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BP Relief Wells Bring Risk of Bigger Gulf of Mexico Oil Spill
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By Joe Carroll

May 11 (Bloomberg) -- BP Plc faces the risk of an even bigger oil spill as it attempts to drill two so-called relief wells to plug a leak on the seabed of the Gulf of Mexico that's gushing 5,000 barrels a day into the ocean.

The relief wells will pump cement into the leak to seal it. To do that, BP will need to first drill into the same deposit of oil and gas that caused a pressure surge known as a blowout at the original well, igniting an explosion that killed 11 workers and sank a \$365 million drilling rig.

In a regulatory filing BP made to drill the relief wells it estimates another blowout could release as much as 240,000 barrels of oil a day into the ocean. That's almost 50 percent more than the company's worst-case estimate for the first well and equivalent to two-thirds of supply pumped daily from Prudhoe Bay, the largest U.S. oil field.

When detailing the risks in the filing, BP may have factored in the volatile conditions found when drilling the original well that blew up on April 20, said Fred Aminzadeh, a research professor at the University of Southern California.

"Usually in any type of deep-water drilling you want to take additional safety measures," said Aminzadeh, a former Unocal Corp. geophysicist and a past president of the Society of Exploration Geophysicists.

BP has begun drilling one of the relief wells to pump cement into the leaking Macondo well, about 40 miles from the Louisiana coast. BP, based in London, expects to finish the wells by July 15, according to a plan submitted to the Interior Department.

Nearing Shore

BP Chief Executive Officer Tony Hayward discounted the chances of another blowout as the company works to bring the leaking well under control and foul weather pushed the expanding slick closer to shore.

"The relief wells ultimately will be successful," Hayward told reporters in Houston. Drilling back-to-back relief wells is a "belt and braces" approach, "and will assure ultimate success," he said.

Golf ball-sized clumps of tar were found this past weekend on Dauphin Island off the Alabama coast and six-foot waves in the Gulf through May 13 may push crude ashore west of the main entrance to the Mississippi River. The U.S. Fish and Wildlife Service on May 8 closed public access to Louisiana's Chandeleur and Freemason islands, the first areas where oil reached land.

BP has spent \$350 million responding to the leaks and is the target of more than 100 lawsuits. A steel structure will be placed over the leaking well in the next few days in an effort to capture oil and

direct it to the surface. A previous bid with a larger containment device failed on May 8.

Rubber Plug

BP also plans to shoot tire pieces, golf balls and other rubber items into the top of the well to plug it during the next two weeks, Hayward said.

In its original exploration plan filed with the Interior Department's Minerals Management Service, BP estimated the worst-case scenario for a blowout would spew 162,000 barrels of crude a day. Hayward has more recently put the maximum potential leak rate at 60,000 barrels a day.

Aminzadeh said the relief wells pose bigger risks because they will be tapping into a pocket of crude and natural gas that's already flowing into the original well.

"It's potentially the case that you'd see a larger volume of oil because in effect you're puncturing two holes rather than one hole" in the formation, he said.

Scherie Douglas, leader of the regulatory compliance team at BP's Houston-based exploration and production company, declined to comment about the blowout estimate. She referred a call to the joint incident command center in Robert, Louisiana, staffed by BP, U.S. Coast Guard and Minerals Management Service personnel. John Curry, a BP spokesman, didn't return a phone message left for him at the center.

Second Well

BP began drilling a relief well on May 2 with Transocean Ltd.'s Development Driller III rig. The second well will begin on May 14 with Transocean's Discoverer Enterprise vessel. The sites of the relief wells are 5,160 feet beneath the sea floor, BP said in its filing.

Sanford C. Bernstein Ltd. analysts estimated April 30 that capping the leaks and cleaning up the spill may cost BP and its partners in the Macondo prospect \$12.5 billion.

Transocean, based in Geneva, owned the Deepwater Horizon that BP was using at Macondo last month. The vessel, which was built in 2001, sank to the bottom of the Gulf two days after the fatal explosion and fire. More than 100 crew members survived by jumping onto lifeboats.

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