

Assessing the Spill

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As the *Deepwater Horizon* disaster drags on, the oil and gas industry is trying to offer some perspective around what has become a politically charged incident.

During last month's International Oil and Gas Conference and Exhibition in China in Beijing, the incident, its cause, and its implications came up several times in the hallways and during panel sessions. During the executive plenary session, several top executives offered their thoughts on the accident.

The spill will "go down as a very dark moment," for the industry, said Matthias Bichsel, a member of the Executive Committee of Royal Dutch Shell and director of Projects and Technology for Shell International E&P, adding that the loss of life in the accident was the biggest tragedy. The industry has a strong track record of conducting deepwater operations safely and the processes and the technology are in place to continue that record. "We need to learn what happened, then fix what needs to be fixed," he said.

Mark Albers, senior vice president of ExxonMobil, said it was "premature" for governments to rush toward more regulation because no one is sure exactly what happened yet. The oil and gas industry has drilled 14,000 wells in deep water, including some more challenging than the one that was the source of the accident. The fundamental question for the industry is to find the root causes of the accident and determine if there was something unique about this well that would lead to an adjustment in best practices, he said.

Andrew Gould, chairman and chief executive officer of Schlumberger, agreed that it is too early to assess what happened or what needs to be done. But he noted that the industry should work on uniformity of deepwater project planning and contingency planning. There are operators of different sizes operating offshore and the quality of project planning for deepwater projects varies, he said. The industry must "self-discipline" itself or be open to more regulation, he added. One unfortunate aspect of the accident is that it could make it more difficult to attract young people to the industry, Gould said.

Behrooz Fattahi, 2010 SPE president, has noted that many SPE members have inquired about the spill. "SPE will have a role to play in addressing technical issues resulting from the accident; however, SPE is not the right organization to deal with a short-term emergency response," he said in a statement, adding that there already are a large number of qualified people from the industry who are working to resolve the situation. "SPE's mission is sharing technical knowledge, and our strength is in providing a longer-term response. We help the industry to learn from incidents like this, and will serve an important role in providing a forum for discussions on changes needed in equipment, operating practices, training and other recommendations on how to prevent or reduce the impact of future oil spills."

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JPT is always eager to hear from its readers. If you have any comments or suggestions, please contact me at jdonnelly@spe.org or by phone at +1.713.457.6816.

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