

BP at fault for 21 of 35 factors in Gulf spill, panel finds

'Poor risk management, last-minute changes' among problems cited in federal report

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WASHINGTON — Federal investigators on Wednesday heaped the lion's share of blame for the country's biggest oil spill on BP.

In a report that may be pivotal in the multibillion-dollar legal battles to come and could set the stage for criminal charges, the Coast Guard and the federal offshore oil regulator wrote that BP was solely to blame for 21 of 35 contributing causes to the Macondo well blowout, and shared blame for 8 more.

The explosion, 11 deaths and spill "were the result of poor risk management, last-minute changes to plans, failure to observe and respond to critical indicators, inadequate well control response, and insufficient emergency bridge response training by companies and individuals responsible for drilling at the Macondo well and for the operation of the Deepwater Horizon" drilling rig, the report stated.

Of particular note was the cement seal put in place the day before the explosion in the Gulf of Mexico.

In the days leading up to the disaster, the panel wrote, BP made "decisions that complicated cementing operations, added incremental risk, and may have contributed to the ultimate failure of the cement job."

The details were contained in the final report from an investigative team of the U.S. Coast Guard and the Bureau of Ocean Energy Management Regulation and Enforcement. The panel held hearings in the year following the April 20, 2010, tragedy.

Other investigations have spread around the blame rather evenly, faulting misreadings of key data, the failure of the blowout preventer to stop the flow of oil to the sea and other shortcomings by executives, engineers and rig crew members.

The federal joint investigation team laid considerable blame on BP's shoulders, saying BP made decisions blindly, without assessing risk, and in some cases skipping internal processes the company relied on to evaluate the potential dangers of decisions.

The report said the decisions included using only one cement barrier and BP's choice to set the production casing in a location in the Macondo well that created additional risk of influx of oil or gas. The casing is a steel pipe placed in a well to maintain its integrity.

The panel said BP failed to communicate these decisions and the "increasing operational risks" to rig owner Transocean.

"BP, as the designated operator under BOEMRE regulations, was ultimately responsible for conducting operations at Macondo in a way that ensured the safety and protection of personnel, equipment, natural resources, and the environment," the panel concluded.

In the report's 57 findings about the disaster, only one person — BP engineer Mark Hafle — is mentioned by

name. The report said Hafle's failure to investigate or resolve anomalies detected during a critical test possibly contributed to the failure of the crew to detect the initial influx of gas and oil. Hafle also chose not to run a cement log, a test that evaluates the quality of the cement job, in violation of BP procedures, the report found.

Hafle — a key decision maker on the doomed rig — refused to testify before the federal panel in August 2010, citing his constitutional right against self-incrimination.

Response from BP

BP said in a statement that the British company accepts the report's conclusion that the accident was the result of multiple causes involving multiple parties. BP did not address the report's specific conclusions about the cement.

"From the outset, BP acknowledged its role in the accident and has taken concrete steps to further enhance safety and risk management throughout its global operations, including the implementation of new voluntary standards and practices in the Gulf of Mexico that exceed current regulatory requirements and strengthen the oversight of contractors," BP said. "We continue to encourage other parties to acknowledge their roles in the accident and make changes to help prevent similar accidents in the future."

Transocean and cement contractor Halliburton did not immediately respond to requests for comment.

The panel recommended further changes to offshore drilling practices, including requiring at least two barriers to be placed in a well — one mechanical, and one cement. The Macondo well only had a single barrier, the cement seal at the bottom, so when the blowout happened the only thing to stop it was the blowout preventer. That didn't work, the panel says, because the kink in the pipe caused by the force of the blowout kept it out of reach of the safety device's shearing rams.

The team also said BOEMRE should standardize testing procedures on oil and gas wells.

While this report and others blame BP for jeopardizing safety to cut costs, the federal panel went further and examined the 2009 performance evaluations of 13 BP employees involved on the Macondo well. All but one of the reviews cited cost savings when evaluating the employee's work.

In addition to the rig worker deaths, the resulting oil spill off Louisiana spewed more than 200 million gallons of crude from an undersea well owned by BP. The disaster caused billions of dollars in damage to hundreds of miles of coastline and wreaked havoc on the Gulf economy.

The report pins the causes for the disaster on many of the same faulty decisions as previous probes, including those by the president's independent oil spill commission, Congressional committees and the companies themselves.

Still ahead: hearings and lawsuits

But it is likely to carry more weight in Congress, where Republican lawmakers in particular have said they are unwilling to adopt reforms until the federal investigation was complete.

Since the disaster, the Obama administration has reorganized the offshore drilling agency and boosted safety regulations. But Congress has yet to pass a single piece of legislation to address safety gaps highlighted by the disaster.

While the federal investigative team lays blame on decisions made by the companies, it does not address the government's own role in approving some of the questionable decisions. The federal agency that oversees offshore drilling signed off on many of the calls made by the companies, sometimes in minutes, and accepted an outdated and erroneous oil spill plan for the well that discussed protecting species that did not even exist in the Gulf of Mexico.

Congressional leaders immediately scheduled hearings to discuss the report's findings.

House Natural Resources Chairman Doc Hastings, a Washington state Republican, who has pushed legislation to vastly expand offshore drilling since the disaster, said he hoped the federal government's conclusions would give lawmakers a clearer picture about what happened.

"We have waited far too long for this report, but the Committee is ready to take action," Hastings said. "I'm confident that with a far more complete reporting of the facts, we will be able to take a thoughtful approach to real reforms to ensure continued safe American energy production."

The drilling disaster also spurred a slew of lawsuits.

The Justice Department has already sued the well's owners, BP, Anadarko Petroleum and Mitsui, as well as Transocean.

More charges could be brought, however, and the findings from federal investigators could provide fodder for lawsuits that BP and its contractors have filed blaming each other.