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For BP, a History of Spills and Safety Lapses

By JAD MOUAWAD

After BP's Texas City, Tex., refinery blew up in 2005, killing 15 workers, the company vowed to address the safety shortfalls that caused the blast.

The next year, when a badly maintained oil pipeline ruptured and spilled 200,000 gallons of crude oil over Alaska's North Slope, the oil giant once again promised to clean up its act.

In 2007, when Tony Hayward took over as chief executive, BP settled a series of criminal charges, including some related to Texas City, and agreed to pay \$370 million in fines. "Our operations failed to meet our own standards and the requirements of the law," the company said then, pledging to improve its "risk management."

Despite those repeated promises to reform, BP continues to lag other oil companies when it comes to safety, according to federal officials and industry analysts. Many problems still afflict its operations in Texas and Alaska, they say. Regulators are investigating a whistle-blower's allegations of safety violations at the Atlantis, one of BP's newest offshore drilling platforms in the Gulf of Mexico.

Now BP is in the spotlight because of the April 20 explosion of the Deepwater Horizon, which killed 11 people and continues to spew oil into the ocean. It is too early to say what caused the explosion. Other companies were also involved, including Transocean, which owned and operated the drilling rig, and Halliburton, which had worked on the well a day before the explosion.

BP, based in London, has repeatedly asserted that Transocean was solely responsible for the accident.

However, lawmakers plan to question BP executives about their overall commitment to safety at Congressional hearings [this week](#) on the Gulf incident.

"It is a corporate problem," said Representative Bart Stupak, Democrat of Michigan, who has been particularly critical of BP's operations in Alaska and will lead the House committee hearing, on Wednesday. "Their mentality is to get in the foxhole and batten down the hatch. It just seems there is this pattern."

The oil industry is inherently more dangerous than many other industries, and oil companies, including BP, strive to reduce accidents and improve safety.

But BP, the nation's biggest oil and gas producer, has a worse health, environment and safety record than many other major oil companies, according to Yulia Reuter, the head of the energy research team at RiskMetrics, a consulting group that assigns scores to companies based on their performance in various categories, including safety.

The industry standard for safety, analysts say, is set by Exxon Mobil, which displays an obsessive attention to detail, monitors the smallest spill and imposes scripted procedures on managers.

Before drilling a well, for example, it runs elaborate computer models to test beforehand what the drillers might encounter. The company trains contractors to recognize risky behavior and asks employees for suggestions on how to improve safety. It says it has cut time lost to safety incidents by 12 percent each year since 2000.

Analysts credit that focus, in part, to the aftermath of the 1989 [Exxon Valdez](#) grounding, which spilled 11 million gallons of crude oil into Prince William Sound in Alaska.

“Whatever you think of them, [Exxon](#) is now the safest oil company there is,” said Amy Myers Jaffe, an energy expert at [Rice University](#).

In an interview last week, Mr. Hayward, BP’s chief executive, conceded that the company had problems when he took over three years ago. But he said he had instituted broad changes to improve safety, including setting up a common management system with precise safety rules and training for all facilities.

“You can’t change an organization of 100,000 people overnight, but we have made extraordinary strides in three years,” Mr. Hayward said.

Ms. Reuter agrees that the company has made improvements during that time, resulting in fewer spills and injuries.

Yet some government officials say that they are troubled by the continuation of hazardous practices at BP’s refineries and Alaskan oil operations despite warnings from regulators.

For example, last year the [Occupational Safety and Health Administration](#) found more than 700 violations at the Texas City refinery — many concerning faulty valves, which are critical for safety given the high temperatures and pressures. The agency fined BP a record \$87.4 million, which was more than four times the previous record fine, also to BP, for the 2005 explosion.

Another refinery, in Toledo, Ohio, was fined \$3 million two months ago for “willful” safety violations, including the use of valves similar to those that contributed to the Texas City blast.

“BP has systemic safety and health problems,” said Jordan Barab, the deputy assistant secretary of labor for OSHA. “They need to take their intentions and apply them much more effectively on the ground, where the hazards actually lie.”

BP said it was in full compliance and had contested the OSHA findings at Texas City and Toledo. Since the 2005 blast in Texas, BP has invested \$1 billion to improve the refinery, it said.

Problems also remain in Alaska. In January, leaders of the House Energy and Commerce Committee sent BP a letter highlighting “serious safety and production incidents” over the last two years in Prudhoe Bay, the nation’s largest oil field.

In October 2009, gas at the field’s central processing plant leaked because of a stuck valve. BP operators were unaware of the leak because a pilot flame was not lit and security cameras were not pointed in the right direction, the committee said.

“This incident could have caused an explosion,” Representative [Henry A. Waxman](#), Democrat of California, and Mr. Stupak told BP in the letter.

Mr. Hayward acknowledged that the gas leak could have been serious but insisted “it wasn’t an incident.”

As for its Atlantis offshore platform, BP said it had found no evidence to support a whistle-blower’s allegations that it was operating without all the right paperwork. A spokesman for the company said, “Platform personnel have access to the information they need for the safe operation of the facility.”

The identity of the whistle-blower, and the exact nature of the person’s evidence, have not been made public. The federal Minerals Management Service is conducting the investigation.

Some analysts say the safety problems indicate that BP has not yet reined in the culture of risk that prevailed under Mr.

Hayward's predecessor, John Browne, who transformed BP from a sleepy British oil producer into one of the world's top explorers through the acquisitions of Amoco and Atlantic Richfield.

Mr. Browne set aggressive profit goals, and BP managers drastically cut costs to meet their quarterly targets. After the 2005 explosion in Texas City, investigators found that routine maintenance that might have averted the accident had been delayed because of pressure to reduce expenses.

In 2007, an independent review panel appointed by BP and led by [James A. Baker III](#), the former secretary of state, painted a scathing portrait of cultural failure at BP, finding that the company put profits before safety.

Mr. Browne, through a representative, declined to comment for this article.

One person brought in to address BP's lapses was Robert A. Malone, the chairman of BP America from 2006 to 2009.

"What I saw were breakdowns in a culture of safety," said Mr. Malone. "But to say there was something systemic — I couldn't see that."

Until the Deepwater Horizon accident, BP had not been involved in a fatal accident in the Gulf of Mexico. But between 1996 and 2009, according to the Minerals Management Service, BP-operated platforms spilled a total of about 7,000 barrels of oil — 14 percent of the amount spilled in the Gulf by any company. In that period, BP accounted for 15 percent of the oil production in the Gulf.

Now, the government says, nearly that much oil is pouring out every day from the current spill.

Clifford Krauss, Julie Werdigier, Andrew W. Lehren and Griffin Palmer contributed reporting.

This article has been revised to reflect the following correction:

Correction: May 11, 2010

An article on Sunday about a history of safety violations at the oil company BP misstated the job title of Jordan Barab, of the Occupational Safety and Health Administration, who commented on the company's record. He is a deputy assistant secretary of labor, not assistant secretary of labor.