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## OCS Civil and Criminal Penalties Program

### 2002 Civil/Criminal Penalties

The goal of the MMS OCS Civil/Criminal Penalties Program is to assure safe and clean operations on the OCS. Through the pursuit, assessment, and collection of civil penalties and referrals for the consideration of criminal penalties, the program is designed to encourage compliance with OCS statutes and regulations.

#### 2002 Civil/Criminal Penalties Summary

##### All Penalties Paid in Calendar 2002

(1/1/2002 – 12/31/2002)

Operator Name and Case No.	Violation and Date(s)	Penalty Paid and Date Paid	Regulation(s) Violated (30 CFR)
The Louisiana Land and Exploration Company G-2000-047	The master shutdown devices for bad oil pump number 1, bad oil pump number 2 and for 7 wells were bypassed; as well as the pressure safety low on the fuel gas scrubber.  06/14/00 – 06/14/00	\$85,000  01/11/02	250.803(c)(1)
Fairways Specialty Sales & Service, Inc. G-2001-004	Operator did not conduct an annual crane inspection and the Low Pressure Oil Separator was operating above the MAWP.  06/03/00 – 10/26/00 09/23/00 – 10/30/00	\$83,000  04/12/02	250.107(a) 250.108
El Paso Production Oil & Gas Company G-2001-005	The level safety high on the sump tank was bypassed.  10/13/00 – 10/13/00	\$13,000  02/13/02	250.803(c)(1)
Matrix Oil & Gas, Inc. G-2001-006	INC issued for a hole was in piping caused by corrosion approximately one foot down stream of the PSV on the test separator.  09/14/00 – 09/29/00	\$17,000  11/19/02	250.107
Fairways Specialty Sales & Service, Inc. G-2001-009	Facility was not identified as required and the operator did not correct the violation until 209 days after being cited. Civil Penalty is being pursued as a failure to correct. Facility had corrosion problems including rusty handrails, nuts, bolts, nipples, and valves and the operator did not correct the violation until 213 days after being cited. Civil Penalty is	\$84,800  04/12/02	

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	being pursued as a failure to correct. 07/11/00 – 02/04/01 07/11/00 – 02/08/01		250.154 250.107
Fairways Specialty Sales & Service, Inc. G-2001-010	Facility was not identified as required and the operator did not correct the violation until 90 days after being cited. Civil Penalty is being pursued as a failure to correct. Facility had corrosion problems including rusty piping, handrails, nuts, bolts, nipples, and valves and the operator did not correct. 11/06/00 – 02/01/01 11/06/00 – 02/05/01	\$26,200 04/12/02	250.107 250.154
EEX Corporation G-2001-013	Pressure safety low on condensate pump bypassed. 12/01/00 – 12/01/00	\$7,500 03/19/02	250.803(c)(1)
El Paso Production Oil & Gas Company G-2001-015	There were 5 wells where the downhole tubing plug was not tested within the required timeframe. 06/04/00 – 02/20/01	\$7,000 02/01/02	250.804(a)(1)(iii)
Texaco Exploration and Production Inc. G-2001-017	Inoperable Gas Detection system in the drilling mud returns. 04/17/01 – 04/17/01	\$12,500 01/29/02	250.410(c)(2)(iv)
Amerada Hess Corporation G-2001-018	ESD (emergency shut-down) station on boat landing was bypassed; the PSHL (pressure safety high/low) on the departing oil pipeline was found bypassed; and the PSV (pressure safety valve) on the bulk oil dual separator was bypassed. 04/11/01 – 04/11/01 03/31/01 – 03/31/01 03/31/01 – 03/31/01	\$36,000 04/18/02	250.803(c)(1) 250.803(c)(1) 250.1004(b)(3)
The Louisiana Land and Exploration Company G-2001-020	The SCSSV for Wells Nos. B-1 and B-3 was bypassed. 03/07/01 – 03/07/01	\$20,000 01/11/02	250.803(c)(1)
Texaco Exploration and Production Inc. G-2001-021	Bypassed manual reset relay for the test separator. 05/21/00 – 05/21/00	\$10,000 01/23/02	250.803(c)(1)
Chevron U.S.A. Inc. G-2001-024	The surface safety value (SSV) for Well C-7 was bypassed. 06/15/01 – 06/16/01	\$20,000 01/23/02	250.803(c)(1)
BP Corporation North America Inc.	Level safety low (LSL) for glycol/hydrocarbon separator was found bypassed.	\$20,000 01/10/02	

G-2001-025	06/12/01 – 06/13/01		250.803(c)(1)
El Paso Production GOM Inc.	Burner safety low on glycol reboiler was found bypassed. It was not flagged or being monitored at the time.	\$12,000 06/05/02	
G-2001-026	05/24/01 – 05/24/01		250.803(c)(1)
El Paso Production Oil & Gas Company	ESD station blocked out of service by a closed manual isolation block valve located on the sub-cellar deck exit stairway to the boat landing.	\$17,000 04/15/02	
G-2001-027	06/19/01 – 06/19/01		250.803(c)(1)
Chevron U.S.A. Inc.	Pollution occurred when both the wet oil tank and sump tank carried over. The level safety high (LSH) on the wet oil tank did not shut-in the platform as indicated on SAFE chart.	\$36,000 01/29/02	
G-2001-028	05/25/01 – 05/25/01 05/25/01 – 05/25/01		250.300(a) 250.802(e)
Denbury Resources Inc.	A major component of the approved dry chemical firefighting system was inoperable.	\$15,000 03/07/02	
G-2001-029	05/08/01 – 05/08/01		250.803(b)(8)
PANACO, INC.	The ultraviolet (UV) fire detection system for turbine generators were bypassed plus no record of testing the fire detection system from 5/2/99 to 5/2/01.	\$151,000 02/12/02	
G-2001-030	05/02/99 – 05/02/01 05/02/01 – 05/02/01		250.804(a)(8) 250.803(c)(1)
NCX Company, Inc.	The 2" ball valve for the by-pass line, near the fuel gas scrubber shut down valve (SDV) was in the half-open position rendering the SDV inoperative.	\$12,000 04/24/02	
G-2001-031	07/11/01 – 07/11/01		250.803(c)(1)
Stone Energy Corporation	Five barrels of oil polluted the Gulf of Mexico. The pressure safety high/low and independent pressure safety high were bypassed.	\$35,000 05/03/02	
G-2001-034	07/05/01 – 07/05/01 07/05/01 – 07/05/01		250.803(c)(1) 250.300(a)
Energy Partners, Ltd.	The surface safety valve on Well C-1A was bypassed.	\$10,000 06/10/02	
G-2001-035	07/22/01 – 07/22/01		250.803(c)(1)
Devon Energy Production Company, L. P.	Operating with an inoperable inlet SDV on the compressor suction scrubber while the compressor remained in service and on production for 76 days.	\$15,200 08/12/02	
G-2001-036	04/25/01 – 07/09/01		250.803(b)(7)(iii)

Amoco Production Company G-2001-037	Fuel Gas Scrubber SDV bypassed and PSH nonfunctional. 07/17/01 – 07/17/01	\$15,000 04/02/02	250.803(c)(1)
Energy Resource Technology, Inc. G-2001-038	The high-pressure freewater knockout separator panel was pinned out of service. 11/30/00 – 11/30/00	\$15,000 06/11/02	250.803(c)(1)
NCX Company, Inc. G-2001-039	The manual emergency shut down (ESD) station located on the east production deck stairway exit to the cellar deck was found disconnected from the facility ESD system and the platform's monitoring gas detection system (ASH) was found bypassed. 07/17/01 – 07/17/01 07/17/01 – 07/17/01	\$24,500 03/22/02	250.803(c)(1) 250.803(b)(4)
BP Exploration & Oil Inc. G-2001-040	Rig floor hand injured after receiving a shock from an improperly grounded skid mounted electrical pressure washer. 03/15/01 – 03/15/01	\$23,000 05/09/02	250.114(c)
Apache Corporation G-2001-041	Surface safety valve (SSV) on Well No. A-5 was found pinned out of service. 07/16/01 – 07/16/01	\$13,000 05/10/02	250.803(c)(1)
GOM Shelf LLC G-2001-042	The emergency shutdown stations (ESD's) at the S/E and N/W stairways at the +10 deck were discovered inoperable. The ESD's at the S/W and N/E boat landings were also discovered inoperable. 07/24/01 – 07/24/01	\$60,000 09/24/02	250.803(b)(4)
Devon Energy Production Company, L.P. G-2001-044	The "total system bypass" was found in the bypass position on a slave panel. This bypassed the pressure safety high/low and level safety high on the fuel gas scrubber. 06/27/01 – 06/27/01	\$3,000 06/20/02	250.803(c)(1)
Union Oil Company of California G-2001-045	The level safety high on the sump tank was bypassed. 07/23/01 – 07/23/01	\$10,000 04/16/02	250.803(c)(1)
Union Oil Company of California G-2001-047	The emergency shut down (ESD) station at the boat landing was found blocked out of service 08/12/01 – 08/12/01	\$5,000 09/11/02	250.803(c)(1)
Union Oil Company of California	The emergency shut down (ESD) stations on the northwest,	\$20,000	

G-2002-001	southwest, east, and west boat landings were all bypassed.  09/18/01 – 09/18/01	09/11/02	250.803(c)(1)
Nuevo Energy Company  P-2002-001	Failure to test fire and gas detection systems on required basis (every 3 months); 1 testing period missed. Failure to conduct required monthly testing for flow safety valves on water injection wells for 2 months; 2 testing periods missed.  06/22/01 – 07/23/01 06/23/01 – 07/13/01	\$6,000  08/08/02	250.804(a)(8) 250.804(a)(8)
Union Oil Company of California  G-2002-003	Pressure safety high/low and level safety high on fuel gas scrubber were found bypassed.  09/25/01 – 09/25/01 09/25/01 – 09/25/01	\$17,500  09/11/02	250.803(c)(1) 250.803(c)(1)
Fairways Specialty Sales & Service, Inc.  G-2002-004	Oil was observed entering the Gulf of Mexico from two different sources associated with the water clarifier: from the open end of an unapproved 4" PVC line installed on the water overboard discharge line and extending approximately 20' into the air, and directly from the water overboard discharge line due to a malfunctioning dump valve.  09/28/01 – 09/28/01 09/28/01 – 09/28/01	\$42,500  08/20/02	250.802(e) 250.300(a)
J. M. Huber Corporation  G-2002-005	The sump pump was not operational resulting in pollution of crude oil into Gulf waters.  10/30/01 – 10/30/01 10/30/01 – 10/30/01	\$35,000  08/16/02	250.300(b)(4) 250.300(a)
Fairways Specialty Sales & Service, Inc.  G-2002-006	Emergency shut down stations at two boat landings and the shut down valve to the test separator were bypassed.  11/07/01 – 11/07/01 11/08/01 – 11/08/01	\$28,000  08/20/02	250.803(c)(1) 250.803(c)(1)
Linder Oil Company, A Partnership  G-2002-008	The walkway to the sump tank, handrails on a stairway and +12 walkway, and grating at the wellbay area on the +12 level were not maintained in a safe condition. The walkway and handrails had corroded to the point of separation and the grating had missing sections.  08/28/01 – 09/20/01	\$25,000  09/10/02	250.107
Union Oil Company of California  G-2002-010	Three emergency shut down stations were bypassed at the +10 deck level.  10/29/01 – 11/06/01	\$15,000  09/11/02	250.803(c)(1)
Kerr-McGee	The surface-controlled	\$66,000	

Corporation G-2002-011	subsurface safety valves in Wells A-6 & A-6D were bypassed for 11 days.  09/14/01 – 09/24/01	10/22/02	250.803(c)(1)
Vastar Resources, Inc. G-2002-012	Two emergency shut down stations were inoperable; one at the boat landing on the F structure and one at the boat landing on the I structure.  12/03/01 – 12/03/01	\$37,000 08/13/02	250.803(b)(4)
Kerr-McGee Oil & Gas Corporation G-2002-013	Rusty vessel, walkways, stairways, and grating preventing safe operations.  12/21/01 – 12/21/01	\$20,000 10/22/02	250.107
Shell Offshore Inc. G-2002-014	Flowline pressure-activated relay had a pin inserted in it thereby bypassing the pressure safety high/low for flowline segment FA-2.  10/01/01 – 10/01/01	\$12,000 12/09/02	250.803(c)(1)
Exxon Mobil Corporation G-2002-015	Secondary sump pump, approved in lieu of level safety high on sump tank, found out of service  01/10/02 – 01/11/02	\$15,000 09/09/02	250.802(e)
Seneca Resources Corporation G-2002-016	Surface-controlled subsurface safety valve (SCSSV) for Well No. 15 was bypassed and out of service.  12/11/01 – 12/14/01	\$32,000 08/28/02	250.803(c)(1)
J. M. Huber Corporation G-2002-017	Relay for Well Number 81 Surface Safety Valve pinned out of service  01/08/02 – 01/08/02	\$7,000 08/27/02	250.803(c)(1)
BP Exploration & Production Inc. G-2002-018	The oil low level sensor on the heater treater was not tested within the required timeframe (missed 13 monthly tests).  12/13/00 – 12/03/01	\$39,000 09/16/02	250.804(a)(3)
Chevron U.S. A. Inc. G-2002-019	The gas sales pipeline (KAH 827) did not have secondary over-pressure protection.  11/13/01 – 11/13/01	\$23,000 09/30/02	250.1002(d)
Burlington Resources Offshore Inc. G-2002-020	The firewater pump was in the manual mode instead of the automatic mode, as required by the approved SAFE chart. The float cell oil pump's shutdown valve was bypassed.  04/20/01 – 04/20/01 04/20/01 – 04/20/01	\$47,500 12/05/02	250.802(e) 250.803(c)(1)
Remington Oil and Gas Corporation	Remote BOP control station was found inoperable.	\$12,500 12/04/02	

G-2002-024	04/18/02 – 04/18/02		250.406(d)(3)
Vastar Resources, Inc.	Leaking valves causing gas blow by and incorrectly operated Flotation Cell causing gas accumulation resulting in a fire which required an emergency evacuation of personnel and a shut in of the facility.	\$20,000	
G-2002-030		12/10/02	
	02/12/02 – 02/12/02		250.107
LLOG Exploration Offshore, Inc.	Two violations involving a ventilation alarm failure in the mud pit room when the ventilation fan was turned off and an audible alarm failure when testing the mud return indicator.	\$25,000	
G-2002-031		12/20/02	
	03/25/02 – 03/25/02		250.410(c)(2)(iii) 250-410(e)(1)
Conoco Inc.	Surface-controlled subsurface safety valve for Well A-6 was blocked out of service.	\$10,000	
G-2002-032		11/27/02	
	05/08/02 – 05/08/02		250.803(c)(1)
Conoco Inc.	Surface-controlled subsurface safety valve for Well A-5 was blocked out of service	\$5,000	
G-2002-035		11/27/02	
	05/09/02 – 05/09/02		250.803(c)(1)
Chevron U.S.A. Inc	The automatic backup accumulator charging system was rendered inoperable by closed air supply valves.	\$30,000	
G-2002-029		12/20/02	
	4/23/02 – 4/24/02		250.515(c)(2)
<b>Total Penalties Paid: 1/1/02 – 12/31/02</b>			
<b>56 Cases: \$1,503,700</b>			

The following acronyms are used in this table:

<b>ESD</b>	Emergency Shutdown Device
<b>INC</b>	Incident of Non-Compliance
<b>LACT</b>	Liquid Automatic Custody Transfer
<b>LSH</b>	Level Safety High
<b>LSL</b>	Level Safety Low
<b>MAWP</b>	Maximum Allowable Working Pressure
<b>NON</b>	Notice of Non-Compliance
<b>PSHL</b>	Pressure Safety High/Low
<b>PSL</b>	Pressure Safety Low
<b>PSV</b>	Pressure Safety Valve
<b>SCSSV</b>	Surface Controlled Subsurface Safety Valve
<b>SDV</b>	Shut Down Valve
<b>SSV</b>	Subsurface Valve

The purpose of publishing the [penalties summary](#) is to provide information to the public on violations of

special concern in OCS operations and to provide an additional incentive for safe and environmentally sound operations.

The Oil Pollution Act (OPA 90) strengthened section 24 of the OCS Lands Act Amendments of 11038. Subtitle B of OPA 90, entitled "Penalties," increased the amount of the civil penalty from a maximum of \$10,000 to a maximum of \$20,000 per violation for each day of noncompliance. More importantly, in cases where a failure to comply with applicable regulations constitutes or constituted a threat of serious, irreparable, or immediate harm or damage to life (including fish and other aquatic life); property; any mineral deposit; or the marine, coastal, or human environment; OPA 90 provided the Secretary of the Interior with the authority to assess a civil penalty without regard to the requirement of expiration of a period of time allowed for corrective action.

On August 8, 1997, the MMS published [new regulations](#) (22 KB PDF) implementing the civil penalty provisions of the OCS Lands Act. Written in "plain English," the new question-and-answer format provides a better understanding of the OCS civil penalty process. In addition, the provisions of OPA 90 require the Secretary of the Interior to adjust the maximum civil penalty to reflect any increases in the Consumer Price Index. The new rule increased the maximum civil penalty to \$25,000 per day per violation.

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**Last Updated:** 05/05/2010, 10:14 AM Central Time