

Spill panel -- risks taken, bad calls made before rig blast

Preliminary findings focus on Halliburton's cement job, BP decisions and how rig crews used data

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WASHINGTON — No evidence was found that a conscious decision was made to sacrifice safety in order to save money, the presidential Gulf oil spill panel said in preliminary findings released Monday, but BP incurred "additional risk" and teams of workers — both BP and contractors — made poor judgments ahead of the April 20 well blowout and rig explosion.

Issued as 13 bullet points, the findings focus on the cement work done to seal the well once it was drilled, the tests done to check on the cement, the choices made by BP on how to temporarily plug the well, and how crew reacted in the last few hours before the blowout. A final report is due by Jan. 11.

Panel staff elaborated on the findings during presentations Monday to start a two-day hearing that included testimony from BP and its main contractors, Halliburton, which did the cement job, and Transocean, which owned the Deepwater Horizon rig.

Fred Bartlit, Jr., the panel's chief investigator, told the seven-member commission that he agreed with about 90 percent of BP's findings, although the company left out some critical details and there were other areas where the panel's probe will conflict.

The "additional risk" cited by Bartlit and his staff included the timing of BP decisions to remove heavy mud and plugs that provided barriers against any blowout.

Bartlit also challenged a narrative that has dominated the headlines and Democratic probes in Congress since the April 20 incident killed 11 and unleashed more than 200 million gallons of crude into the Gulf of Mexico: that BP made perilous choices to save money.

The Macondo well project was nearly \$60 million over budget days before the explosion.

"We see no instance where a decision-making person or group of people sat there aware of safety risks, aware of costs and opted to give up safety for costs," Bartlit said. "We do not say everything done was perfectly safe. ... We studied the hell out of this."

But the two commission chairmen, in comments at the end of Monday's session, implied that even without conscious decisions to cut costs, there could have been a lack of safety concern.

"There seemed to be a compulsion to get this rig completed in that April 19-20th time period," said co-chair Bob Graham, a former U.S. senator for Florida. "As a result of that a number of things" that could have been done to better protect the well "were deferred or abandoned."

"A lot of decisions that are difficult to explain or that just look like they were plain wrong" were made, added co-chair Bill Reilly, a former head of the Environmental Protection Agency chief under President George H.W. Bush.

Reilly also cited a "culture of complacency" within industry, federal agencies and even Congress, which

underfunded regulatory agencies for years.

BP's internal investigation found flaws with contractor Halliburton's cement job and the maintenance performed by Transocean on critical pieces of equipment. BP also questioned how its own employees misread a critical pressure test before the blowout.

Halliburton was on the hotseat as much as BP on Monday, clashing more often with investigators than the oil company. And the commission still hasn't dealt with the blowout preventer, a key instrument, because it is still being examined.

Bartlit revealed in a letter last month that testing on cement mixtures similar to those used in the well showed that the formula was unstable before the blowout, but BP and Halliburton used it anyway. Bartlit said the companies should have reconsidered the type of cement used in the well. Cement is an essential barrier to preventing blowouts.

BP Vice President Mark Bly said Halliburton officials were slow about testing and results. Several times during the hearing, BP and commission investigators found themselves agreeing on blaming Halliburton.

So far, the inquiry into the April 20 rig failure — which killed 11 workers and dumped 172 million gallons of oil into the Gulf of Mexico — is echoing investigations into past technological disasters, such as space shuttle explosions. If there is one large problem, it is the way that all sorts of small decisions become a cascade of failures that short-circuit normal safety features.

Not everyone agrees. One of the nation's top technological disaster academics said the spill commission — appointed by President Barack Obama — was a "cover-up" from the White House. Charles Perrow, a Yale University professor who wrote the disaster sociology classic "Normal Accidents", said the investigation was overlooking BP's track record of disasters that have come after cost cutting.

"There's a long history of dollars versus safety at this organization," Perrow told The Associated Press. He referred specifically to BP's 2005 Texas City oil refinery explosion in which federal officials cited a culture of cost-cutting at the expense of safety. In 2006, BP's lack of leak detection caused a massive pipeline spill, the largest on Alaska's North Slope to date.

Reilly told the AP he went into the investigation expecting to conclude that safety was traded for dollars but didn't find that to be so. Instead, what investigators found was "a series of first challenging situations" and some choices that could go either way compounded by "hard to explain decisions."

"And they add up to a disaster," Reilly said during a break Monday.

Like BP, the panel found that the oil and gas traveled up the center of the pipe in the well, rather than up the sides — a finding that was disputed by Halliburton on Monday. The company has been criticized by the panel's investigators for pumping faulty cement and having tests in hand that showed it would fail. If the blowout started in the space between the pipe and the underground rock, Halliburton's cement would be less of a factor.

Another question is why the blowout preventer — the last defense against a runaway well — failed to block the flow of oil and gas. Bartlit said the team would await a forensic analysis before drawing conclusions. The blowout preventer is now protected evidence in a federal court case.

Bartlit and commission members said their investigation was hampered by the lack of subpoena power. A bill giving them such power is on hold in the Senate.