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Testimony on "Gulf of Mexico: A Focus on Community Recovery and New Response Technology"
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Good morning, ladies and gentlemen.

Chairman Hastings, members of the committee, it is a privilege to join you today.

For three decades, I have served in the oil and natural gas industry with Exxon Mobil Corporation, during which time operating safely has always been a top concern of mine, as it has been for all of my colleagues. I was born and raised in Louisiana, and graduated from LSU with a degree in petroleum engineering. My first assignment was as a drilling engineer in the Gulf of Mexico. I know the Gulf of Mexico, and the people who work there and live in the coastal communities.

I am currently seconded from ExxonMobil to the Marine Well Containment Company, where I serve as its Chief Executive Officer.

I am grateful for the opportunity to discuss the new Marine Well Containment System that our member companies have developed to further safeguard the Gulf of Mexico in the event of a deepwater well-control incident. I am glad to report that the interim system was completed in February, and is available for deployment should it be required. Most importantly, a number of new drilling permits have been issued to companies that rely on the capabilities of our system and we understand drilling has now restarted. This is good news for our industry.

Before going into more detail about where we are now, let me briefly summarize the evolution of this system. The global energy industry has successfully drilled more than 14,000 deepwater wells. But, after the tragic chain of events that began with the Macondo blowout, it was clear that the industry could improve its preparedness to respond in the event an operator lost control and subsequent containment of a well.

So on July 21, four of the largest energy companies operating in the Gulf of Mexico – ExxonMobil, Chevron, ConocoPhillips and Shell – announced that they would design and build a well containment system for the Gulf. They would form an independent, not-for-profit organization to own, operate and maintain the system. BP joined earlier this year and helped to establish this interim containment system. These companies have done what they set out to do with the interim system.

And I am pleased to say that Apache, Anadarko, BHP Billiton, Statoil and Hess have now also become members of the Marine Well Containment Company.

The Gulf of Mexico is now safeguarded with a system that is able to respond in the event an operator loses control and subsequent containment of a well.

One of the system's most critical components is its subsea capping stack – a piece of equipment that can shut in oil flow or, depending on conditions, divert it up to vessels waiting on the water's surface.

This capping stack can handle pressure up to 15,000 pounds per square inch - more than the pressure of the Macondo well.

Today, the interim system has storage and processing capacity of up to 60,000 barrels of fluid a day, and can operate in depths of up to 8,000 feet – 3,000 feet deeper than Macondo.

These capacities will be further expanded next year, when additional system capacity is added. At that time, it will be able to handle up to 100,000 barrels a day, at depths up to 10,000 feet.

In short, this system significantly improves upon previous U.S. Gulf of Mexico response capabilities. We now have ready access to the equipment and resources to cap or contain oil from a deepwater well-control incident.

In creating this new system, the Marine Well Containment Company worked closely with the Department of Interior and with the Coast Guard, who would continue to lead the response to any offshore incidents. We have great confidence in this new system. It is ready. And it meets the requirements of regulation on containment.

Our ten members, who account for about 70 percent of the deepwater wells drilled in the Gulf from 2007 to 2009, have full access to the system. But I want to point out that our system is available to all operators in the Gulf. They may contract with us and obtain access on a per well basis.

I describe MWCC's mission as being continuously ready to respond to a well-control incident in the deepwater U.S. Gulf of Mexico. And by saying that I don't mean that we are just prepared for today, but that we are looking to the future. Our members have the know-how, resources and commitment to continually improve the system to meet future industry needs, especially as new technologies emerge.

The energy resources of the Gulf are critically important to our country. They account for 30 percent of U.S. oil and gas production and support more than 170,000 American jobs. We are hopeful many more permits will be issued soon and additional drilling operations will begin shortly.

I am proud of the role that MWCC is playing in helping enable the men and women of the energy industry to get back to work in the Gulf of Mexico.

Thank you for your attention.