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Statement of American Petroleum Institute Group Director of Upstream and Industry Operations Doug Morris at the Minerals Management Service Public Meeting in Anchorage on the Proposed Five-Year Plan for Offshore Access

April 14, 2009

I am Doug Morris, Group Director for Upstream and Industry Operations for the American Petroleum Institute, which represents nearly 400 companies involved in all aspects of the U.S. oil and natural gas industry, including exploration and production, refining, marketing and transportation, as well as the service companies that support the industry. We welcome this opportunity to present the industry's views on the Minerals Management Service's proposed Five-Year Plan for Offshore Access.

America's oil and natural gas companies recognize that securing America's energy future requires the development of all forms of domestic energy. We know that we also need a major focus on increasing energy efficiency and the development of alternatives, such as wind, solar and biofuels. Many of our companies are leaders in those fields and have been investing heavily in such technologies for years.

However, oil and natural gas are the lifeblood of the nation's economy and are vital to our energy security -- and this will be the case for decades to come. They keep our transportation systems running, heat and cool our homes, and are the basic components of

thousands and thousands of consumer products that we use daily -- ranging from cell phones and laptops to golf balls and softball bats. They also provide the fertilizer and transportation systems that allow this country to be a major exporter of food.

Oil and natural gas production from the Outer Continental Shelf (OCS) plays a key role in supplying the energy our nation needs. However, most of this production comes from the Western and Central Gulf of Mexico. As demonstrated by the disruption caused by hurricanes several years ago, it is important that we diversify our sources of production and develop the large resources that are beneath the rest of the OCS. For the first time in many years, the Secretary of the Interior has the opportunity to increase the stability and security of domestic oil and gas resources by opening these areas -- and he should do so by moving forward in a timely manner with the draft proposed Five-Year Plan.

Increased oil and natural gas development is vital to our nation's economic recovery. This would mean new jobs, more revenues for cash-strapped local, state and federal governments, and greater energy security.

These activities can move forward safely without harm to the environment. As noted by the MMS in the draft proposed plan, the industry has an "excellent environmental record that has been documented in detail." New technology and scientific innovations have played a key role in this record. As a result of new innovations:

- We are finding more oil, with fewer wells, in more remote locations.

- We are now able to drill with great precision using steerable drill bits and hit production targets that are less than six feet across.
- We are also now able to reach out horizontally at great distances. Two years ago, a new record was set when a well from an onshore location tapped into an offshore field that was located more than seven miles away. This technology is being considered in the development of the Liberty prospect here in Alaska and has been proposed as a possible option for ANWR.
- We are now producing gas from wells that are located in water depths greater than 9,000 feet -- this was not thought feasible 20 years ago.
- And finally, we now have the technology that allows us, in some cases, to reduce or eliminate visual impact arising from offshore development by installing equipment on the ocean floor rather than on offshore platforms.

In summary, the U.S. oil and natural gas industry has an outstanding offshore environmental record and has clearly demonstrated that offshore development can coexist with clean oceans and clean coasts. The U.S. Outer Continental Shelf produces more than one million barrels of oil per day. Since 1980, less than one thousandth of a percent of that oil has been spilled. America cannot wait. We need to move forward with a Five-Year Plan that includes all areas of the OCS for oil and gas development.

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