



Civil Enforcement

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BP North Slope Clean Water Act Settlement

(Washington, DC - May 03, 2011) The U.S. Environmental Protection Agency (EPA), the U.S. Department of Justice and the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) today announced that BP Exploration Alaska, Inc. will pay \$25 million in civil penalties and implement a system-wide pipeline integrity management program for spilling more than 5,000 barrels of crude oil from the company's pipelines on the North Slope of Alaska. The penalty is the largest per-barrel penalty to date for an oil spill.

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Overview of Facility

British Petroleum Exploration (Alaska) Inc. (BPXA) is the sole operator of the oil production facility in the Prudhoe Bay Unit field located on the North Slope of Alaska. BPXA, a wholly-owned subsidiary of BP America, conducts oil exploration, drilling, and production in Alaska. Both major spills that are the subject of this case happened in Prudhoe Bay, which is the largest oil field in North America and one of the oldest on the North Slope.

Violations

The complaint alleges that BPXA illegally discharged an estimated 213,242 gallons of crude oil from its pipelines onto the North Slope of Alaska during two major oil spills in the spring and summer of 2006. BPXA also failed to prepare and implement certain requirements of the spill prevention measures required under the Clean Water Act (CWA). BPXA failed to follow Clean Air Act (CAA) requirements when removing asbestos-containing materials from its pipeline. BPXA also failed to comply in a timely manner with a Corrective Action Order that the Department of Transportation (DOT) - Pipeline and Hazardous Materials Safety Administration (PHMSA) issued to BPXA pursuant to the Federal Pipeline Safety Laws, 49 U.S.C. § 60101 et seq.

Injunctive Relief

The injunctive relief in this settlement requires BPXA to significantly improve inspection and maintenance of its pipeline infrastructure on the North Slope to reduce the threat of additional oil spills. In addition to minimizing the potential for future oil spills from BP's pipelines on the North Slope, the injunctive relief will also help minimize oil spills from its on-site storage tanks. The measures BP is required to follow in the Consent Decree will help ensure that there is no further contamination from oil onto the surface waters of

BP North Slope Clean Water Act Settlement Resources

Press Release (05/03/11)
 Consent Decree (PDF)
 129pp, 2M, About PDF)

"Today's settlement with BP Alaska imposes a tough penalty and requires the company to take action to prevent future pipeline oil spills on the Alaska North Slope. The Clean Water Act gives the US authority to assess higher penalties when oil spills are the result of gross negligence, and this case sends a message that we intend to use that authority and to insist that BP Alaska and other companies act responsibly to prevent pipeline oil spills." - Cynthia Giles, Assistant Administrator of EPA's Office of Enforcement and Compliance and Assurance.

the North Slope, such as the Alaskan tundra wetlands, that threaten the ecological health of this fragile ecosystem.

BPXA has replaced 16 miles of its oil transit pipelines with new facilities with increased capacity for pipeline inspection and maintenance.

The Consent Decree requires BPXA to develop and implement a comprehensive program to maintain the integrity of the entire Prudhoe Bay pipeline system consisting of over 1600 miles of pipeline, including both transportation and production lines. This Integrity Management Program (IMP) will address corrosion and other threats to BPXA's oil transit pipelines and upstream production pipelines on the North Slope. BPXA is also required to hire an independent monitoring contractor to consult with the government to ensure BP is in compliance with the terms of the Consent Decree.

BPXA is required to operate its oil transit pipelines as potentially affecting "high consequence areas." This will subject the pipelines to the pipeline integrity regulations of DOT's Office of Pipeline Safety (OPS).

BPXA is required to evaluate new leak detection technologies and report to the government whether new technology can improve leak sensitivity and response times. The Consent Decree further requires BPXA to revise its asbestos safety training course to include asbestos awareness information.

BPXA has developed and is implementing a Spill Prevention, Control, and Countermeasure (SPCC), plan in accordance with the applicable SPCC regulations at 40 C.F.R. Part 112.

Pollutants Addressed

The oil spills addressed by this settlement discharged approximately 5078 barrels (212,252 gallons) of crude oil.

Health and Environmental Effects

Oil spills are known to cause both immediate and long-term harm to human health and ecosystems. Oil reduces the level of oxygen in water and can suffocate wildlife.

Oil emulsions may stick to the gills of fish and coat and destroy algae and other plankton. Floating oil may reduce water exposure to the circulation of oxygen and, in conjunction with emulsified oil, interfere with photosynthesis.

Oil slicks can kill birds, contaminate food sources, reduce animal and plant reproduction and contaminate nesting habitats. Oil spills can cause long-term effects years later even if the oil remains in the environment for a relatively short period of time. Petroleum oils can also undergo oxidation and polymerization reactions and can form tars that persist in the environment for years. Asbestos is designated as a hazardous air pollutant. Studies have shown that exposure to airborne asbestos fibers may result in life threatening illnesses including: asbestosis, lung cancer or mesothelioma.

Please see EPA's Emergency Management pages for more information about the effects of chemicals, hazardous substances and oils on the environment.

Civil Penalty

The settlement agreement requires BPXA to pay a civil penalty of \$25 million within 30 days of the effective date of the settlement agreement. The SPCC and oil spills portion of the penalty will be paid to the Oil Spill Liability Trust Fund. The oil spill portion of this penalty reflects a gross negligence penalty.

Comment Period

The proposed settlement, lodged in the United States District Court for the District of Alaska, is subject to a 30-day public comment period and final court approval. Information on submitting comment is available at the Department of Justice website.

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