

Prepared Statement

James Bement
Vice President, Sperry Drilling
Halliburton

on

The BOEMRE/U.S. Coast Guard Joint Investigation Team Report

before

The Committee on Natural Resources
U.S. House of Representatives

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Chairman Hastings, Ranking Member Markey, and Members of the Committee:

Thank you for the invitation to testify today as the Committee meets to review the BOEMRE/Coast Guard Joint Investigation Team Report.

As one of my colleagues made clear in our company's first appearance before Congress last May, Halliburton looks forward to continuing to work with Congress to understand what happened in drilling the Mississippi Canyon 252 well and what we collectively can do in the future to ensure that oil and gas production in the United States is undertaken in the safest, most environmentally responsible manner possible.

The April 20th blowout, explosions and fire on the Deepwater Horizon rig and the spread of oil in the Gulf of Mexico are tragic events for everyone. The deaths and injuries to personnel working in our industry cannot be forgotten. At the time, Halliburton extended its heartfelt sympathy to the families, friends, and colleagues of the 11 people who lost their lives and those workers injured in the tragedy. I wish to do so again today.

In appearing before you, I want to assure you and your colleagues that Halliburton has and will continue to fully support, and cooperate with, the ongoing investigations into how and why the tragic Deepwater Horizon incident happened. From the outset, Halliburton has made senior personnel available to brief Members and staff, including Members and staff of this Committee. Our company testified at four separate hearings last year and produced tens of thousands of pages of documents to this Committee. In addition, Halliburton has produced hundreds of thousands of pages of documents in the multiple ongoing investigations that have been underway since last year, including the one that is the subject of today's hearing. In fact, six Halliburton employees provided testimony to the Joint Investigative Team during its hearings.

At present, Halliburton is the subject of more than 400 lawsuits. As you can appreciate, with that many lawsuits pending and more potentially in the offing, I will be very limited in what I can say today.

Background on Halliburton

As a global leader in oilfield services, Halliburton has been providing a variety of services to the oil and natural gas exploration and production industry for more than 90 years. Halliburton's areas of activity are primarily in the upstream oil and gas industry. They include providing products and services for clients throughout the life cycle of the hydrocarbon reservoir, from locating hydrocarbons and managing geological data to directional drilling and formation evaluation, well construction and completion, to optimizing production through the life of the field. The company is also engaged in developing and providing technologies for carbon sequestration, and we are a service provider to the geothermal energy industry.

Halliburton is the largest cementing service and material provider in the oil and gas industry. Halliburton provides zonal isolation and engineering solutions for the life of a well. Sperry Drilling is a product service line of Halliburton and is a global supplier of reliable, innovative, and highly technical drilling and formation evaluation services to the oil and gas drilling industry. The company safely conducts thousands of successful well service operations each year and is committed to continuously improve its performance. Because the company views safety and environmental performance as critical to its success, they are core elements of our corporate culture. Halliburton has much to offer to help our nation meet its energy security needs.

For the Mississippi Canyon 252 well, Halliburton was contracted by the well owner to perform a variety of services on the rig. These included cementing, mud logging, directional drilling, and measurement while drilling services. In addition, Halliburton provided selected real-time drilling and rig data acquisition and transmission services to key personnel both on board the Deepwater Horizon and at various onshore locations.

Halliburton's Participation in the Remediation Efforts on Mississippi Canyon 252 Well

Subsequent to the blowout, Halliburton worked at the direction of the well owner to provide assistance in the effort to bring the well under control. This effort included intervention support to help secure the damaged well and planning and services associated with drilling relief well operations. My product service line was responsible for the portion of this effort that was undertaken by Sperry Drilling.

Halliburton deployed survey management experts to assist in planning the path of the two relief wells and mobilized its technology group to work in collaboration with another industry partner to combine our technologies, in an effort to develop an integrated ranging system to expedite the intersection of the original well. I was grateful to have been able to work with others in our industry in the enormously challenging but ultimately successful effort to bring the well under control.

Roles and Responsibilities in Drilling Operations

As a service provider to a well owner, Halliburton is contractually bound to comply with the well owner's instructions on all matters relating to the performance of all work-related activities in drilling an exploratory well. We also are limited by information on down-hole conditions provided by the well owner. The construction of a deep water well is a complex operation involving the performance of numerous tasks by multiple parties led by the well owner's representative, who has the ultimate authority for decisions on how and when various activities are conducted.

Halliburton is confident that its work on the Mississippi Canyon 252 well was completed in accordance with the requirements of the well owner's well construction plan.

Thank you for the opportunity to share our views today.