COMMITTEE ON ENERGY AND NATURAL RESOURCES UNITED STATES SENATE NOVEMBER 19, 2009

STATEMENT OF DAVID RAINEY, VICE PRESIDENT, GULF OF MEXICO EXPLORATION, BP AMERICA, INC., HOUSTON, TX

Mr. RAINEY. Thank you, Chairman Bingaman, Ranking Member Murkowski, and members of the committee. I am honored to appear before you today to share BP's perspective on environmental stewardship and offshore energy production.

Throughout the 20th century, an abundant supply of low cost energy has been the driving force behind America's development, prosperity, and security. BP supports the view that energy security is inseparable from economic security and national security. BP is the largest producer of oil and natural gas in the U.S. and one of the largest investors in biofuels, wind, and solar. We recognize the need to transition to a lower-carbon economy, but that's—that transition will take time. The U.S. will continue to rely on hydrocarbons for many years to come. Like any industrial activity, the production and transportation of oil and gas have environmental implications. The public is highly concerned about this, and we share their concerns.

Releases from oil and gas operations are rare, and the application of technology has enabled a dramatic reduction of releases from our industry over the last 30 years. To be clear, any release from our operations is unacceptable, and we will continue to invest in research and technology to drive us to our ultimate goal of zero discharge.

Contrary to popular perception, ours is a high-tech industry. To demonstrate this point, I would like to highlight three technologies which enable the safe and reliable production of offshore oil and gas.

These are seismic imaging, drilling, and production systems.

Seismic imaging allows us to predict the possibility of hydrocarbon reservoirs below the seabed. Drilling allows us to test for the presence of hydrocarbons in the reservoir, and, if hydrocarbons are present, the well bore connects the reservoir to the surface, where production systems enable us to produce the hydrocarbons and deliver them safely to market.

Our industry has a remarkable track record of moving forward the limits of each of these technologies. I would like to highlight a few examples of how we have applied these technologies in the Gulf of Mexico, in Alaska, and in the United Kingdom.

In the Gulf of Mexico, much of the seabed is underlain by shallow salt canopies. These salt canopies obscure the image below the seabed in the same way that a pane of frosted glass obscures the image on the other side of a window. Early exploration