

AP IMPACT: Rule change helped BP on Gulf project

By **MICHAEL KUNZELMAN**
and **RICHARD T. PIENCIAK**

NEW ORLEANS

A rule change two years ago by the federal agency that regulates offshore oil rigs allowed BP to avoid filing a plan specifically for handling a major spill from an uncontrolled blowout at its Deepwater Horizon project -- exactly the kind of disaster now unfolding in the Gulf of Mexico.

Oil rig operators generally are required to submit a detailed "blowout scenario." But the federal Minerals Management Service issued a notice in 2008 that exempted some drilling projects in the Gulf under certain conditions.

BP met those conditions, according to MMS, and as a result, the oil company had no plan written specifically for the Deepwater Horizon project, an Associated Press review of government and industry documents found.

In a series of interviews, BP spokesman William Salvin insisted the company was nevertheless prepared to handle a blowout at that project because it had a detailed, 582-page regional plan for dealing with a catastrophic spill anywhere in the central Gulf.

"We have a plan that has sufficient detail in it to deal with a blowout," Salvin said.

Still, the lack of a specific plan for the Deepwater Horizon project raises

questions about whether the company could have been better prepared to deal with the oil leak, which is still spewing out of control at a rate estimated at more than 200,000 gallons a day.

MMS which is part of the Interior Department, has long been criticized as too cozy with the industry it regulates.

Robert Wiygul, an Ocean Springs, Miss., environmental lawyer, said the lack of a blowout scenario "is kind of an outrageous omission, because you're drilling in extremely deep waters, where by definition you're looking for very large reservoirs to justify the cost."

"If the MMS was allowing companies to drill in this ultra-deep situation without a blowout scenario, then it seems clear they weren't doing the job they were tasked with," he said.

The disaster was set in motion when the offshore platform 50 miles out in the Gulf of Mexico exploded April 20 and sank a couple of days later in 5,000 feet of water. Eleven workers were killed in the accident.

AP pressed MMS for an explanation of why the rules were changed, but no official would speak on the record. However, one MMS official who spoke on condition of anonymity because the official wasn't authorized to discuss the matter said the rules were changed because some elements were impractical for some deepwater drilling projects in the Gulf.

But Wiygul said: "The MMS can't change the law just by telling people that they don't have to comply with it. I think it really indicates that somebody at MMS was asleep at the switch on this."

Moreover, an AP review of BP's regional oil-spill plan found that it failed to specifically address all of the points required by the MMS in a blowout scenario.

The blowout scenario rules, contained in the Code of Federal Regulations, require rig operators to estimate how much oil could flow from the well per day and the total amount that could leak from a single incident.

They also require such things as an explanation of how a spill would be stopped, the methods that would be used, how long it would take to stop the leak, how long it would take to drill a relief well, and the potential for a well to stop leaking on its own.

The MMS rule change, made in April 2008, says that Gulf rig operators are required to file a blowout scenario only if one of five conditions applies.

For example, operators must provide for a blowout scenario plan when it proposes to install a "surface facility" in water deeper than 1,312 feet. While Deepwater Horizon was operating almost 5,000 feet below the surface, Salvin said the project did not meet the definition of a surface facility. The MMS official agreed.

“The production platform is what’s considered a surface facility,” Salvin said. “This was an exploratory well, not a production well.”

Brendan Cummings, a Joshua Tree, Calif.-based lawyer for the Center for Biological Diversity, said the exploration plan submitted by BP for Deepwater Horizon failed to adequately analyze the project’s oil spill risks. Cummings has filed a notice of intent to sue the government over another offshore drilling operation, by Royal Dutch Shell in Alaska.

“The technology used on the now-

sunken Deepwater Horizon oil rig in the Gulf was supposed to be the most advanced in the world, including various mechanisms to prevent or cap a blowout,” Cummings wrote in the filing. “None of these mechanisms worked, and the state-of-the-art technology completely failed to stop the spill.”

He said Shell’s environmental impact analysis for its Alaska drilling is similarly vague.

Cummings said MMS has downplayed the risk of large oil spills from exploration drilling in approving projects.

It’s not the first time MMS has been criticized as too close to the oil industry.

In 2008, the Interior Department took disciplinary action against eight MMS employees who accepted lavish gifts, partied and -- in some cases -- had sex with employees from the energy companies they regulated. An investigation cited a “culture of substance abuse and promiscuity” involving employees in the agency’s Denver office.

MMS workers were given upgraded ethics training.