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Gulf spill raises questions about role of oil consultants

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WASHINGTON -- The names, locations and geographical coordinates are different. Otherwise the drilling plans for three oil companies in the Gulf of Mexico contain identical fonts, footnotes, overly optimistic projections and even typographical errors.

The companies employed the same small Houston consulting firm, R.E.M. Solutions, to prepare environmental information to submit to federal regulators for drill sites hundreds of miles from each other. R.E.M.'s analyses read like photocopies, each saying 11 times that an oil spill was "unlikely to have an impact based on the industry wide standards for using proven equipment and technology for such responses."

The Obama administration has cracked down on oil companies and federal regulators for the failures that led to the BP spill, but the private consulting firms that helped prepare many Gulf drilling plans have received far less scrutiny. A McClatchy Newspapers review of plans approved by the Department of Interior's Minerals Management Service in 2009 and 2010 found that consultants were widely used but that in nearly all cases they wrote plans with the same flaws that experts and members of Congress have identified in BP's.

The Obama administration ordered oil companies on June 2 to resubmit drilling plans for the Gulf of Mexico with more environmental information, but it made no mention of the role of consultants. Some experts charge that these small, little-known firms - based throughout the Gulf Coast and often staffed by former employees of oil companies - are part of a self-serving culture among regulators and drillers that's sought for years to process as many plans as possible while ignoring environmental concerns.

"Since you know exactly what to say - you've been saying it for years and you know that MMS is going to rubber-stamp it - if you're a consultant, you're just going to cut and paste from project to project," said Kieran Suckling, the executive director of the Center for Biological Diversity, a conservation organization. "Why would you spend any money on doing any analysis if no one's looking for it?"

Department of Interior officials said that federal regulators didn't oversee third-party consultants and oil companies were "ultimately responsible for the information they submit."

In the case of offshore drilling, oil companies included environmental impact information as part of their drilling applications, officials said. The MMS - renamed the Bureau

of Ocean Energy Management, Regulation and Enforcement under a recent major restructuring - could request or seek out additional information before deciding whether to approve a drilling project.

Yet for each of the three identical plans written by R.E.M. Solutions, the agency granted waivers that exempted the projects from further environmental review.

Interior officials said that "a limiting factor" in how the MMS evaluated those plans was a law requiring regulators to approve or reject them within 30 days.

"As part of the reforms we are implementing, we have asked Congress to amend the laws governing BOEM's review of exploration plans to provide the agency more time to conduct the reviews," said Matt Lee-Ashley, an Interior spokesman.

The documents McClatchy examined included the plan for BP's ill-fated Macondo well, which didn't list consultants among the preparers. More than 20 plans the MMS approved for the Gulf in 2009 and 2010 were drafted at least in part by consultants, though.

Interior officials said there were no federal guidelines or licenses pertaining to these consultants, who seem to operate in a small, obscure corner of the mammoth Gulf oil industry.

R.E.M. lists 10 employees on its website and says that it provides “information and documents that will benefit our client, our company and the governing agencies.” The firm was founded in 2002 by Connie Goers, who “has over 30 years experience in the oil and gas industry.”

Three of the plans that R.E.M. prepared - for Rooster Petroleum, Tana Exploration and Marathon Oil, all of Houston - used the same language to say that the risk of a major oil spill was minimal, the companies were equipped to respond to a disaster, and drilling activities posed little or no risk to marine life or fisheries.

Each contains the same typographical error near the beginning of the document, where the word “emissions” appears extraneously in a discussion of the physical impact on the drilling site. “There are no anticipated emissions, effluents, emissions physical disturbances to the seafloor, wastes sent to shore, and/or accidents from the proposed activities that could cause impacts to Eastern Gulf live bottoms,” all three plans say.

Reached by phone, Goers declined to answer questions about her company or the plans it had prepared and referred a McClatchy reporter to her

clients. “You’ll have to talk to the operators,” she said.

Two other Houston-based consulting firms prepared plans very similar to R.E.M.’s.

J. Connor Consulting, whose clients include Chevron and several smaller oil companies, was formed in 1981, according to its website, and before that its president, Jodie Connor, was “employed by several independent oil and gas operators.”

Connor also served as an industry representative on an MMS oil spill response team and has received a Corporate Leadership Award from the agency. She didn’t return multiple phone calls.

Another firm, K. Camp & Associates, whose clients include Hall-Houston and BHP Billiton, has a blank website. The head of the company, Kathy Camp, didn’t respond to e-mails or phone calls.

The American Petroleum Institute, a lobbying group that represents oil and gas companies, said it wasn’t familiar with the consultants’ work and unable to judge whether the similarity among plans “signifies a problem or is the legitimate use of similar language to describe similar situations.”

“Of course, the documents they help prepare are ultimately reviewed by regulators whose

responsibility is to judge their adequacy,” said Bill Bush, a spokesman for the group.

The oil industry’s use of consultants came under fire last month when the House of Representatives Energy and Commerce Committee assailed the oil spill response plans of BP and four other companies, all of which were written by the same Texas subcontractor. Lawmakers pointed out that four of them listed walrus as an endangered species in the Gulf, suggesting that the information had been cut and pasted from exploratory documents for the Arctic.

One former MMS scientist, who worked with the agency for 28 years in the Gulf region before retiring recently, said environmental consultants theoretically provided a valuable service.

“You kind of want to encourage the oil company, when it’s not necessarily their main expertise, to go to these other companies that might have expertise in particular topographic or environmental features,” said the scientist, who would discuss agency policies only on the condition of anonymity in order to comment on a former employer.

“Of course, if it’s shown to have false information, that can be a problem.”