BP Cites Crucial ‘Mistake’

‘Very Large Abnormality’ in the Well Wasn’t Heeded Hours Before Fatal Explosion

By Stephen Power

Oil giant BP PLC told congressional investigators that a decision to continue work on an oil well in the Gulf of Mexico after a test warned that something was wrong may have been a “fundamental mistake,” according to a memo released by two lawmakers Tuesday.

The document describes a wide array of mistakes in the fateful final hours aboard the Deepwater Horizon—but the main revelation is that BP now says there was a clear warning sign of a “very large abnormality” in the well, but work proceeded anyway.

The rig exploded about two hours later.

The congressional memo outlines what the lawmakers say was a briefing for congressional staff by BP officials early Tuesday. Company representatives provided a preliminary report on their internal investigation of the April 20 disaster, which killed 11 workers and continues to spill thousands of barrels of oil daily into the Gulf of Mexico.

The new developments come as President Barack Obama, working to tame a political storm over the spill, is expected to announce Thursday that the government will impose tougher safety requirements and more rigorous inspections on off-shore drilling operations.

According to the memo, BP identified several other mistakes aboard the rig, including possible contamination of the cement meant to seal off the well from volatile natural gas and the apparent failure to monitor the well closely for signs that gas was leaking in, the congressmen wrote in their post-meeting memo. An immense column of natural gas, erupting from the oil well, fueled the fireball that destroyed the rig.

A BP spokesman declined to comment on the memo’s specific statements. He said the company had identified “what we believe to be a series of underlying failures” that caused the accident.

Although the memo identifies some of the problems that led to these mistakes, it doesn’t identify who made the key decisions. Most of the work aboard the rig was performed by employees of Transocean Ltd., the rig’s owner and operator, and

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other contractors, but BP had managers aboard the rig to supervise the work at the time of the accident.

A Transocean spokesman said in response to the memo: "A well is constructed and completed the same way a house is built—at the direction of the owner and the architect. And in this case, that's BP."

The memo sheds new light on a key test performed hours before the explosion that has been a focus of congressional investigations. BP previously told investigators that a "negative pressure" test, which checks for leaks in the well, was inconclusive at best and "not satisfactory" at worst.

But in the meeting Tuesday, BP went further, saying the results were an "indicator of a very large abnormality" but that workers—unnamed in the memo—decided by 7:55 p.m. that the test was successful afterward. That may have been a "fundamental mistake," BP's investigator said in the meeting, according to the memo. Reps. Henry Waxman (D, Calif.) and Bart Stupak (D, Mich.) wrote the memo, which was made public Tuesday.

After that, workers began to remove the heavy drilling fluid, called "mud" in the industry, that provides pressure to prevent any gas that seeps into the well from rising to the surface. The memo also describes a breakdown in communication aboard the rig in the hours leading up to the explosion that made it tough for workers to monitor how much mud was coming out of the well—a key measure of whether gas is leaking in, according to the memo. BP identified "several concerns" related to the cementing process used on the well, the memo indicated. The cement work that was supposed to hold back gas "failed," the memo said, allowing gas into the well.

Haliburton, Co., the cementing contractor on the rig, said it followed BP's instructions.

"As a contractor, Halliburton made recommendations regarding the contract services provided," said Halliburton spokeswoman Cathy Mann. "However, ultimately, the responsibility for what operations to conduct lies with the well owner, and Halliburton is obligated to act at the direction of the well owner."

The congressional inquiry by Mr. Waxman, chairman of the House Energy and Commerce Committee, and Mr. Stupak, a senior member of the panel, has focused on the actions of the various companies and their workers on the day of the accident.

Inquiries by other congressional panels have tended to focus more on the actions of regulators or the general policies of the companies.

Separately on Tuesday, Democrats and Republicans jousted on Capitol Hill over how much money oil companies should have to pay for oil-spill damages, but agreed that the current $75 million limit was too low.

BP, which is responsible for stopping and cleaning up the giant spill, has said it would pay "all legitimate claims" from the spill. Some Democrats fear that the company might find a way to avoid some liability.

Speaking to a Senate panel, Associate Attorney General Thomas Perrelli said the limit should be removed entirely for deepwater drilling, arguing that the government needs to "ensure that there is no arbitrary cap on corporate responsibility for a similar major oil spill."

The agency that oversees the offshore oil industry, the Minerals Management Service, again came in for criticism.

On Tuesday the Interior Department's inspector general published a report saying employees at the Lake Charles, La., office of the MMS accepted sporting-event tickets, lunches and other gifts from oil and natural-gas companies. The report also said employees used government computers to view pornography.

It wasn't immediately clear how many MMS staffers were implicated in the inspector general's report, which said that "all of the conduct chronicled in this report occurred prior to 2007."

In a written statement, Interior Secretary Ken Salazar said that some employees cited in the report have resigned, been terminated or been referred for prosecution. He said that any remaining staffers accused of questionable behavior in the inspector general's report would be placed on administrative leave pending the outcome of a personnel review.

On Wednesday, Secretary Salazar is to testify before the House Natural Resources Committee on his plan to overhaul the MMS.

—Ben Cassebman, Russell Gold and Slubjan Hughes contributed to this article.

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