



COMMITTEE ON
SCIENCE, SPACE, & TECHNOLOGY
Lamar Smith, Chairman

For Immediate Release
May 03, 2017

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Statement of Chairman Lamar Smith (R-Texas)
Oil and Gas Technology Innovation

Chairman Smith: Thank you, Mr. Chairman.

Today, we will discuss recent breakthroughs in oil and gas technology. Innovators continue to build on decades of groundbreaking successes in oil and gas production, maintaining America's technology leadership.

This area of research is particularly successful due to continued collaboration between industry, universities and the national labs.

We also will discuss the appropriate balance between the private sector leadership and the Department of Energy (DOE) in applied research and technology development.

The oil and gas industry has a long and successful history of maximizing the research conducted by DOE to further technological breakthroughs.

Before hydraulic fracturing and horizontal drilling revolutionized oil and gas production, basic and early stage research funded by the Department provided valuable tools and knowledge to industry.

In the 1980s, Sandia National Lab collaborated with industry to develop the primary drill-bit used in horizontal drilling. And Sandia National Lab's basic research in geology led to the development of microseismic fracture mapping techniques for hydraulic fracturing.

Industry partners adapted these techniques for commercial use and deployed technology to maximize energy production across the country.

The partnership between DOE and the private sector must have the right structure for success. DOE is best suited to provide the early stage research that allows industry the opportunity to commercialize and use new technology in the field.

This approach allows for the most cost effective and efficient technology to be deployed by oil and gas companies. We don't need mandates to motivate producers to use the most efficient production technology.

Technology that improves development often reduces the footprint and environmental impact of energy development. It also lowers costs for consumers. R&D is a great way to improve our environment and power our economy.

Federally funded research in one area also can provide economic benefits and new technology where we least expect it.

One of our witnesses today – David Brower, the founder of Astro Technology – spent his career as an engineer working with NASA and the Department of Defense. After years of working on rocket propulsion and safety, David discovered that he could effectively apply many of the sensor technologies used in the aerospace industry to improve safety in oil and gas development.

This is the kind of groundbreaking technology that we cannot predict when we fund basic and early stage research.

Like many of my colleagues, I share a commitment to the long-term use of our nation's most abundant and affordable fuel source.

DOE's Fossil Energy research programs can pave the way for industry to develop the next generation of technologies. But for this partnership to be a success, industry must continue to take a leading role.

I look forward to a discussion about what policies Congress and DOE should pursue to encourage more industry-led research and development efforts.

In Congress, we have the responsibility to ensure the efficient and effective use of American tax dollars.

By investing in early stage research and encouraging strategic partnerships between DOE and industry, we will ensure that our vast natural resources will continue to provide affordable and efficient fuel for the American economy.

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