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## OCS Civil and Criminal Penalties Program

### 2004 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.

### 2004 Civil/Criminal Penalties Summary All Penalties Paid in Calendar 2004 (01/01/2004 - 12/31/2004)

Operator Name (Contractor) and Case No.	Violation and Date(s)	Penalty Paid and Date Paid	Regulation(s) Violated (30 CFR)
<b>Dominion Exploration &amp; Production, Inc.</b>  G-2002-049	A fire resulted during a welding operation when operator failed to properly protect equipment containing hydrocarbons. Equipment was located on deck below immediately beneath welding site.  08/14/02 – 08/14/02 08/15/02 – 08/15/02	\$28,000  02/11/04	  30 CFR 250.107 30 CFR 250.113
<b>TDC Energy LLC</b>  (Island Operators Co. Inc.)  G-2003-005	The operating company was conducting operations without an H2S Contingency Plan with a confirmed presence of H2S in concentrations and volumes that could potentially result in atmospheric concentrations of 20 ppm or more of H2S.  10/29/02 – 10/29/02	\$25,000  05/07/04	  30 CFR 250.417(f)
<b>Pogo Producing Company</b>  G-2003-007	The sump pump ABH-1460 was isolated from the sump tank by a closed valve, rendering the pump inoperable.  01/29/03 – 01/29/03	\$10,000  03/12/04	  30 CFR 250.300(b)
<b>Murphy Exploration &amp; Production Company</b>  G-2003-009	Relay for the departing gas pipeline (KAH-0056) PSHL pilots was found pinned out of service  3/17/03 – 3/17/03	\$10,000  6/29/04	  30 CFR 250.1004
<b>BP America Production Company</b>  (Diamond Offshore Drilling, Inc.)	The Rig's Gas Detection System was bypassed with ongoing drilling operations being conducted.  03/01/03 – 03/18/03	\$25,000  02/03/04	  30 CFR 250.410(e)

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G-2003-010			(3)
<b>Chevron U.S.A. Inc.</b>	Gas detector protecting the generator building was found in the bypass position.	\$20,000 01/15/04	
G-2003-011	03/07/03 – 03/10/03		30 CFR 250.803(c)
<b>Devon Louisiana Corporation</b>	The production process group by-pass selector valve was found in the by-pass mode.	\$30,000 04/01/04	
G-2003-012	09/13/02 – 09/13/02		30 CFR 250.803(c)
<b>Helis Oil &amp; Gas Company, L.L.C.</b>	Surface-controlled subsurface safety valve for Well B-1 was blocked out of service.	\$10,000 02/04/04	
G-2003-014	05/29/03 – 05/30/03		30 CFR 250.803(c)
<b>El Paso Production GOM Inc.</b>	The LSH on the 3rd stage suction scrubber was bypassed and was not flagged or monitored.	\$12,000 01/09/04	
G-2003-015	06/12/03 – 06/13/03		30 CFR 250.803(c)
<b>GOM Shelf LLC</b> (Production Systems, Inc.)	Pollution resulted due to an inoperable drain sump system.	\$35,000 03/04/04	
G-2003-017	06/19/03 – 06/24/03 06/24/03 – 06/24/03		30 CFR 250.300(b) 30 CFR 250.300(a)
<b>BP Exploration &amp; Production Inc.</b>	A fire occurred involving the as-built diverter system leading to damage to property and the environment. The diverter system was not installed as in the approved plan, had inadequate supports, added right angle turns at the ends, and did not provide for downwind diversions.	\$190,000 07/06/04	
G-2003-018	08/06/02 – 08/09/02 08/06/02 – 08/09/02		30 CFR 250.409(d) (1) 30 CFR 250.415
<b>Chevron U.S.A. Inc.</b> (Production Management Industries, L.L.C.)	While cleaning a low pressure separator, the Confined Space Entry policy was not completely followed which resulted in an explosion and flash fire that injured four employees.	\$50,000 08/02/04	
G-2004-001	06/14/02 – 06/15/02		30 CFR 250.107(a)
<b>Union Oil Company of California</b> (Coastal Production Services, Inc.)	Rusted out hole in grating and missing toe (kick) plates in two locations.	\$35,000 07/26/04	
G-2004-002	05/09/03 – 05/09/03		30 CFR 250.107
<b>Comstock Offshore, LLC</b>	Tubing plugs for Well 01 and Well 01D were found leaking on March 31, 2002. Not repaired until September 18, 2002.	\$172,000 07/09/04	
G-2004-004	03/31/02 – 09/18/02		30 CFR 250.804(a) (1)

<b>Anadarko E&amp;P Company LP</b>  (Island Operators Co. Inc.)  G-2004-006	Subsurface safety valve in Well C-21 was found leaking and left in service without being repaired or replaced for 129 days.  07/29/02 – 12/04/02	\$96,750  08/20/04	30 CFR 250.804(a) (1)
<b>Walter Oil &amp; Gas Corporation</b>  G-2004-007	The Operator failed to implement the H2S Contingency Plan while performing operations on a well with a confirmed presence of H2S in concentrations and volumes that could potentially result in atmospheric concentration of 20 ppm or more of H2S.  12/03/03 – 12/04/03	\$40,000  09/01/04	30 CFR 250.490(f) (1-13)
<b>Murphy Exploration &amp; Production Company – USA</b>  G-2004-008	The SCSSV, which was being used as a tubing plug, was found in the open position with the hydraulic control line pressured up.  03/30/04 – 03/31/04	\$15,000  10/22/04	30 CFR 250.801(f)
<b>Newfield Exploration Company</b>  G-2004-009	The LSH on the 2 <sup>nd</sup> stage scrubber was found in the bypassed mode rendering it inoperable. It was not flagged nor being monitored.  03/29/04 – 04/01/04	\$12,000  11/08/04	30 CFR 250.803(c)
<b>Murphy Exploration &amp; Production Company - USA</b>  G-2004-010	The required surface safety valve (SSV-2) for Well CA-7 was found capped in the open position and inadvertently left bypassed for 8 days.  03/25/04 – 04/01/04	\$40,000  10/21/04	30 CFR 250.803(c)
<b>Apache Corporation</b>  (Island Operators Co. Inc.)  G-2004-015	The main safety panel for the Water Bath Heater, the Fired Component, and the Water Bath Pumps was found in the bypassed position and it was not flagged or being monitored by personnel  06/21/04 – 06/21/04	\$5,000  12/22/04	30 CFR 250.803(c)
<b>Aera Energy LLC</b>  P-2004-001	Aera appealed this INC to IBLA (see description below). Through DOI solicitor (Conforti), Aera proposed to settle this INC with a payment of \$25,000. MMS accepted Aera's offer via letter from DOI Solicitor to Aera's legal firm (Bingham McCutchen, LLP of Walnut Creek, CA) on January 22, 2004. The INC was not withdrawn and Aera paid \$25,000 on 02/04/04.  07/07/02	\$25,000  02/04/04	30 CFR 250.107(a) (1)
<b>Total Penalties Paid: 01/01/2004 - 12/31/2004</b>			

**21 Cases: (\$885,750)**

The following acronyms are used in this table:

<b>ESD</b>	Emergency Shutdown Device
<b>H2S</b>	Hydrogen Sulfide
<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.

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