

Oil rig explodes off the Louisiana coast

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An offshore oil rig exploded and caught fire Thursday morning off the shore of Louisiana, sending 13 workers jumping into the water to be rescued by boat. Firefighters battled the flames on the rig's platform throughout the day and had extinguished the fire by Thursday afternoon.

The explosion comes a little more than four months after the April 20 blowout of BP's Deepwater Horizon rig, which left 11 workers dead and resulted in the largest environmental disaster in US history.

The vessel catching fire on Thursday, Vermillion Oil Rig 380, was operating about 100 miles south of Louisiana's Vermillion Bay, about 200 miles west of the BP site, in about 340 feet of water. The rig is operated by Houston, Texas-based Mariner Energy, the 8th largest natural gas producer and 24th largest oil producer in the US outer continental shelf.

The fire was first reported by a nearby rig at about 9:20 a.m. local time. Thirteen workers, reportedly wearing flotation suits, jumped from the rig's production platform into the water after the explosion and were evacuated by boat, according to a Mariner spokesman. Although it had been reported earlier that one worker had been injured, Mariner reported later that there were no serious injuries.

Louisiana Governor Bobby Jindal said Thursday afternoon that Mariner Energy told him that all of the site's seven active wells had been "shut in," indicating they were not leaking oil. The company said the fire was being fed by oil stored on the platform. Mariner said the fire started at one of the wells, but that its cause was under investigation.

After an initial flyover of the site, Mariner officials had indicated that there was "no hydrocarbon spill." But in the hours after the explosion, US Coast Guard Petty Officer Elizabeth Bordelon reported a 100-foot wide, mile-long sheen had been sighted near the platform.

Later Thursday, however, Coast Guard Capt. Peter Troedsson told reporters in New Orleans that officials near the rig have not been able to confirm the earlier report, and that no oil had been spotted in the water by Coast Guard officials.

In an email to US Congressional offices, the Coast Guard said that platform workers reported that they had begun emergency shutdown procedures before abandoning ship, but that it was "unknown" whether those procedures had been successful.

In the email, the Coast Guard said that Mariner Energy told them the platform did not have a "standard" blowout preventer. In a press conference Thursday afternoon, Gov. Jindal said it was possible that some type of "nonstandard" blowout preventer may have been used, although he had no confirmation of this.

A blowout preventer is used as the device of last resort in such instances to stop the flow of oil or gas from a well. It was the failure of the blowout preventer on BP's Deepwater Horizon that triggered the catastrophic oil spill.

According to a Homeland Security operational update obtained by the Associated Press, the Vermillion 380 is a fixed platform that was in production at the time of the blast. A production platform is built after a well is drilled and can remain in place for years. The platform was producing 58,800 gallons of oil and 900,000 cubic feet of gas per day, and can store 4,200 gallons of oil, Mariner said.

According to a 2008 company report, the Vermillion 380 site was Mariner Energy's "largest field in the Gulf of Mexico Shelf by reserves," consisting of 50 percent oil and 50 percent natural gas. The well was drilled in the third quarter of 2008.

At the end of 2009 Mariner Energy, which focuses on oil and natural gas exploration in the Gulf of Mexico, had interests in nearly 350 federal off shore leases,

including more than 80 deepwater wells. More than 110 of these leases are in development. The company has about 300 employees and reported its most recent quarterly net income at \$1.7 million.

According to the *Los Angeles Times*, since 1996 the company has been aggressively expanding its operations in the Gulf of Mexico. Some of these operations have been in deep waters, ranging from 1,300 to 7,100 feet. The firm has been particularly active in the Permian basin, off the coast of Texas, with nearly 150,000 acres in operation there.

One week before the BP oil spill, another Houston-based oil company, Apache, announced plans to buy Mariner Energy in a \$3.9 billion cash-and-stock deal. The deal is still pending and is expected to be finalized some time in the next month or so. Apache spokesman Robert Dye said Mariner's wide range of operations throughout the Gulf made the company attractive for purchase.

According to safety records from the Bureau of Ocean Energy Management, Regulation and Enforcement (BOE)—formerly the Minerals Management Service (MMS)—federal authorities have cited Mariner Energy and related entities for 10 accidents in the Gulf over the last four years.

These accidents have ranged from platform fires to pollution spills and a blowout. Mariner was fined \$35,000 by MMS after welding sparks falling onto an oil storage tank caused a flash fire that burned a contract worker.

In the wake of the BP oil spill, the Obama administration attempted to impose a six-month moratorium on deepwater drilling. Companies connected to the deepwater drilling industry sued to overturn the ban and won in June, but the ban remains in somewhat of a legal limbo. In July, the government tried to impose a new moratorium and asked for the suit to be thrown out, but a federal judge refused this week to dismiss it.

In any event, the Obama administration has stressed its determination to quickly resume full operations, saying it plans to keep its ban on deepwater drilling in place until November 30 at the latest.

The Vermillion platform was operating in less than 500 feet and was therefore not classified as a deepwater well. Mariner Energy, however, along with a powerful lobby of deepwater oil drilling companies, have

vigorously defended their right to profit from their deep-sea oil drilling endeavors in the wake of the environmental disaster produced by the BP oil spill.

Just yesterday, Mariner employees were among 5,000 people rallied by the oil industry to protest at the Houston Convention Center against the moratorium on new deepwater oil drilling as well as new taxes directed against the oil industry.



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