

THE OSI NEWSLETTER

The OSI Newsletter is published quarterly by Oil Spill India, an industry led forum supported by its advisory board. One of the central goals of OSI is bringing together the global spill response industry & its stakeholders in the region for enhanced cooperation in planning, prevention and response of any spill or disaster in marine ecosystem, concurrently building an informative schedule of the raising Global Standards. It is intended to function as a thought - starter, change - agent and signpost through the intellectual capital that accrues through the rich assortment of diverse, pertinent and eminently interesting subjects of concern to the spill, salvage, wreck removal & marine disaster industries besides showcasing the technological depth and knowledge repertoire of the industry.

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"Cleaner Seas", a way towards "Swachh Bharat Abhiyan": DG Rajendra Singh



The 21st National Oil Spill Disaster Contingency Plan (NOS-DCP) and Preparedness meeting was held at India International Centre, New Delhi on 05 Aug 16. Director General Rajendra Singh, PTM, TM, Director General Indian Coast Guard (DGICG), Chairman NOS-DCP, chaired the meeting, which was attended by Senior Officers of the Indian Coast Guard (ICG), and delegates from various Ministries, Departments of Central and State Governments, Ports & Oil Handling Agencies.

The highlight of the meeting was the launch of 'Online Oil Spill Advisory (OOSA) software' by the DGICG. The software, which has been indigenously developed by Indian National Centre for Ocean Information Services (INCOIS), in consultation with the ICG, will facilitate in prediction of Oil Spill Trajectories and can be utilized by all NOS-DCP stakeholders for planning Mock Drills, exercises and PR Operations. The software also facilitates a SMS facility for fishermen on "Potential Fishing Zone Advisory" and "Fish Avoidance Zone" in the event of an oil spill.

During the meeting, the national capabilities with the common aim to ensure collective preparedness to respond to any oil spill contingency in Indian waters was reviewed. DG Rajendra Singh appealed to all the maritime stake holders to contribute their best towards "Cleaner Seas", a way towards "Swachh Bharat Abhiyan", by keeping the marine environment clean and litter-free.

BP's Big Bill For The World's Largest Oil Spill

What's bigger than the value of Ford, Honda or General Motors? As big as the biggest U.S. electric utility? Eight times the size of Staples and Office Depot combined – if a judge hadn't blocked their merger?

The answer: the \$61.6 billion cost to BP of the 2010 oil spill in the Gulf of Mexico.

BP issued its final estimate of the cost of the spill, the largest in U.S. history & said that it would take a pre-tax charge of \$5.2 billion in the second quarter of this year and added that would be enough to cover anything that hasn't been resolved.

BP's Big Bill for Continued..

On an after-tax basis, BP's spill costs will amount to \$44 billion with the additional charge of \$2.5 billion in the second quarter, the company said.

"It's a really scary number," said Fadel Gheit, oil analyst at Oppenheimer & Co. "Before the accident, BP had a market capitalization of \$180 billion. The accident actually shaved off one-third of the market capitalization of the company. It's a miracle that the company is still in business."

Life for BP changed on April 20, 2010, when a blowout a mile under water sent oil and gas surging up to the Deepwater Horizon exploration rig, setting it on fire, sinking it and killing 11 crew members. The well leaked for 87 days, pouring at least 3.19 million barrels of crude oil into the Gulf of Mexico.

Gheit said that BP "basically gave birth to another company." Although BP's payments have been sprinkled among hundreds of lawyers, 400 local governments, tens of thousands of claimants and the federal government, the \$61.6 billion is larger than the market capitalization of either of the next two biggest integrated U.S. oil companies – ConocoPhillips or Occidental Petroleum – and more than twice the size of Anadarko Petroleum.

The Going Rate For The Largest Inland Oil Spill in US History: \$177 Million



Canada's Enbridge Energy Partners will pay \$61 million in civil penalties for its 2010 oil spill near Michigan's Great Lakes, according to U.S. government agencies in a news conference in Marshall, Michigan.

The settlement, such that it is, was reached after years of negotiations between Enbridge and the U.S. government after Enbridge's pipeline ruptured in 2010, spilling hundreds of gallons of heavy crude into Michigan's Kalamazoo River. The spill covering nearly a 40-mile stretch, leaving the river polluted for years.

In addition to the \$61 million in civil penalties for the spill in and around the Kalamazoo River, Enbridge will also pay \$1 million for a spill in nearby Romeoville, Illinois that same year, \$110 million to improve its operations and prevent spills from its pipelines that are near the Great Lakes, and \$5.4 million in costs footed by the government in cleaning up the Michigan spill. As part of the deal, Enbridge will also be required to replace almost 300 miles of one of its pipelines in the area.

In the years that followed the Marshall spill, over 1.2 million gallons of oil were recovered from the river. Enbridge, who has also been the cause of numerous other oil spill accidents in recent history, has since spent more than \$1 billion cleaning up after their Kalamazoo River pipeline fiasco—a figure that does not include today's settlement.

An investigation of the Marshall spill by the National Transportation Safety Board found that the Kalamazoo spill was the result of errors seen in prior Enbridge accidents

Other Enbridge spills include nine spills from a single Canadian pipeline due to stress corrosion cracking and metal fatigue from cyclic stress of seam welds—precisely the cause of the pipeline rupture that spilled oil into the Kalamazoo River in 2010.

A separate 2014 investigation into Enbridge's Line 9 pipeline in Ontario revealed that it was responsible for 35 spills at the time of the investigation.

Russia spills two Deepwater Horizons of oil each year

The Komi Republic in northern Russia is renowned for its many lakes, but sites contaminated by oil are almost just as easy to find in the Usinsk oilfields. From pumps dripping oil and huge ponds of black sludge to dying trees and undergrowth – a likely sign of an underground pipeline leak – these spills are relatively small and rarely garner media attention.

But they add up quickly, threatening fish stocks, pasture land and drinking water. According to the natural resources and environment minister, Sergei Donskoi, 1.5m tonnes of oil are spilled in Russia each year. That's more than twice the amount released by the record-breaking Deepwater Horizon oil spill in the Gulf of Mexico in 2010.

The main problem, according to the natural resources ministry, is that 60% of pipeline infrastructure is deteriorated. And with fines inexpensive and oversight lax, oil companies find it more profitable to patch up holes and pour sand on spills – or do nothing at all – than invest in quality infrastructure and comprehensive cleanups, according to activists.

A state energy statistics bureau told Greenpeace it had registered 11,709 pipeline breaks in Russia in 2014. In contrast, Canada reported five pipeline accidents (involving human injury) and 133 incidents involving natural gas and oil pipelines in 2014.

Usinsk, a sleepy town of 39,000 people, is the regional oil hub. The Usinsk oil field is licensed largely to Lukoil, which bought its Komi oil drilling assets from Komitek in 1999 and began expanding production.

"More Usinsk oil to the motherland!" giant letters proclaim on top of one prefab flat block.



LAMOR CORP –WORLD LEADERS IN OIL SPILL RESPONSE

Lamor is committed to oil spill response, recovery and clean-up operations worldwide. We provide immediate on-site expertise to execute solutions that protect the environment and our ecosystems. Our in-depth knowledge and experience coupled with investment in technologically advanced oil clean-up response equipment assures success in all scenarios and climatic conditions.

Lamor (Larsen Marine Oil Recovery) Corporation, established in 1982, provides solutions for optimal oil spill prevention, response, recovery, and remediation. Over the past three decades, Lamor has developed, manufactured, and supplied the most efficient and effective oil spill response technology worldwide. Lamor focuses on supplying the highest quality of innovative prevention and recovery equipment and providing services for contingency planning, risk assessments, equipment maintenance and servicing, response training, and oil spill response support. Lamor has vast global network, delivering equipment and responding to emergency spills in over 106 countries. Lamor provides international services through a large network of subsidiaries and hubs that include locations in China, USA, Brazil, Colombia, Ecuador, Oman, Peru, Russia, Turkey, and the UK. www.lamor.com.

In India, Lamor is proud to be servicing the Indian Coast Guard (the agency responsible for combating marine oil pollution in Indian maritime waters) with its advanced and proven range of Oil Pollution Control Products.

Louisiana Parish Hit by Third Oil Spill in 10 Days as Pressure Grows for Accountability



An estimated 4,200 gallons of crude oil was discharged from a well owned by the Texas Petroleum Investment Company into the mouth of the Mississippi River, according to the US Coast Guard. The Coast Guard and other state agencies are now responding to the third oil spill in two weeks.

Louisiana's Plaquemines Parish coast was also hit with two oil spills the previous week. An estimated 4,200 gallons of crude oil attributed to oil and gas extraction company Hilcorp spilled in the marsh near Lake Grande Ecaille, part of Barataria Bay, on July 25. Three days later, 850 gallons were discharged by a Texas Petroleum Management flowline into marshland in the Southwest Pass.

Oil spills are one of many factors hastening coastal erosion. They can kill the roots of marsh grass and mangrove trees that hold marshland and barrier islands together. Once the roots die, land loss accelerates.

According to the Louisiana Oil Spill coordinator's office, The National Response Center gets approximately 1,500 oil spill notifications from Louisiana each year. "This represents approximately 20% of all the oil spills occurring in the United States. The average volume of oil spilled annually in Louisiana is 330,000 gallons," the site states.

The BP oil spill, estimated by the US government at 4.09 million barrels, hastened the pace of coastal erosion. Barataria Bay was hard-hit by the BP spill. The re-oiling of even a small area in the bay sends shudders through many in the fishing industry, which has not fully recovered from the BP spill.

Fourth Oil Spill in 8 Months



A pipeline owned by Crescent Point Energy, and located in Saskatchewan, Canada, leaked approximately 630 barrels of oil emulsion on 2nd August, the fourth spill in Saskatchewan in eight months.

The incident occurred near the town of Pennant, and did not affect the wildlife or the water supplies used by the wildlife. Trent Stangl, a spokesman for Crescent Point said that the spill was contained to a slough in a farmer's field, and that cleanup had been nearly completed.

The spill in Pennant comes on the heels of a July 20 spill by Husky Energy into the North Saskatchewan River. That spill was the third one in the area in a span of eight months. In the July 20 incident, over 50,000 gallons of oil and diluent were spilled near the North Saskatchewan River, and two cities had to shut down parts of their culinary water systems.

Great Barrier Reef oil spill: foreign ship faces prosecution after 12-month hunt



An unnamed foreign ship faces prosecution over an oil spill on the Great Barrier Reef after a 12-month investigation by Queensland government agencies. Maritime investigators claim they have identified the vessel that spilled up to 15 tonnes of oil in reef waters off Cape Upstart in July 2015, which washed up on mainland beaches and islands north of Townsville and triggered a response costing \$1.5m.

It follows an investigation that the ports minister, Mark Bailey, described as painstaking, and involved identifying the offending ship from 17 vessels in the area 72 hours prior to the spill. Authorities were first alerted by a fisherman who reported seeing a slick close to 1km long, which had dissipated by the time aerial searches were under way.

"The challenge was then to track down the individual ships, many of which were on international voyages, check onboard records, interview crews and take oil samples for elimination testing against samples from the spill," Bailey said.

"It was a difficult investigation as the ship believed to be responsible is foreign registered with a crew of foreign nationals.

"This is an extremely complex legal process involving both Australian and international maritime law and we don't want to jeopardise the case by identifying the suspect vessel while the evidence is being fully considered."

The commonwealth director of public prosecutions will now consider whether to charge the overseas-registered, foreign-crewed ship, whose operator could face state and federal fines of up to \$17m. Steven Miles, the minister for the environment and the Great Barrier Reef, said it took a multi-agency taskforce two weeks to remove the oil from island and mainland beaches between Palm Island and Hinchinbrook Island.

Gazprom Introduces Oil Spill Technology



Russian energy company Gazprom said it's developed a new biological agent that can help degrade oil spills and is effective in a range of climates.

During an event in St. Petersburg, the Russian company commissioned the use of BIOROS, a biological agent that can help degrade oil spills.

"BIOROS is an innovative product for oil spill cleanup," the company explained. "It is more effective than similar products made in Russia and abroad, as it provides for, among other things, quicker oil spill removal at a greater range of temperatures, from 40 to 113 degrees Fahrenheit."

A subsidiary of Russian oil company Rosneft in March said about 1,000 barrels of oil were spilled at an oil field on Sakhalin Island in Russia's Far East. The company said it was burning off the spilled oil from the Ekhabi oil reserve after local residents discovered the leakage.

Environmental advocacy group Greenpeace said oil had migrated to an area river, countering the claims made by the Rosneft subsidiary. A delegate from Greenpeace Russia said energy companies in Russia have no appetite for the investments needed to ensure their operations are safe. According to him, they'd need to invest only about 10 percent of their net profit to repair pipelines running across the country.

Gazprom offered no statement on investments made in BIOROS development.

"It was noted at the ceremony that the production of the BIOROS biodegradation agent was a result of Gazprom's fruitful cooperation with domestic companies aimed at manufacturing competitive import substituting products," the company said.

Halliburton introduces subsea well intervention package

Boots & Coots Services, a Halliburton business, has developed the Global Rapid Intervention Package (GRIP), a suite of services to help reduce costs and deployment time in the event of subsea well control events.

The package provides well planning and well kill capabilities facilitated by the company's global logistics infrastructure and existing product service lines. This includes both an inventory of well test packages, coiled tubing units, and relief well ranging tools.

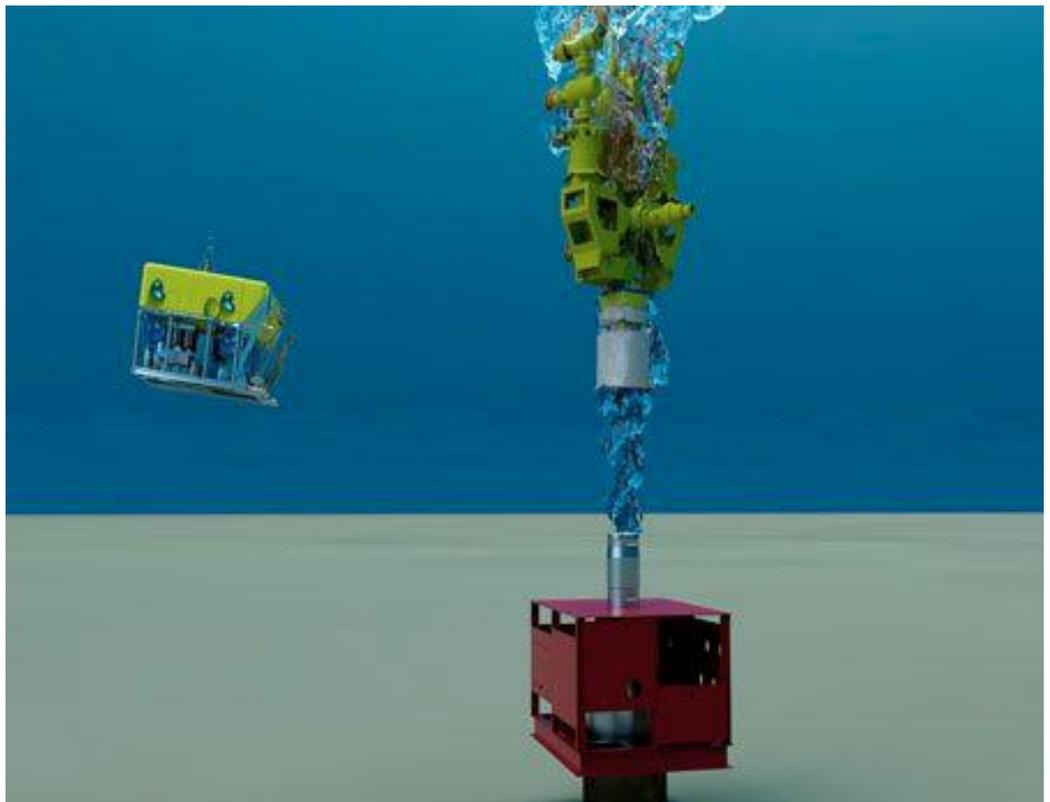
In addition, GRIP features the new high-temperature, 15,000-psi RapidCap air-mobile capping stack. Sourced from Trendsetter Engineering Inc., it incorporates a specially designed gate valve-based system making it, according to the company, lighter, less expensive, and more mobile than options currently on the market.

Capping stack systems currently available are extremely difficult to deploy due to their size and weight (roughly 220,000-300,000 lbs) and are expensive to transport and reassemble on a job site. It can take weeks to deploy existing systems, especially from locations that lack the infrastructure to timely move the systems into position.

To address the need for a more portable and cost-effective solution, Halliburton says, RapidCap aims to reduce deployment time by up to 40% over competing systems. Rather than requiring specialized infrastructure, the system can be air transported on a Boeing 747-400F and lifted by a 110 ton or lighter crane.

Jim Taylor, vice president Consulting & Project Management, said: "We are proud to offer the Global Rapid Intervention Package that will provide our customers with easy access to containment and relief capabilities even in the most remote areas. Boots & Coots has long been recognized as a global leader in well control response and GRIP furthers our commitment to safe offshore operations."

GRIP and the RapidCap air-mobile capping stack are expected to be ready for deployment by the end of 2016.



Thailand's PTT sued over Australian oil spill



Indonesian seaweed farmers on 3rd August sued Thailand's PTT Exploration and Production for potentially more than A\$200 million (\$152 million) to cover damages from Australia's worst oil spill in 2009.

A total of about 30,000 barrels of oil were estimated to have spewed into the Timor Sea over 74 days after an explosion at PTTEP's Montara drilling rig, and lawyers behind the case say it reached far as Nusa Tenggara Timur in Indonesia, more than 200 km (124 miles) away.

A Darwin-based lawyer, Greg Phelps, has pushed for compensation for Indonesian seaweed farmers whose livelihoods he believes were affected by the oil spill. Funding for the case will come from UK-based Harbour Litigation Funding.

"If the company thought that this issue would go away because the farmers are Indonesians, or because they didn't understand their legal rights, they were sorely mistaken," said Ben Slade, the lawyer at Maurice Blackburn running the class action suit on behalf of more than 13,000 seaweed farmers, said in a statement posted on the firm's website.

PTTEP Australasia said it has always accepted responsibility for the Montara explosion but added that satellite imagery, aerial surveys and models concluded no oil reached the Indonesian coastlines and there has been "no lasting impact" on ecosystems in the areas closest to Indonesian waters.

"We are confident the results of these independent studies would stand up to the highest scrutiny," PTTEP said in a statement on its web site.

PTTEP's shares fell 1.6 percent, while the broader Thai market was up 0.2 percent.



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in pumping numerous types of oil. Our latest development, the NorMar Integrated Pump System is a custom-made discharge system for the NOFI Current Buster series, designed with focus on lightweight, low maintenance, and easy handling. The NOFI Current Buster and the integrated pump system are stored on a single boom reel, optimizing the deck space and providing faster and easier deployment and retrieval. This newly combined technology has been approved and is now part of the Norwegian Clean Seas Association for Operating Companies (NOFO) Oil Spill Response Technology Development Program. So far, 10 systems have been sold to both public and private companies in Europe and Brazil.

The NOFI Current Buster-2 was used during the MSV Chitra Oil Spill Incident in the Fast Current Water of Mumbai Port.