Construction Law in North Carolina

Melissa Dewey Brumback 2840 Plaza Place, Suite 400 Raleigh, NC 27612

Phone: (919) 881-2214 Fax: (919) 783-8991

Email: mbrumback@rl-law.com Website: constructionlawNC.com

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Engineering flaws cited in Oil Spill Report

by MelissaBrumback



The Chief Counsel's <u>Report on the BP Deepwater Horizon Oil Spill and Offshore Drilling</u> has been released. Following on the heals of the January National Commission report to the President, the Chief Counsel's report "provides damning evidence that preventable engineering and management mistakes—rather than mechanical failings—were the primary cause of the Deepwater Horizon rig explosion last spring," <u>notes ENR's Pam Hunter</u>.

Among the Technical Findings, the Report states that the root cause of the failure was that the cement that BP and Halliburton pumped to the bottom of the well did not seal off hydrocarbons in the formation. The report acknowledges several factors which may have increased the risk of cement failure, including:

- drilling complications forced engineers to plan a finesse cement job that called for, among other things, a low overall volume of cement.
- the cement slurry itself was poorly designed—some of Halliburton's own internal tests showed that the design was unstable, and subsequent testing by the Chief Counsel's team raised further concerns.
- BP's temporary abandonment procedures—finalized only at the last minute—called for rig personnel to severely underbalance the well before installing any additional barriers to back up the cement job.

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Among the Management Findings, the Report states:

- BP did not adequately identify or address risks created by last-minute changes to well design and procedures. BP changed its plans repeatedly and up to the very last minute, sometimes causing confusion and frustration among BP employees and rig personnel.
- Halliburton appears to have done little to supervise the work of its key cementing personnel and does not appear to have meaningfully reviewed data that should have prompted it to redesign the Macondo cement slurry.
- Transocean did not adequately train its employees in emergency procedures and kick detection, and did not inform them of crucial lessons learned from a similar and recent near-miss drilling incident.

Legal Status? The lawsuits that will be flowing (pardon the pun) from this disaster will be extreme. Expect to see possible class action certifications requested for some of those that were suffered damages. In any lawsuit related to the spill, the report by the Chief Counsel will, undoubtedly, be Exhibit A.

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