

**TESTIMONY**  
**OF**  
**SENATOR BOB GRAHAM**  
**AND**  
**THE HONORABLE WILLIAM REILLY**

**BEFORE**  
**THE COMMITTEE ON NATURAL RESOURCES**  
**UNITED STATES HOUSE OF REPRESENTATIVES**

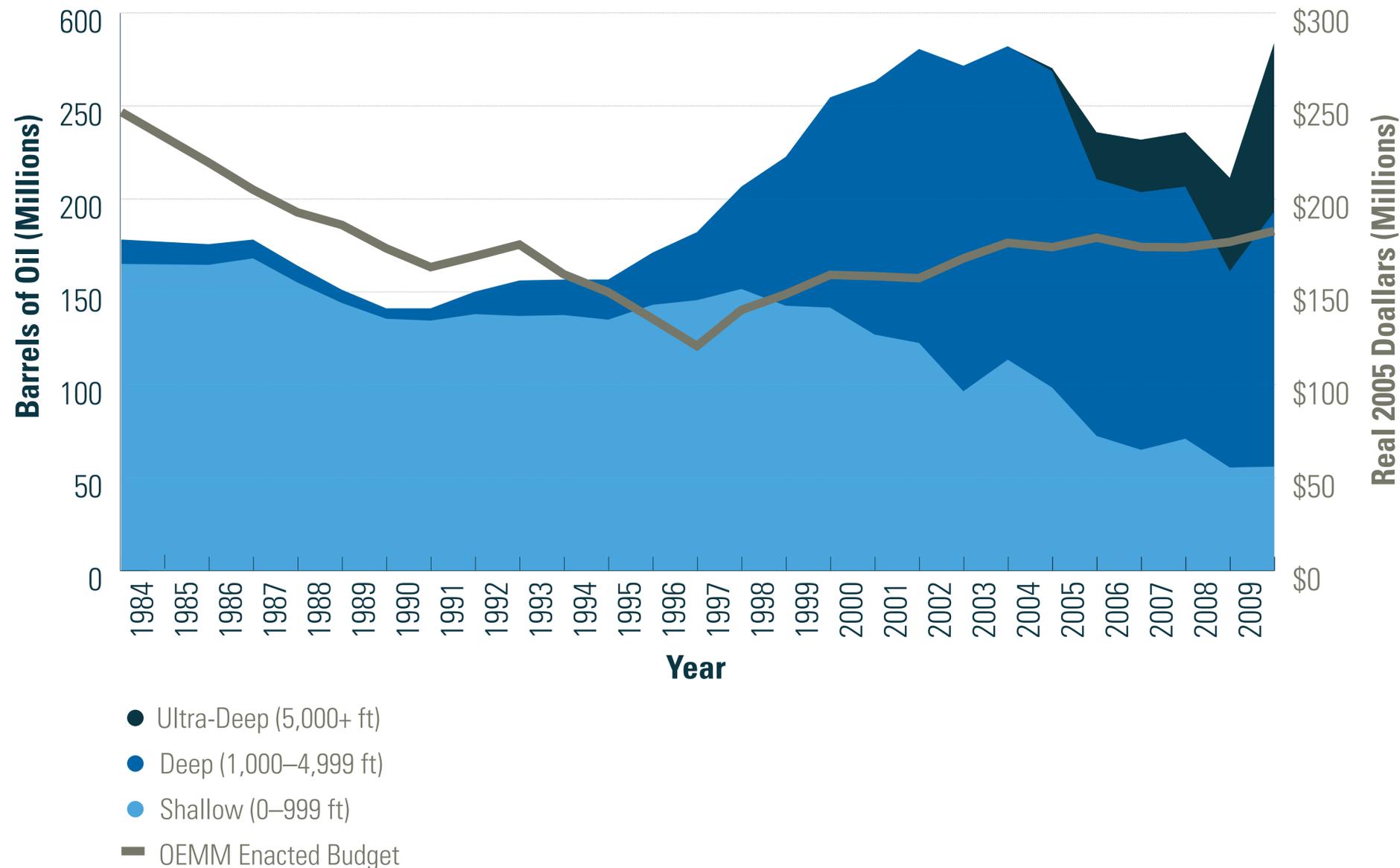
**JANUARY 26, 2011**

**ATTACHMENTS**

# Examples of Decisions That Increased Risk At Macondo While Potentially Saving Time

Decision	Was There A Less Risky Alternative Available?	Less Time Than Alternative?	Decision-maker
Not waiting for more centralizers of preferred design	Yes	Saved Time	BP on shore
Not waiting for foam stability test results and/or redesigning slurry	Yes	Saved Time	Halliburton (and perhaps BP) on shore
Not running cement evaluation log	Yes	Saved Time	BP on shore
Using spacer made from combined lost circulation materials to avoid disposal issues	Yes	Saved Time	BP on shore
Displacing mud from riser before setting surface cement plug	Yes	Unclear	BP on shore
Setting surface cement plug 3000 feet below mud line in seawater	Yes	Unclear	BP on shore (approved by MMS)
Not installing additional physical barriers during temporary abandonment procedure	Yes	Saved Time	BP on shore
Not performing further well integrity diagnostics in light of troubling and unexplained negative pressure test results	Yes	Saved Time	BP (and perhaps Transocean) on rig
Bypassing pits and conducting other simultaneous operations during displacement	Yes	Saved Time	Transocean (and perhaps BP) on rig

# MMS Budget and Gulf of Mexico Crude Oil Production, 1984-2009

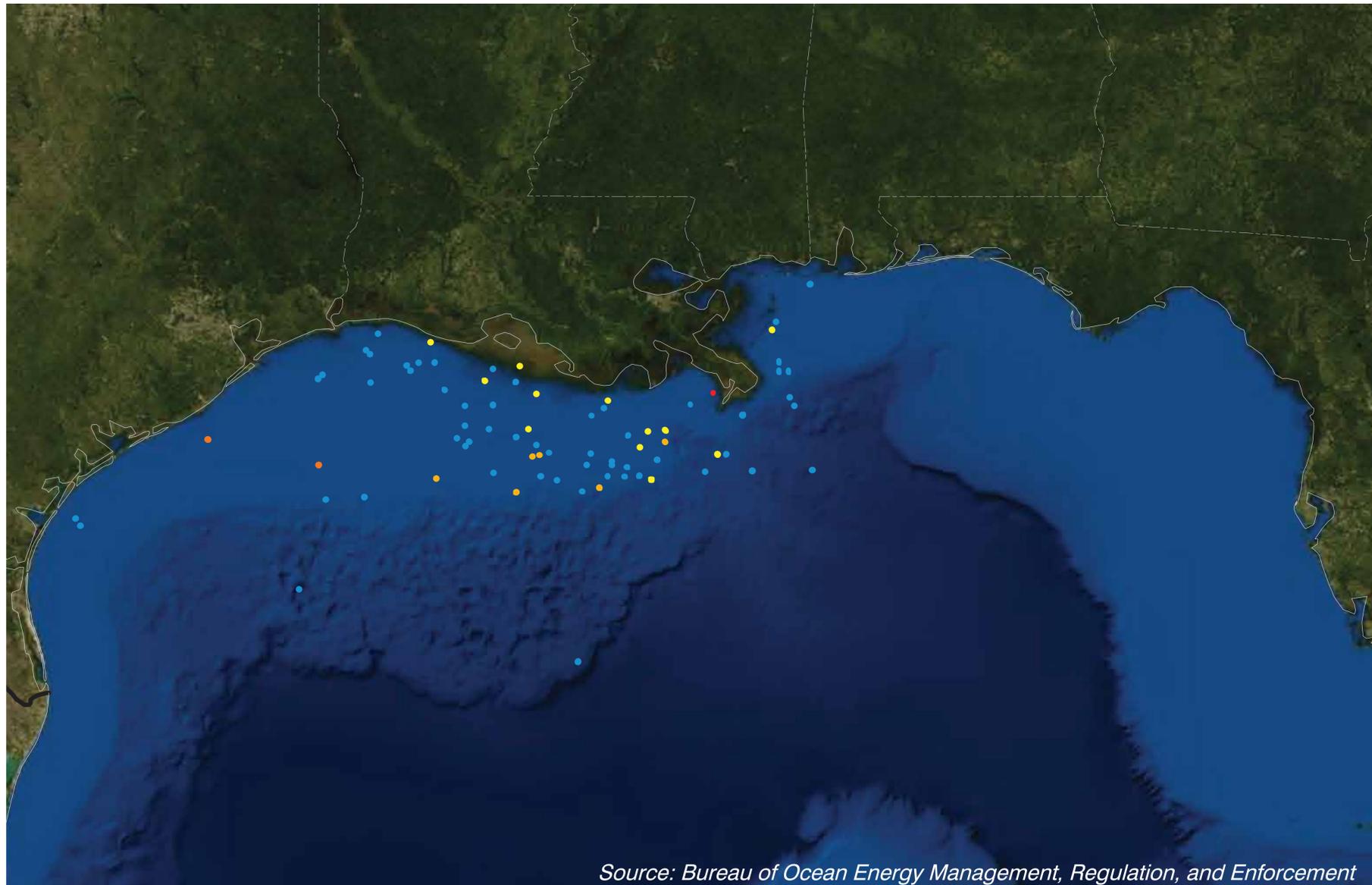


In the last twenty years, MMS’s leasing, environmental, and regulatory budget decreased or remained static while deepwater oil production in the Gulf of Mexico boomed.

Note: OEMM (Office of Energy and Minerals Management) has responsibility for renewable energy, leasing and environmental, resource evaluation, regulatory, and information management programs. It does not include revenue management or general administration.

Sources: “Budget Division: Congressional Budget Justifications,” Bureau of Ocean Energy Management, Regulation, and Enforcement, <http://www.boemre.gov/adm/budget.html>; Minerals Management Service, Deepwater Gulf of Mexico 2009: Interim Report of 2008 Highlights, (May 2009), 71-72, <http://www.gomr.boemre.gov/PDFs/2009/2009-016.pdf>; U.S. Energy Information Administration, This Week in Petroleum: Production, Proved Reserves and Drilling in the Ultra-Deepwater Gulf of Mexico, (May 26, 2010), <http://www.eia.gov/oog/info/twip/twiparch/100526/twipprint.html>.

# Loss of Well Control Accidents



## Loss of Well Control Accidents and Resulting Consequences

- Loss of Well Control
- Panel Investigation
- Fire or Explosion
- Fatalities
- Fire or Explosion with Fatalities or Injuries

Between 1996 and 2009, in the U.S. Gulf of Mexico, there were 79 reported loss of well control accidents—when hydrocarbons flowed uncontrolled either underground or at the surface.

The regulator considers the following three factors when determining whether or not an accident will undergo a panel investigation: the actual and potential severity of the incident; the complexity of the incident; and, the probability of similar incidents occurring.

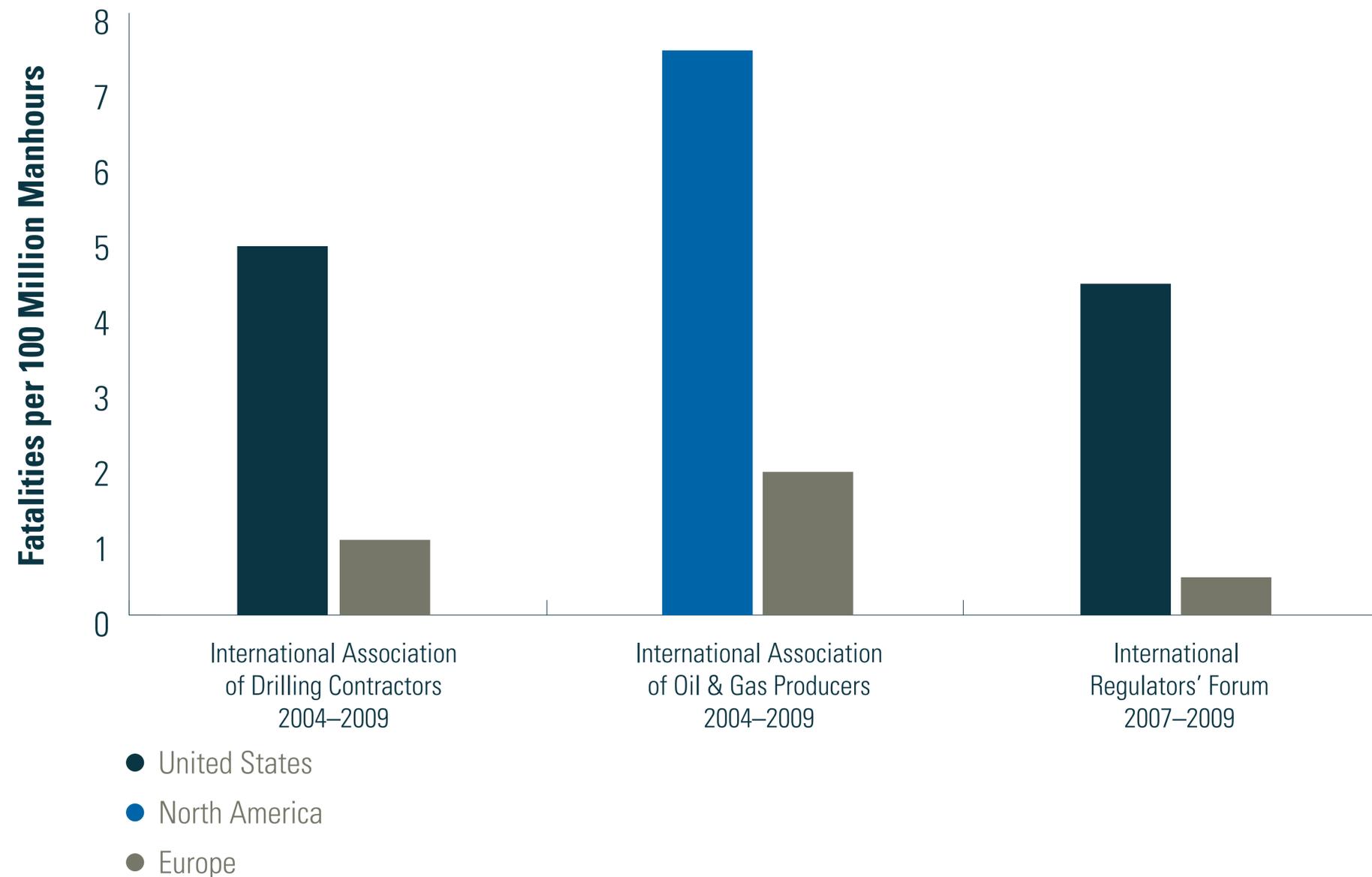
# Loss of Well Control Accidents

Loss of Well Control Accidents & Consequences		
Date	Company	Consequence Code
01/24/96	Oryx Energy Company	Loss of Well Control
11/10/96	Norcen Explorer, Inc.	Loss of Well Control
11/27/96	Tana Oil and Gas Corporation	Fire or Explosion with Fatalities or Injuries
12/03/96	Amoco Production Company	Loss of Well Control
01/10/97	BHP Petroleum, Inc.	Loss of Well Control
03/04/97	Shell Offshore, Inc.	Loss of Well Control
04/01/97	American Exploration Company	Loss of Well Control
05/31/97	Houston Exploration Company	Loss of Well Control
10/20/97	Freeport-McMoRan Resource Partners	Loss of Well Control
01/06/98	Hall-Houston Oil Company	Loss of Well Control
01/16/98	Chevron U.S.A., Inc.	Loss of Well Control
04/30/98	Vastar Resources Inc.	Loss of Well Control
07/08/98	Newfield Exploration Company	Loss of Well Control
11/22/98	Ocean Energy Inc.	Loss of Well Control
12/09/98	Petrobras America Inc.	Loss of Well Control
02/10/99	Union Pacific Resources Company	Loss of Well Control
08/11/99	Freeport McMoran Sulphur Inc.	Loss of Well Control
09/09/99	Newfield Exploration Company	Loss of Well Control
12/02/99	Apache Corporation	Loss of Well Control
12/05/99	Freeport McMoran Sulphur LLC	Loss of Well Control
01/02/00	Callon Petroleum Operating Company	Loss of Well Control
01/05/00	Apache Corporation	Loss of Well Control
01/12/00	Murphy Exploration & Production Company	Loss of Well Control
02/28/00	Murphy Exploration and Production Company	Loss of Well Control
03/22/00	Forcenergy Inc.	Loss of Well Control
04/07/00	Union Oil Company of California	Loss of Well Control
08/15/00	Houston Exploration Company	Loss of Well Control
11/18/00	Houston Exploration Company	Loss of Well Control
03/01/01	Forest Oil Corporation	Loss of Well Control
04/02/01	Newfield Exploration Company	Loss of Well Control
04/04/01	Matrix Oil & Gas, Inc.	Loss of Well Control
05/10/01	Devon Energy Production Company	Loss of Well Control
05/24/01	BHP Petroleum (Americas) Inc.	Loss of Well Control
07/06/01	Tri-Union Development Corporation	Loss of Well Control
07/13/01	William G. Helis Company	Loss of Well Control
10/24/01	Argo, L.L.C.	Loss of Well Control
11/21/01	BP Amoco Corporation	Loss of Well Control
01/12/02	BP Amoco Corporation	Loss of Well Control
08/08/02	BP Exploration & Oil Inc	Loss of Well Control

Date	Company	Consequence Code
09/07/02	El Paso Production Oil & Gas Company	Loss of Well Control
10/03/02	Murphy Exploration & Production Co.	Loss of Well Control
11/14/02	BP Exploration & Production Inc.	Loss of Well Control
12/06/02	Kerr McGee Corporation	Loss of Well Control
03/08/03	Anadarko E&P Company	Loss of Well Control
04/12/03	Helis Oil & Gas Corporation	Loss of Well Control
04/22/03	ChevronTexaco Corporation	Loss of Well Control
09/02/03	Manti Operating Company	Loss of Well Control
12/04/03	Walter Oil & Gas Corporation	Loss of Well Control
02/09/04	Energy Partners, Ltd.	Loss of Well Control
02/17/04	Orca Energy (Dunhill), L.P.	Loss of Well Control
02/22/04	ATP Oil & Gas Corporation	Loss of Well Control
10/21/04	Amerada Hess Corporation	Loss of Well Control
03/08/05	Hunt Oil Company	Loss of Well Control
05/28/05	W & T Offshore, Inc.	Loss of Well Control
11/30/05	W & T Offshore, Inc.	Loss of Well Control
12/01/05	Chevron USA.	Loss of Well Control
02/20/06	Forest Oil Corporation	Loss of Well Control
11/18/06	Dominion Exploration & Production, Inc.	Loss of Well Control
01/23/07	Fairways Offshore Exploration, Inc.	Loss of Well Control
03/16/07	East Cameron Partners, LP	Loss of Well Control
06/24/07	Stone Energy Corporation	Loss of Well Control
08/22/07	Apache Corporation	Loss of Well Control
09/07/07	Eni US Operating Co. Inc.	Loss of Well Control
11/20/07	BP Corporation North America Inc.	Loss of Well Control
12/03/07	Rooster Petroleum, LLC	Loss of Well Control
02/14/08	Apache Corporation	Loss of Well Control
04/23/08	Apache Corporation	Loss of Well Control
04/26/08	LLOG Exploration Offshore, Inc.	Loss of Well Control
05/06/08	Mariner Energy, Inc.	Loss of Well Control
08/19/08	Energy Resource Technology GOM, Inc.	Loss of Well Control
10/31/08	Chevron U.S.A. Inc.	Loss of Well Control
11/01/08	Union Oil Company of California	Loss of Well Control
12/20/08	El Paso E&P Company, L.P.	Loss of Well Control
04/19/09	LLOG Exploration Offshore, Inc.	Loss of Well Control
04/23/09	Stone Energy Corporation	Loss of Well Control
05/27/09	Stone Energy Corporation	Loss of Well Control
08/26/09	Stone Energy Corporation	Loss of Well Control
12/22/09	Not Listed	Loss of Well Control
12/29/09	Murphy Exploration & Production Company	Loss of Well Control

KEY: ■ Loss of Well Control ■ Panel Investigation ■ Fire or Explosion ■ Fatalities ■ Fire or Explosion with Fatalities or Injuries

# Fatalities from Offshore Oil Gas Operations



Note: Europe for the International Regulators' Forum Data Represents the United Kingdom, Norway, and the Netherlands

Source: IADC Incident Statistics Program, International Association of Drilling Contractors, <http://www.iadc.org/asp.htm>;

Safety Performance Indicators, International Association of Oil & Gas Producers, <http://www.ogp.org.uk/>;

IRF Country Performance Measures, International Regulators' Forum, <http://www.irfoffshoresafety.com/country/performance/>.