

**Statement of David Coatney
Managing Director, HWCG LLC,
Testimony for the House Natural Resources Committee Hearing on Safety
Innovations Developed Since Deep Water Horizon Tragedy
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Thank you Chairman Bishop, Ranking Member Grijalva and Members of the Committee. I appreciate the opportunity to testify before you today.

My name is David Coatney. I am the Managing Director of HWCG LLC, a deepwater Well Containment Consortium, formerly called Helix Well Containment Group. I appreciate the opportunity to share with the Committee, today, the offshore Oil and Gas Industry's capacity, in general, with specific focus on HWCG for quickly and comprehensively responding to a deepwater well blowout in the Gulf of Mexico for the protection of people, property and the environment. But first, a little bit about me...

I have been working in the Oil and Gas Industry for 40 years, second generation in that line of work. I received my Petroleum Engineering degree from Louisiana State University in 1977 and commenced working for Marathon Oil Company at that time in the Gulf of Mexico operations. I've worked in multi-disciplinary capacities including drilling and completions and production operations - offshore and onshore, USA and international. I was the Offshore Installation Manager (OIM as you oftentimes hear it) in the North Sea operations; managed the giant Yates Field in West Texas; and held positions of Engineering Manager and International Production Manager. Since retiring from Marathon in 2003, I've provided field development coordination for the USA-awarded Bechtel Iraqi gas development projects during reconstruction and was independent producer Swift Energy's VP-Production. Finally, I have been HWCG's Managing Director since its organization in early 2011.

Throughout my career, focus on Industry and professional standards in the promotion of safe, efficient and soundly engineered developments has been the baseline.

Five years ago the deepwater oil industry suffered a loss. Many focused on the released oil and while the environmental costs were significant, we will never forget the loss of those 11 people and will continue to do all we can to avoid another incident.

While I believe the industry has always been safety conscious, the Macondo tragedy represented a defining challenge that forced all of us to become even more cognizant of safety. Through concerted efforts of the Bureau of Safety and Environmental Enforcement (BSEE); the U.S. Coast Guard (USCG) and consortiums such as HWCG LLC, we have focused on leveraging the collaborative powers of thousands of man-years of Industry experience to set a new bar for response to a deepwater containment event.

The months of the Deepwater Horizon well releasing oil into the Gulf of Mexico was a hardship on all. It would have been a greater loss if we had stopped deepwater production altogether. The industry took an introspective look to improve itself and confirmed the need for immediate access to certain large scale equipment, including special purpose subsea blowout preventer equipment called capping stacks, as well as, dedicated surface flowback equipment. The Deepwater Horizon response success in capping the well is a blueprint for HWCG's well containment plan.

HWCG LLC is a consortium, comprised of 16 deepwater oil and gas companies, that was developed through collaborative efforts of its members and over 34 Industry servicing entities in close cooperation with the BSEE and USCG. This yielded an integrated response solution capable of capping of a deepwater well in less than seven days.

The greatest improvement in emergency response since Macondo is maintenance of an integrated and comprehensive response solution, drilled frequently across the year with its Members, and ready for immediate deployment. Today there are two containment consortiums for activities in the Gulf; others for international operations and multiple capping stacks matching pressure and flow requirements of wells. HWCG's response solution is founded on a model which: (i) is anchored on a "fit-for-purpose" concept with collaboration and mutual aid as cornerstones; (ii) is based on the utilization of tried and tested equipment proven on the Macondo event; (iii) is supported by frequent meetings of technical experts; (iv) contains a detailed Well Containment Plan; and (v) has established emergency response protocols with baseline conformance to NIMS guidelines. HWCG has a members' database of over 250 mutual aid subject matter experts available to assist each other during a response. And... finally, HWCG's equipment is maintained "immediately deployable" and "technology current" through its daily use in support of ongoing exploration and development projects - the final key to the HWCG program.

HWCG Consortium was tested by the regulators in 2013 through one of our members, Noble Energy, through an actual deployment of capping stack to a location on the sea floor of the Gulf in 5000 ft. of water. The deployment, even with a weather hold, took less than six days – a vast improvement considering a Macondo-deployment of nearly 90 days.

HWCG's Response Solution with capabilities of 130,000 BPD, many times the requirements of Macondo flows...A comprehensive well containment response model – made up of equipment, people, procedures and processes – Ready to be activated immediately in the event of a deepwater well control incident...

Thank you for the opportunity to share our story. I would be happy to entertain any questions.