



OCS Civil and Criminal Penalties Program

2001 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.

2001 Civil/Criminal Penalties Summary

All Penalties Paid in Calendar 2001

(1/1/2001 - 12/31/2001)

Operator Name and Case No.	Violation and Date(s)	Penalty Paid and Date Paid	Regulation(s) Violated (30 CFR)
BP Exploration & Oil Inc. G-2000-029	Unsafe operations were conducted during the slip and cut of the drill line and an employee was seriously injured. 3/16/00 - 3/16/00	\$20,000 2/14/01	250.107(a)
Santa Fe Snyder Corporation G-2000-031	A derrickhand, who was allowed to remain in the derrick during a pressure test of a Kelly hose, was seriously injured when the hose burst. 3/4/00 - 3/4/00	\$24,000 1/30/01	250.107
Millennium Offshore Group, Inc. G-2000-035	Seven violations involving the bypass of the following: 1) SCSSV on Well A-3 2) PSL LACT Charge Pump #1 3) PSL LACT Charge Pump #2 4) PSL on the Pipeline Pump #1 5) PSL on the Pipeline Pump #2 6) LSL on the Dry Oil Tank 7) LSL on the Wet Oil Tank 5/17/00 - 5/22/00 5/21/00 - 5/22/00	\$54,000 8/15/01	250.803(c)(1) 250.803(c)(1)
Amoco Production Company G-2000-036	The lift capacity for the platform crane was exceeded causing personnel injury and property damage. 1/26/00 - 1/26/00	\$23,000 1/13/01	250.120(c)
PANACO, INC G-2000-037	No annual crane inspection for 1998 and 1999. Gas detection system not tested within required timeframe. SCSSV in Well No. A-5L exceeded 12 month test requirement.	\$525,200 6/7/01	

Content:
[Joanne McCammon](#)

Pagemasters:
[OEMM Web Team](#)



	Records indicate that SSV's for Wells Nos. A-4L and A-4U were leaking since 10/29/99; valves not immediately repaired or replaced. Since 8/95, unable to test SCSSV in Well No. A-4L due to communication between tubing and production casing above and below valve. Failure to correct missing skirting on heliport; originally cited on 10/14/98.		
	01/01/96 - 03/17/00 06/02/98 - 07/09/98 11/11/94 - 03/14/00 12/12/99 - 03/16/00 10/14/98 - 03/14/00 02/26/00 - 03/16/00		250.20(c) 250.124(a)(1)(ii) 250.87(c) 250.804(a)(4) 250.120(a) 250.804(a)(8)
Energy Resource Technology, Inc. G-2000-039	The Gas Detection System was not tested for one required quarterly test and one sensor failed when inspected. 1/11/00 - 2/3/00	\$12,000 10/30/01	 250.804(a)(8)
Forcenergy Inc G-2000-041	PSHL on flowline for Well No. A-5 was bypassed. 3/23/00 - 3/23/00	\$18,000 4/30/01	 250.803(c)(1)
Equitable Production Company G-2000-042	Tubing plugs in Wells Nos. C-5D and C-6 found leaking on January 31, 1999. Not repaired until May 16, 2000. 1/31/99 - 5/16/00	\$283,200 5/1/01	 250.804(a)(1)(iii)
ATP Oil & Gas Corporation G-2000-043	Heater treater fire tube stack not insulated. Fire occurred on platform from sprayed condensate onto the heater treater fire tube stack. 5/2/00 - 5/2/00	\$15,000 2/13/01	 250.803(b)(5)(i)
Apache Corporation G-2000-046	PSV on the compressor fuel gas filter was blocked out of service. 7/16/00 - 7/25/00	\$20,000 1/12/01	 250.803(c)(1)
Shell Offshore Inc. G-2000-048	SCSSV for well JN-1U was bypassed. 2/21/00 - 2/21/00	\$10,000 5/25/01	 250.803(c)(1)
Energy Resource Technology, Inc. G-2000-049	Tubing plugs for 15 wells last tested for leakage Sept 1999. Should be checked every 6 months; missed one leakage test per well. 3/2/00 - 5/09/00 3/2/00 - 5/10/00	\$45,000 5/17/01	 250.804(a)(1)(iii) 250.804 (a)(1)(iii)
Union Oil Company of California	Did not conduct an annual crane inspection.	\$10,000	

G-2000-051	10/19/99 - 8/25/00	11/29/01	250.120(c)
Energy Resource Technology, Inc.	Pollution resulted from an improperly maintained skim pile.	\$20,000 4/26/01	
G-2000-052	4/11/00 - 4/11/00		250.300(b)(4)
W & T Offshore, Inc.	Glycol safety system relay pinned out of service; PSL bypassed on the pipeline; LSH inoperable on sump pile	\$36,000 3/26/01	
G-2000-053	8/09/00 - 8/09/00 7/27/00 - 7/27/00		250.803(c)(1) 250.803(c)(1)
Barrett Resources Corporation	13 well's SCSSV's not being tested in the required 6 month interval.	\$67,000 9/18/01	
G-2000-054	2/11/00 - 7/26/00 2/11/00 - 7/26/00 2/13/00 - 7/26/00 2/13/00 - 7/26/00 2/13/00 - 7/26/00 2/20/00 - 7/26/00		250.804(a)(1)(iii) 250.804(a)(1)(iii) 250.804(a)(1)(i) 250.804(a)(1)(iii) 250.804(a)(1)(i) 250.804(a)(1)(i)
Freeport-McMoRan Sulphur LLC	A sulphur fire occurred from welding operations.	\$17,500 5/5/01	
G-2000-055	6/8/00 - 6/8/00		250.107(a)
Chevron U.S.A. Inc.	The firewater system was inoperable for 81 days.	\$810,000 6/28/01	
G-2000-057	7/10/00 - 9/28/00		250.803(b)(8)
Elf Exploration, Inc.	PSV on the glycol filter was improperly maintained including a broken valve stem on the isolation valve. The glycol master panel was bypassed on 8/2/2000. The PSV on the glycol contractor was bypassed on 8/7 & 8/2000. The SCSSV for Well A-1 was not tested within the required timeframe (2 6-month tests were missed).	\$33,000 10/19/01	
G-2000-058	8/2/00 - 8/2/00 6/3/99 - 8/2/00 8/7/00 - 8/8/00 8/8/00 - 8/8/00		250.803(c)(1) 250.804(a)(1)(i) 250.803(c)(1) 250.107
Apache Corporation	The SCSSV in Well A-6 was tested on April 9, 2000, and found to be leaking greater than the allowable leakage rate. For three days the SCSSV was not removed, repaired and reinstalled, or replaced; it was not monitored during this time either.	\$21,000 8/16/01	
G-2000-060	4/9/00 - 4/11/00		250.804(a)(1)(i)
Coastal Oil & Gas Corporation	Two fires occurred on the same day and unsafe and unworkmanlike operations were conducted in both instances. For both fires, hot work operations were conducted in	\$37,000 8/16/01	
G-2001-001			

	close proximity of the dry oil tank even though there was prior knowledge of gas escaping from valves on top of the tank. 8/16/00 - 8/16/00 8/16/00 - 8/16/00		250.107(a) 250.107(a)
Apache Corporation G-2001-002	A flash fire occurred when the operator did not properly protect equipment containing hydrocarbons (that was within 35 feet horizontally from the welding area) from slag and sparks. 10/24/00 - 10/24/00	\$15,000 11/6/01	250.113(a)
Elf Exploration, Inc. G-2001-003	Overflow of oil from the bad oil tank and containment system resulted in a flash fire causing serious damage to equipment on platform and the release of oil into the Gulf of Mexico. 8/9/00 - 8/9/00 8/9/00 - 8/9/00	\$45,000 10/19/01	250.300(a) 250.107(a)
Pogo Producing Company G-2001-007	Bypassed ESD at boat landing 5/26/00 - 5/26/00	\$5,000 7/24/01	250.803(c)(1)
Coastal Oil & Gas Corporation G-2001-008	Fuel gas scrubber PSHL was in bypass position on production main panel; not flagged nor monitored. 1/14/01 - 1/14/01	\$7,500 8/17/01	250.803(c)(1)
Burlington Resources Offshore Inc. G-2001-011	PSV for 2nd stage compressor discharge set out of range. 11/13/00 - 1/5/01	\$27,000 8/15/01	250.804(a)(2)
Apache Corporation G-2001-012	Drilling operations continued as the air supply line to gas detector used to monitor drilling mud returns was turned off rendering the detector inoperable. 2/9/01 - 2/9/01	\$14,000 10/31/01	250.410(c)(2)(iv)
El Paso Production GOM Inc G-2001-014	One semi-annual test period missed on an SCSSV. 12/1/00 - 1/5/01	\$15,000 12/11/01	250.804(a)(1)(i)
Shell Offshore, Inc G-2001-023	A pollution event occurred as a result of pumps and LSHs on the Dry Oil Tank and Emergency Sump not operating correctly. 3/20/01 - 3/20/01	\$20,000 12/20/01	250.300(a)
RME Petroleum Company	The gas detection system in the mud pit room was inoperable for	\$52,500	

G-2001-033	3 days. 4/21/01 - 4/23/01	12/28/01	250.410(e)(3)
Aera Energy LLC P-1999-001	Failure to properly maintain pipeline, resulting in a pollution event. 6/7/99	\$25,000 5/4/01	250.300(a)
Chevron U.S.A. Inc. P-1999-002	Failure to replace compromised piping in a timely manner or remove it from service resulted in piping failure and release of 32,000 cf gas with 18,000 ppm H ₂ S, causing damage to facility and placing platform and lives of all personnel on platform in substantial danger. 7/21/99-8/3/99; 8/3/99	\$350,000 06/29/01	250.120(a)
Total Penalties Paid: 1/1/01 - 12/31/01 32 Cases: \$2,724,900			

The following acronyms are used in this table:

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

[| Advisory Committees](#) | [Economics](#) | [Environmental Program](#) | [Gas Hydrates](#) | [Information](#) | [International Activities](#) | [Leasing](#) | [Marine Minerals](#) | [Open Access Hotline](#) | [Operations](#) | [Overview](#) | [Partnerships](#) | [PAY.GOV](#) | [Regulations](#) | [Renewable Energy](#) | [Resource Evaluation](#) | [Resources](#) | [Royalty Relief](#) | [Safety and Oil Spill Research](#) | [Safety Award for Excellence \(SAFE\)](#) | [Scientific & Technical Publications, Info](#) | [Self Inspections](#) | [Special Projects](#) | [Stats & Facts](#) |

[| Accessibility](#) | [Disclaimers](#) | [FOIA](#) | [Inspector General](#) | [Privacy](#) | [Topic Index](#) |

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