Chevron Takes Blame for Brazil Oil Spill

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SAO PAULO (AP) — An ongoing oil spill off the Brazilian coast occurred because Chevron underestimated the pressure in an underwater reservoir, the head of the company's Brazil operations said Sunday.

George Buck, chief operating officer for the Brazilian division of the San Ramon, California-based company, told foreign journalists that Chevron "takes full responsibility for this incident," and that "any oil on the surface of the ocean is unacceptable to Chevron."

But Buck rejected accusations the company did not notify authorities quickly enough after the leak was detected and that it did not properly manage cleanup operations.

Chevron was drilling an appraisal well about 230 miles (370 kilometers) off the northeastern coast of Rio de Janeiro when the leak began Nov. 7.

The drilling fluid that is pumped down the center of the drill as it works, lubricating and stabilizing the pressure of the bore hole, was not heavy enough to counter the pressure coming from the oil reservoir, Buck said.

That caused crude to rush upward and eventually escape through a breach in the bore hole and leak into the surrounding seabed.

The oil then made its way to the ocean floor and has since leaked through at least seven narrow fissures, all within 160 feet (50 meters) of the well head on the ocean floor, Buck said.

Brazil's National Petroleum Agency has said it's possible more than 110,000 gallons of oil have spilled into the Atlantic Ocean. Buck would not provide an estimate on the total size of the leak, but said the agency figure was "in the ballpark."

He added that the slick currently contains about 756 gallons (2,860 liters) of oil, a figure not confirmed by Brazilian regulators, though they have said it has been significantly reduced since Chevron successfully carried out the first stage of capping the well Thursday.

Buck estimated that 420 gallons to 4,200 gallons (1,590 liters to 15,900 liters) a day are still leaking from the seabed cracks. He declined to guess when the leaks would stop, saying it was hard to predict how long it would take the oil that rushed up the bore hole to make its way to the ocean floor, or even how much of it eventually would.

The slick has never threatened the coastline or Rio de Janeiro's world-famous beaches, instead floating toward the southeast, away from land.

The leak is one of the first major tests of offshore drilling safety for Brazil since massive offshore oil finds that are estimated to hold at least 50 billion barrels of oil. Brazilian officials are counting on their country being one of the globe's top oil-producing nations before this decade is out, and politicians are locked in heated battles about how to divide the future royalties.

Unlike in the U.S., the offshore drilling has produced little debate over safety within Brazil, where most citizens see the oil as key to the nation's economic future and its emergence as a global power. The government is even working on a nuclear-powered submarine, which it says it wants to use to patrol and protect the finds.

But both the lead Brazilian Federal Police investigator looking into the spill and the environment minister for Rio de Janeiro state have harshly criticized Chevron, saying the company was not prepared to handle the incident.

Investigator Fabio Scliar said Chevron had to be told about the leak by Brazil's state-controlled oil company, Petrobras, which operates a rig in the area where the leak occurred.

He also has accused the company of not using proper methods for cleaning up the spill. He says Chevron is putting sand on the slick to make the oil sink to the ocean floor, and that the company is not using enough manpower or boats in the cleanup.

Buck, however, said Chevron has not used sand or any chemical agents on the oil slick. Instead, he said, boats are driving through the slick to break it up while others skim the ocean surface to collect oil.

Eighteen boats work on a rotating basis on the slick, with a varying number of vessels working simultaneously, Buck said. He said that in the first days after the leak, a storm and ocean swells of 20 feet (6 meters) prevented the boats from safely working.

Carlos Minc, the Rio de Janeiro state environment minister, said that Chevron, which is a partner with Petrobras on the well, likely faces fines of at least $5.5 million.

"We're going to show this gang that they can't come here and create whatever environmental mess they want," Minc was quoted by the O Globo newspaper as saying in its Sunday edition. "I want to see the CEO of Chevron swim in that oil."

The drilling contractor for the Chevron Corp. well is Transocean Ltd., the owner of the Deepwater Horizon rig that oil company BP PLC was leasing at the time of last year's Gulf of Mexico oil spill, the largest in U.S. history and one that dwarfs this Brazilian leak. At its peak, BP's Macondo well was spewing more than 2 million gallons (7.5 million liters) a day.

Brazil itself has had bigger oil spills than this one.

In 2000, crude spewed from a broken pipeline at the Reduc refinery in Rio de Janeiro's scenic Guanabara Bay, spewing at least 344,400 gallons (1.3 million liters) into the water. Just a few months later, more than 1 million gallons (3.8 million liters) of crude burst from a pipeline operated by state-controlled oil company Petrobras into a river in southern Brazil.

Brazil's worst oil disaster was in 1975, when an oil tanker from Iraq dumped more than 8 million gallons of crude into the bay and caused Rio's famous beaches to be closed for nearly three weeks.

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