, as you are aware, the
10 President lifted the shallow water moratorium
11 more than three months ago. However, there have
12 been only four permits -- and I think Scott
13 mentioned they had another one recently -- for
14 new shallow water wells issued since last May.
15 We are staring down an absolutely critical
16 juncture this month. If new permits are not
17 approved in September, we'll see our domestic
18 fleet of 46 shallow water rigs stop working.
19 All of them; not just some of them. And that's
20 completely unacceptable.

21 We must get shallow water drilling permits
22 moving again for new wells in the Gulf of
23 Mexico. We can't slow-walk these permits and
24 expect that many of these smaller companies can
25 keep their workers on staff. Many have held on

1 to their crews, hoping to get work soon. If
2 permits don't move now, we'll see even more men
3 and women streaming to the unemployment office.
4 So let's put them go back to work. Let's do it
5 now.

6 The BP spill has cost our state and our
7 people billions of dollars. It crippled our
8 seafood industry for the better part of three
9 months, and that will probably stagger on for
10 months, if not years to come. Our tourism
11 industry is lagging in a year that promised to
12 be our best since Katrina and Rita ravaged our
13 state. We cannot continue to devastate our oil
14 and gas industry with indecision and inaction.
15 We are a resilient people; we really are. But
16 we simply can't weather another economic storm
17 and pray for the best. And this has the ability
18 of the government acting to prevent that from
19 happening.

20 We must lift the moratorium in a
21 responsible way, and allow our workers to
22 continue producing the domestic energy that
23 drives our entire nation. We should hold
24 companies accountable for higher safety
25 standards, so we never again experience a

1 disaster like Deepwater. My state, my home, my
2 whole life here in South Louisiana, the people
3 are clamoring to get back to work.

4 The industry is efficient in tourism and
5 oil and gas, and co-exist in a semiotic way in
6 this state. It's difficult for people outside
7 of the state of Louisiana to comprehend or
8 understand. But it does, and they all want us
9 to put these people back to work. So I am
10 begging you and the people within the department
11 -- I spoke with the President two weeks ago. He
12 indicated that things were moving faster than I
13 had thought or imagined. And my response was:
14 "Mr. President, it can't be fast enough." And
15 it still isn't fast enough. So with that, I
16 close and say anything -- any action that you or
17 Secretary Salazar or the White House would
18 decide to take immediate, would receive
19 resounding appreciation from all of the people
20 in this region. Thank you.

21 **DIRECTOR MICHAEL BROMWICH:**

22 Thank you, very much, Congressman. Mr.
23 Durel.

24 **PANEL III - PRESENTATION 4**

25 **JOEY DUREL**

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CITY-PARISH PRESIDENT
LAFAYETTE, LOUISIANA

Thank you. I appreciate y'all doing this today.

I'm going to start off, I'm going to bring it a little bit closer to home, obviously, my home. About three weeks after Hurricane Katrina, as I was speaking to a group around town, it occurred to me, and I said it then and I've said it often since then, that the greatest danger to people in America today, as it relates to the next tragedy, was not the tragedy. It was politicians overreacting. What I kind of referred to is the "Katrina panic effect." Not wanting to be portrayed negatively in the news, showing, you know, quote/unquote, leadership, and all the buzz words that politicians want to live by and show.

And so I think that's what we're experiencing today. And I think Scott Angelle pretty much spoke it pretty well. And my point of that is, this is not something that we believe had to happen.

Here in Lafayette, to speak again locally, we were called, recently, one of two cities in

1 Louisiana, one of 20 in America, as being
2 recession-proof. During this past recession we
3 got our unemployment down to somewhere probably
4 pushing six percent. And you think to yourself,
5 "Well, what do you have to complain about?" You
6 know, that's pretty good.

7 Well, I have nothing to complain about
8 because I had job security for four years. But
9 if you were one of those three or four percent
10 that were employable, but didn't have a job, it
11 was a tragedy. It was pretty tough on your
12 family.

13 So when the oil spill occurred, sort of a
14 manmade natural disaster, you know, we obviously
15 saw people who worked in the fishing industry
16 get hurt or, you know, lose jobs right away, the
17 people who worked in processing plants. Then on
18 top of that, we had a politician decide that he
19 would eliminate that second income from people
20 who were working offshore. And that has an
21 effect on us locally, because, obviously, those
22 high-risk jobs got paid for that high risk, and
23 they spend their money in our stores. And we're
24 now hearing of retailers -- we've heard of oil
25 companies -- and another thing I want to say is,

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1 I know the politicians in Washington like to
2 talk about BP now. That's the new favorite one
3 to mention, because I'm sure it's got its
4 emotions. But, you know, what we have in this
5 area are moms and pops and people who service
6 those industries and those rigs. And they spend
7 their money, as I started to say, in our retail
8 stores and movie theaters and restaurants.

9 And so the people who work in those areas
10 of the economy are now being affected. I've
11 talked to retailers who have said that their
12 wives -- in fact, one retailer told me that they
13 were told by several ladies that they spent
14 money during the recession, you know, because
15 they felt, you know, it's typical, "We'll come
16 out of it and things will be okay." They quit
17 spending money during the moratorium, because
18 there is so much uncertainty.

19 We're going to have our yearly budget
20 adopted at the end of this month. We started to
21 look at our budget back in May or June to start
22 preparing to give it to our council. As of last
23 week, we have five months in a row of our sales
24 tax being up. We'll probably finish our
25 physical year at the end of October being pretty

1 much flat, and that's flat over a year that was
2 down. But that was based upon a year that was
3 comparing to what we all know what we had in
4 Louisiana for a while, a pretty false economy
5 after Katrina and Rita.

6 And so, you know, the retailers are
7 starting to feel it. We're starting to feel it.
8 Our sales taxes are good. But while we would
9 normally have projected probably a good three or
10 so percent growth for next year, we've decided
11 to make it flat, because we don't know what the
12 effects of this moratorium will be. We probably
13 haven't felt the effects just yet. Because
14 there has been -- we've had kind of a false
15 economy as a result of the moratorium, as a
16 result of the spill. There's still a lot of
17 money flowing around.

18 I'm going to come back to what I said about
19 the Katrina effect. We saw -- like I said,
20 three or four weeks after Katrina that the
21 greatest danger to people were politicians. And
22 two or three weeks later after I started saying
23 that Hurricane Rita came on the Gulf, went
24 towards Houston and Houston, as it turns out,
25 evacuated unnecessarily. I'm not judging them

1 at all, because I wasn't there. But as it turns
2 out, that hurricane took a right-hand turn,
3 turned a little bit quicker, and they evacuated,
4 as I said, unnecessarily, and people died. A
5 bus exploded and killed a bunch of people,
6 dozens of people from nursing homes. So it's
7 some tough decisions. But I think, potentially,
8 the overreaction of the politicians are, again,
9 the greatest danger that we have.

10 What we've seen now, is we've seen an oil
11 spill that has not had quite the effect in
12 reality that many would have thought it would
13 have. The 11 people died, unquestionably,
14 trying to prevent this from happening. And as
15 Lieutenant Governor Angelle said, we'll never
16 forget them and never forget what they had done.

17 But, you know, I think the bottom line is
18 -- and also, I want to say this, I want to thank
19 Senator David Vitter, Landrieu, our Congressman,
20 for standing up to this administration and
21 trying to do everything they can to get this
22 lifted. It's a shame that one person can make
23 such a decision despite the fact that you've got
24 -- never did ask Congress for a resolution or
25 for some second thoughts.

1 And so along with these gentlemen here, and
2 ladies to come, I'm sure, we would also like to
3 ask you to lift that moratorium as soon as
4 possible. Thank you.

5 **DIRECTOR MICHAEL BROMWICH:**

6 Thanks very much, Mr. Durel. Ms. Randolph?

7 **PANEL III - PRESENTATION 5**

8 **CHARLOTTE RANDOLPH**

9 **PARISH PRESIDENT**

10 **LAFOURCHE PARISH**

11 Director Bromwich, and gentlemen, thank you
12 for allowing me to testify at your first
13 hearing, and now your last hearing.

14 I do believe that the vast majority of the
15 panel, as at all of these hearings testifying,
16 that a moratorium of deep water drilling was
17 unnecessary. The technical panels and the
18 scientists, academia, and all company
19 representatives have indicated to you that this
20 is a safe industry. There's a record of only
21 one major incident in U.S. governed Gulf waters
22 in over 50 years of drilling, over 49,000 wells.
23 I'm sure you've heard these statistics before.

24 A federal judge has twice ruled that the
25 moratorium action was arbitrary and capricious.

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1 Not being an attorney, I decided I needed to
2 look up the words "arbitrary" and "capricious."
3 It is "The absence of a rational connection
4 between the facts found and the choices made."

5 The facts found are that decisions were
6 made in the drilling of the Macondo well that
7 defied industry standards and federal government
8 regulations. BP ignored the recommendations of
9 cementing professionals from Haliburton and
10 verification procedures by Schlumberger workers.
11 If the well had had a properly working blowout
12 preventer, it would have been the fail-safe
13 mechanism to prevent this tragedy. These are
14 the facts.

15 The choices made reveal the absence of a
16 rational connection. Granted, the agency known
17 as MMS needed to be revamped. A true, thorough
18 inspection of the rig would have revealed
19 deficiencies. In Santa Barbara, Mr. Bromwich,
20 you said, "With respect to the inspector issue,
21 there is a lot of concern about where are we
22 going to get the talented, capable, and
23 knowledgeable inspectors that are needed to do
24 inspections on the rigs here? But even more, in
25 the Gulf, where the under staffing has really

1 been a nightmare." Mr. Bromwich, I urge you, on
2 behalf of the people in Louisiana, to find the
3 meanest, baddest, greenest inspectors you can to
4 govern the Gulf of Mexico. We deserve that kind
5 of protection.

6 Imposing the moratorium was not the answer.
7 Was it intended to provide the ample time to
8 hire additional qualified personnel? The
9 initial NTO required companies to provide
10 certification and to apply for a revised
11 application per permit or to modify by June 28.
12 Were those that complied granted a permit? No,
13 the bar was moved. While the moratorium
14 continued, additional regulations were imposed.
15 More choices were made that did not support the
16 facts.

17 Between 1971 and 2009 some 1800 barrels of
18 oil spilled in the federal OCS. That's a fact
19 found in MMS records, and a superb safety record
20 for an industry that has long been described as
21 dirty. Also, in Santa Barbara Mr. Rob Hurley
22 said, "Focus more on enforcing existing
23 regulations rather than create additional
24 bureaucracy." Relevancy is important to the
25 Obama Administration you serve, therefore, you

1 saw the need to create more regulations. Why?
2 I guarantee that the day after the BP explosion,
3 every company focused internally on increased
4 safety and minimizing risks.

5 The people who work in the oil and gas
6 industry do so on a steel island, surrounded by
7 a dark, angry sea, far from home. They are our
8 fathers and mothers, brothers and sisters, sons
9 and daughters drilling for the highly explosive
10 hydrocarbons that fuel our nation.

11 There are those who are concerned about our
12 passion for this issue. Some feel that we are
13 angering the all powerful; that we are creating
14 more problems possibly extending the moratorium.
15 But what kind of leaders would allow an
16 arbitrary and capricious decision to destroy who
17 we are and what our contributions are to this
18 country?

19 The U.S. Chamber of Commerce and the
20 National Association of Counties representing 77
21 percent of the people in this country has asked
22 that this ban be lifted.

23 It's obvious that the statement "Never let
24 a crisis go to waste," made by a key official in
25 the White House, was meant to forward an agenda

1 that we are not even remotely close to
2 fulfilling. I have no doubt that creative,
3 innovative, enterprising Americans will one day
4 fuel this nation on alternative energy. But
5 this won't happen for another 30 years, at
6 least. Make the prices go up, the use down, and
7 suddenly we're green? It doesn't make sense.
8 Until then, America is relying on us.

9 President Obama's core constituency is made
10 up of many environmentalists. The drilling
11 industry and their service companies are not
12 unionized, and although we consider ourselves
13 environmentalists, we're also realists. The
14 President knows that expensive wind and solar
15 power will not be in demand as long as oil and
16 natural gas prices remain reasonable. That's
17 the plan, is to reduce production in the Gulf
18 with a prolonged moratorium and all those new
19 regulations to increase the cost of oil and gas.
20 The President's promise for a greener nation
21 should not cause unemployment here and higher
22 energy prices across America. That's change no
23 one bargained for.

24 Let us go back to work here in the Gulf of
25 Mexico, not in China and Brazil and Africa where

1 many highly trained workers in the Gulf of
2 Mexico have been transferred because of the
3 moratorium. They're creating imported oil for
4 us to buy. Let's bring our workers home, create
5 a secure America, and lift the moratorium.
6 Thank you.

7 **DIRECTOR MICHAEL BROMWICH:**

8 Thank you very much, Ms. Randolph. Ms.
9 Williams?

10 **PANEL III - PRESENTATION 6**

11 **ARLANDA WILLIAMS**

12 **TERREBONNE PARISH COUNCILWOMAN**

13 Thank you, Director Bromwich. I bid you
14 greetings from the good earth of Terrebonne
15 Parish. The French word is "Terrebonne,"
16 meaning good earth, good land, or good soil.
17 It's more than fitting as the citizens of our
18 parish have supported themselves and their
19 families with the blessings of nature, our
20 unique geography that creates abundant
21 fisheries, our beautiful landscapes, and a warm
22 culture that draws many visitors each year.

23 Our parish symbol, the oil rig and the
24 fishing vessel, represent the importance of the
25 oil and gas industry and the seafood industry to

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1 the economy of our parish, and many parishes
2 along the Gulf Coast. With approximately 60
3 percent of our workforce directly or indirectly
4 related to the oilfield, and approximately 20
5 percent directly or indirectly related to the
6 seafood industry, we understand the need for
7 safety regulations. And we don't take for
8 granted the explosion of the Deepwater Horizon
9 that caused devastation to 11 families who lost
10 fathers, sons, brothers, or friends. That's a
11 death that some of us have never experienced,
12 because it was a death given to these families
13 with no proper closure.

14 But moreover, the events after the
15 explosion have caused detriment to thousands
16 along the Gulf Coast. A reality that some of us
17 never thought we would be faced with.

18 I know you've heard the many sides of the
19 moratorium. But there is one side that many
20 people are leaving out. And that's the effect
21 that it's going to have on our children. The
22 fact that our school systems have been
23 challenged along the Gulf Coast. Some more
24 directly; Terrebonne, Lafourche, St. Mary,
25 Jefferson, and Orleans. Terrebonne Parish went

1 into reduction in force for the 2010-2011 school
2 year highly related to a nine million dollar
3 sales tax decrease, a drop in child enrollment
4 causing the MFP to decline to 1.6 million
5 dollars because of migration out of the parish.

6 The school system receives 46.22 percent of
7 our sales tax revenue, and will begin this
8 school year in need of 11 million dollars to
9 balance their general fund budget, and this is
10 all before the effects, the true effects, of the
11 moratorium begin. These numbers will truly
12 increase as a result of the moratorium, and put
13 a burden on our already financially burdened
14 school system.

15 The basis for which this country's future
16 lies in is our children, and they are now going
17 to become the sacrificial lambs in this whole
18 situation. Many students in the parochial
19 system will have to transfer on to the public
20 school system due to layoffs in the oil and gas
21 industry, and the inability for those in the
22 seafood industry to get beyond the negative
23 image the rest of the country has for Louisiana
24 seafood, causing overcrowded classrooms mixed
25 with all types of behavior problems. Yet there

1 will be no increase in sales tax. So to be able
2 to increase the teaching staffs will not be
3 attainable, thus, making "no child left behind"
4 a generation left behind.

5 In Terrebonne Parish, the effect of the six
6 month moratorium is almost equivalent to two to
7 four years. When a company that installs and
8 dismantles offshore platforms in the Gulf of
9 Mexico ties up a derrick barge, and that's in
10 shallow waters, it causes a ripple effect. It
11 causes people the inability to pay mortgages,
12 household bills, tuition, shopping trips, and
13 that means less dollars spent in the local
14 economy.

15 The parishes depend more or less on
16 services related to the oilfield industry, thus
17 one company reducing its spending with numerous
18 companies who supply the operation. For
19 example: Groceries, welding supplies, pipes,
20 sheet metal, safety supplies, chemicals and
21 cleaning fluids, fuel, truck transportation,
22 water, driving companies. Even the scrap yard
23 that would buy the scrap material and those
24 suppliers who will lose their businesses. They
25 lose their ability to spend dollars on their

1 supplies and services and can be forced to lay
2 off employees.

3 We cannot allow this moratorium to
4 continue. I ask the question to you: Am I my
5 brother's keeper? Am I my sister's keeper? "E
6 pluribus unum," out of many comes one. The
7 basis for which this country is based upon. And
8 I will take you down to the area called Pointe
9 Aux Chene, a community built on the seafood
10 industry. A community rich in faith and hope.
11 A community strong enough to weather every
12 catastrophic storm that has touched the
13 Louisiana Gulf Coast. And another disaster has
14 taken away the industry that they need to
15 survive. And now man has threatened to take
16 away the industry that they rely upon as backup.

17 On July 19, 2010 the National Association
18 of County Officials joined together with the
19 Louisiana Police Jury Association, and many of
20 us in here, and they believed enough in us to
21 pass a resolution of support against this
22 moratorium. Because at the end, we are taking
23 our children and making them sacrificial lambs
24 only to prove points that we still don't know
25 what the beginning question was. I ask you to

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1 ask yourself this question: Since 1947 when the
2 first deepwater oil rig was placed in the Gulf,
3 how many moratoriums have been placed?

4 I close by telling you this is the result
5 of human error, and I don't think that one
6 company's greed should cause this nation to
7 need. Thank you.

8 **DIRECTOR MICHAEL BROMWICH:**

9 Thank you very much, Ms. Williams. Mr.
10 Young.

11 **PANEL III - PRESENTATION 7**

12 **JOHN YOUNG**

13 **JEFFERSON PARISH COUNCILMAN**

14 Director Bromwich, I want to thank you for
15 holding this hearing today. And I speak to you
16 from two different perspectives. First, as an
17 elected official who represents over 450,000
18 people in Jefferson Parish, two communities
19 which were hardest hit; the town of Grand Isle
20 and the town of Jean Lafitte. And I also speak
21 to you as an attorney who has practiced for over
22 20 years and specialized in maritime law, and
23 has represented drilling companies and service
24 companies, including large companies and mom and
25 pop companies in Terrebonne and Lafourche

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1 Parish.

2 And I don't think this is a either/or
3 situation, where you can have either safety or
4 you stop drilling. I think at the end of the
5 day when the dust clears, when the autopsy's
6 completed, we're going to find that BP was a
7 rogue, reckless, and negligent operator who
8 ignored many signals that should have shut down
9 that operation before it blew. Eleven people
10 needlessly lost their lives because of the
11 carelessness and negligence of BP.

12 It reminds me of a situation when I grew up
13 in Catholic school and had those nuns who were
14 so tough on us. And somebody would be fooling
15 around, a couple of guys in the back would be
16 fooling around, the nun would come in, didn't
17 know what happened, and punish the whole class.

18 This is a blanket moratorium. We ought to
19 have the strict enforcement of the existing
20 regulations, and if we need to tweak
21 regulations, we should do that. But we
22 shouldn't shut down an entire industry because
23 of one rogue operator. If need be, what we
24 should have done from the beginning, and I don't
25 think this moratorium should have ever been put

1 in place, we should have put inspectors on each
2 of these rigs on a 24/7 basis to monitor the
3 operations and shut down any rig who was not
4 operating properly. But to have a six month
5 moratorium -- and I will tell you this, I have
6 talked to fishermen, shrimpers, oystermen in
7 Grand Isle who have lost their entire way of
8 life. For generations they have worked
9 shrimping and fishing and harvesting oysters.
10 To a person -- I have not met one person, even
11 one, who was out of a job, and they can't make a
12 living, can't make a mortgage, where they've
13 refinanced their houses because of four storms,
14 not one person is in favor of this moratorium in
15 Louisiana.

16 And as Charlie Melancon said, when I was a
17 young man, my dad was in the insurance business.
18 He did a lot of maritime insurance work in
19 Morgan City, Louisiana. I never understood why
20 they had a festival on Labor Day that they call
21 a Shrimp and Petroleum Festival. But I
22 understand it now. Because as Charlie said, we
23 co-exist. The shrimping industry and oil
24 industry co-exist. And a lot of these gentlemen
25 who fish and shrimp, guess what they do when

1 they can't fish and shrimp? They work on the
2 oil rigs.

3 This is, again, not just a Louisiana issue.
4 This is a national issue. We produce in
5 Louisiana. We're taking a risk, and we're
6 willing to continue to take the risk. We
7 produce 30 percent of the oil and natural gas
8 that's consumed in the United States of America.
9 I want to hear from the people on the East Coast
10 in February when it's cold, because if we turn
11 that pipe off, they're going to want to have oil
12 production in the Gulf of Mexico.

13 So this is not just a Louisiana issue; this
14 is a national issue. And to call it a six month
15 moratorium is a misnomer. Because I can tell
16 you those rigs that leave, they're not coming
17 back for five years. And we're going to put
18 this country in jeopardy and become more
19 dependent on foreign oil. And we have more
20 foreign oil traversing the waters of the Gulf of
21 Mexico where we could have a spill from a ship
22 as well.

23 So, Director, I urge you, I urge the Obama
24 Administration, the Secretary Salazar, to
25 immediately lift this moratorium. It was

1 ill-conceived and ill-advised in the first
2 place. I wish that after we leave here today,
3 if not this afternoon, tomorrow morning, you
4 have a press conference and announce that this
5 moratorium has been lifted. Not only for the
6 good of Louisiana, but for the good of the
7 United States of America and for our future, so
8 we don't become more dependent on foreign oil.

9 Thank you very much for your time and
10 attention.

11 **DIRECTOR MICHAEL BROMWICH:**

12 Thank you, Mr. Young. Mr. Landry?

13 **PANEL III - PRESENTATION 8**

14 **WAYNE LANDRY**

15 **ST. BERNARD PARISH COUNCILMAN**

16 Thank you, Director Bromwich. It's kind of
17 hard to follow this group. You know, pretty
18 much everything they said, I guess, the
19 fortunate thing is I get to summarize all of
20 that.

21 But, you know, when I first heard about the
22 moratorium being put in place -- and let's
23 acknowledge that Secretary Salazar's a smart
24 guy. There were smart advisors all over the
25 place, they gave reports, and this may not

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1 necessarily be necessary to implement at this
2 time. But let's just say it was a knee jerk
3 reaction. Let's give the benefit of the doubt.
4 That you have to stop and take a look at what's
5 going on. You know, obviously, we want to
6 protect human life. We want to protect our
7 environment, and we want to protect the manner
8 in which we produce energy in this country. But
9 I equated it -- I remember thinking -- I'm in
10 the healthcare business, the nursing home
11 business. And I remember thinking to myself,
12 some years ago there was a sad incident that
13 occurred in a nursing home in St. Tammany. Some
14 old lady was beaten almost to death. But, you
15 know, that would be like shutting down every
16 nursing home because of that one nursing home,
17 until we can figure out what's going on.

18 And just thinking that through, what we've
19 done, we shut down an entire industry because of
20 a mishap. We already know certain things about
21 the mishap. That it was manmade error,
22 basically. You're talking about inspectors to
23 go and -- like Mr. Young said, have inspectors
24 inspect these platforms. Heck, you going to
25 have plenty of people unemployed, and you're

1 looking for inspectors? Y'all generate your own
2 workforce.

3 It seems to me the thing to do for y'all is
4 go to the rigs. You already know you had a
5 problem with the blowout preventer. Have a team
6 go to each rig, check it out, and check the
7 other key things that you would check on a rig.
8 Once that rig's safe, move on to the next one,
9 instead of just doing a blanket shutdown of
10 everything. You know, if the federal government
11 would shut down every agency that had a mishap
12 -- I'm from St. Bernard, where the Corps of
13 Engineers devastated our parish. Hurricane
14 Katrina didn't devastate our parish. The
15 ignorance of our government devastated our
16 parish. But they didn't shut down the Corps of
17 Engineers. In fact, you know what they did?
18 They let the Corps of Engineers go back and
19 re-develop and re-engineer our protection.

20 It seems to me it's just common sense. I'm
21 not a petroleum engineer. I'm not a scientist.
22 But I can tell you common sense should prevail
23 here, if nothing else.

24 I think one of the panelist talked about
25 discipline and children. It was probably John.

1 He went to Catholic school. But, you know, to
2 have a timeout is one thing. But to punish them
3 all and put this industry to sleep and devastate
4 our economy is just senseless. And I think when
5 you look back, if we were controlling the
6 airline industry this way, one plane crash and
7 we would just shut down the entire fleet of
8 planes? I mean, for six months? It just
9 doesn't make any common sense.

10 I think common sense should prevail. When
11 all else fails, we should go back to common
12 sense. To actually cripple our economy, to
13 cripple -- forget the way of life. To cripple
14 our economy. And look at what's happening right
15 now as a result of this spill. As a result of
16 this spill, we put human life in jeopardy, 11 of
17 them. We put our environment in jeopardy. We
18 put our complete fishing industry in jeopardy.
19 So what do we do now? Do I shut it all down
20 forever?

21 I don't understand why we would have,
22 without the scientific data to support it, a
23 blanket six month moratorium, which it just
24 makes no sense at all to me. And I would
25 challenge the entire community battle. I would

1 challenge you to come up with one rational
2 reason why, not 12 months. Why not 20 months?
3 Because if you can't answer that, then you can't
4 answer "Why six months?" The time doesn't
5 matter.

6 What are you looking to accomplish? You're
7 looking to protect life, you're looking to
8 protect the environment, and you're looking to
9 make sure that energy's produced in the safest
10 way possible. It's not going to be flawless.
11 Nothing we do is flawless, but there are certain
12 safeguards that you can check on individually,
13 rig by rig by rig, and have a comfort level that
14 as much safety as possible is being done.

15 Congressman Melancon, I think, summarized
16 it best, you know. There was a lot of greed
17 that went on. There were a lot of mistakes that
18 were made that didn't have to be made. We know
19 some of those key elements, and we know we can
20 go check for that. Check for that. Release the
21 moratorium. Just do the right thing.

22 I look forward to y'all press release
23 myself saying that we've finally come to our
24 senses and we're going to go ahead and do
25 individual inspections and we're going to lift

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1 this moratorium.

2 And I do appreciate y'all courtesies and I
3 do appreciate y'all hearing us. But I can tell
4 you, you know, the harm that we're doing is not
5 any better at protecting life, any better at
6 protecting the environment. And if you believe
7 that anything about the law of economics that
8 money circulates five times, well, just think
9 what it's doing right now to our economy and
10 this recession. It's really something y'all
11 need to do, and I do look forward to y'all press
12 release tomorrow lifting this moratorium.

13 **DIRECTOR MICHAEL BROMWICH:**

14 Number one, I appreciate you all
15 overstating my power and authority. I don't
16 have the power --

17 **MR. WAYNE LANDRY:**

18 We should have dubbed you first.

19 **DIRECTOR MICHAEL BROMWICH:**

20 I don't have the power and authority to do
21 that.

22 But in a serious vein, Mr. Landry, you,
23 like many other people, inquired about the basis
24 for the moratorium. And without getting into it
25 in great detail, let me just remind everyone

1 that the basis for the July 12 moratorium,
2 imposed by Secretary Salazar, was three-fold.
3 One leg of it was drilling and workplace safety.
4 The second leg was spill containment. The third
5 leg was well spill response.

6 Until July 15, if, God forbid, we had had a
7 second well spill in this country, we didn't
8 have the resources to deal with containment
9 issues. We didn't have the resources to deal
10 with spill response. So that's two-thirds of
11 the rationale for the original, the July 12th,
12 moratorium, is that we didn't have the basis for
13 containing spills and responding after those
14 spills.

15 Not only that, I was at a meeting on June
16 28 when we put those two questions, those two
17 issues, to representatives of a large number of
18 oil companies. We asked them, give us some
19 comfort that there is a spill containment
20 capacity. There is the oil spill response
21 capacity. Because all of the available
22 resources were, at that time, tied up in dealing
23 with the Macondo blowout. Not a single
24 executive could speak up and say, yes, we have
25 the means, we have the resources, and we have

1 the wherewithal to deal with a second spill,
2 should it occur. So those were two out of the
3 three reasons why the moratorium was imposed at
4 the time that it was.

5 Now, a lot has happened since then, and
6 we're on a fast track process. Over the last 40
7 days, as I think many of you know, I've
8 conducted eight of these public forums around
9 the country. I've heard from close to a hundred
10 experts and political officials who have offered
11 their views.

12 But, more importantly, there have been a
13 tremendous number of developments in the
14 industry that I think raised the confidence
15 level, and that will be included in the report
16 that I'm going to be making to Secretary
17 Salazar. You have the formation of the Marine
18 Well Containment Company, which, announced this
19 morning, will make available to itself many of
20 the resources that BP purchased and used in
21 dealing with the Macondo blowout. But companies
22 have said that they're going to devote a billion
23 dollars to developing a short, medium term, and
24 long term spill response and spill containment
25 capacity. That didn't exist before.

1 We've got reports from joint industry task
2 forces providing a significant number of
3 recommendations that will enhance safety and
4 will make drilling safer than it was before. We
5 have the results of BP's internal investigation
6 that was released last week.

7 So a tremendous amount has been done that's
8 going to be factoring into the analysis, that we
9 are already in the process of conducting, and
10 that we will be submitting to Secretary Salazar.

11 Now, by its terms, the moratorium currently
12 ends November 30. I am required to give him a
13 report on October 31. I'm telling you now, we
14 feel the sense of urgency that you have, and we
15 will beat that deadline by a lot, and I'm hoping
16 by the end of this month. And if we do that,
17 the issues will be teed up and the Secretary
18 will make a decision on either modifying or
19 ending the moratorium.

20 So I'm very sensitive and I'm very
21 impressed by what you've said today. Some of it
22 I've heard before. But that doesn't matter,
23 because it's important. It's significant.
24 We're talking about the human impact of the
25 moratorium. And that matters a lot to me. It

1 matters a lot to Secretary Salazar. It matters
2 a lot to the President. Which is why we are
3 accelerating this process. We have a greater
4 urgency than we did at the beginning, and we're
5 looking to make the important decisions that
6 will have an impact on the moratorium sooner
7 rather than later.

8 So, it's not tomorrow. But it is sooner
9 than I think most people anticipated, and we
10 will be working hard. People back in DC are
11 already working hard to compile the report that
12 we will be submitting to Secretary Salazar.

13 All of what you said here today, all of
14 what the other panelist have said here today,
15 will be included in that, so we'll have a full
16 robust document on which appropriate decisions
17 can be made.

18 So I just wanted to give all of you that
19 assurance that we are working very hard, and for
20 long hours. We're not slow walking anything.
21 And we have accelerated, rather than slowed down
22 the original crisis. So thank you very much.
23 Appreciate your time and your comments.

24 That ends the eight and last of our public
25 forums. And I want to, again, express my

1 appreciation to all of the panelist on the final
2 panel, as well as all of the panelist today.
3 This has been very helpful and very informative.
4 Thank you.

5 (PROCEEDINGS CONCLUDED AT 12:54 P.M.)

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C E R T I F I C A T E

This certification is valid only for a transcript accompanied by my original signature and original seal on this page.

I, Kris M. Carver, Certified Court Reporter in and for the State of Louisiana, as the officer before whom this testimony was taken, do hereby certify that the foregoing proceedings in the foregoing 191 pages was reported by me, and was prepared and transcribed by me or under my personal direction and supervision, and is a true and correct transcript to the best of my ability and understanding;

Date

Kris M. Carver