BP oil spill update: Smooth sailing for 'top kill,' MMS director ousted

Even after the leaking well is permanently sealed, the Deepwater Horizon drama won't be anywhere near over. Just in Thursday's BP oil spill update, the MMS director is out, the spill is resized, and hearings proliferate on Capitol Hill.

A video grab, taken from a BP live video feed, shows a robotic arm using a wrench during the "top kill" procedure to stop the flow of oil from the Gulf of Mexico oil well, Thursday. BP is continuing the operation to try to plug its leaking Gulf of Mexico oil well but has no immediate update to give on whether it has succeeded, a BP spokesman said on Thursday.

(Reuters)
By Patrik Jonsson, Staff writer
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So far, so good is the word as America waits for the results of the so-called top kill gambit to cork the runaway Deepwater Horizon wellhead.

After weeks of preparation and risk-weighing, BP received the OK from Washington on Wednesday to start pumping thousands of gallons of heavy mud into an inoperable wellhead in an attempt to stem a leak that's been spilling as many as 19,000 barrels of oil a day into the Gulf of Mexico. As of Thursday morning, the mud mix had stopped the oil and gas flow, and engineers prepared to further plug the hole using rubber debris before attempting to cap the well with cement.

"We'll get this under control," Coast Guard Commander Thad Allen told the Los Angeles Times.

IN PICTURES: Louisiana oil spill

The disaster, however, will live on, even once the leak is stopped. Capping the well is but the beginning of a difficult chapter that will carve a new legacy for the Gulf's ecology, Washington's resource regulators, Big Oil, and the American people. The environmental and economic impacts of the spill are still untold, the legal issues years from being resolved, and the spill's impact on long-term energy independence uncertain.
The silver lining is that, much as the Exxon Valdez accident improved shipping safety, the Deepwater Horizon disaster will yield hard-earned lessons that could ultimately protect America's shores after deep-water oil and gas exploration resumes.

"There's going to be tremendous lessons out of this. We're going to see much more by-the-book operations," says Edward Glab, an oil industry expert at Florida International University in Miami. "It will absolutely make drilling safer in the future."

BP catches a break

Capping the well would be a major break for embattled BP, now under intense scrutiny for its safety practices and role in causing the disaster. Researcher Robert Bea of the University of California at Berkeley, picking through 400 hours of interviews with BP employees, has pinned 90 percent of the blame for the disaster on BP's shoulders.

Even if the well is capped, one big question remains for the tarnished oil giant: whether BP will follow in the footsteps of Exxon, which now has one of the most bureaucratic – and safest – shipping organizations in the world following the 1989 Exxon Valdez disaster, which may pale next to the Deepwater Horizon blowout.

"There's no seat-of-the-pants intuitive approach to Exxon's approach anymore," says Dr. Glab.

BP will also have to learn from a number of failures in the run-up and aftermath of the Deepwater spill, he says.

For one, BP's worst-case spill scenario as described to regulators by far underestimated the true impact of a blowout at 5,000 feet. The British oil giant didn't have enough containment booms or dispersants on hand to collar the spill. Testimony from Rep. Edward Markey (D) of Massachusetts on Wednesday also indicated that BP dramatically, and knowingly, underestimated the flow of oil by several factors. As much as 19,000 barrels a day flowed out of the well, not BP's 5,000-barrel estimate, according to new government figures. That makes the total size of spill up to 20 million gallons, nearly twice the size of the Exxon Valdez spill.

Future impacts of the spill

Ecologically, the full effect of the spill on wildlife and habitats has not yet been felt, even as oil now covers nearly 100 miles of Louisiana marshland. Questions about how much of the light crude oil is suspended underwater are unanswered, even as the spill begins to threaten Florida's tourist beaches.

Politically, the Obama administration has ordered a full-court press for reform of the Interior Department's Minerals Management Service, which oversees outer continental shelf drilling, all of which is likely to lead to new restrictions and safety requirements for oil companies. Myriad congressional hearings are under way.

On Thursday, President Obama ordered extending the current exploration moratorium to six months. Also this week, the government stalled Shell's plans to begin drilling in the Arctic Ocean, off Alaska. The head of the MMS also stepped down Thursday after revelations about illegal gift-exchanges at MMS' Lake Charles office.

Some critics, including former Bush strategist Karl Rove, has called the BP spill "Obama's Katrina," citing inadequacies and failures in Washington's response.

"What I'm spending my time thinking about is, how do we solve the problem," Mr. Obama said in his defense Thursday. "I'm confident people are going to look back and say this adminstration was on top of what was an unprecedented crisis."

Going forward, oil companies themselves are likely to see their insurance premiums go from $2 million a year to $5 million per rig. That's significant, but probably won't curb exploration plans. Lawsuits are also already piling up and could take decades to resolve. "This is going to be the Trial Lawyer Full Employment Act for the next few years," says Robert Bryce, an energy expert at the Manhattan Institute.

Not 'a game-changer' for oil's future

The top kill plan, unprecedented at 5,000 feet of water, was cobbled together in what Interior Secretary Ken Salazar called a kind of Apollo 13 operation in which government scientists and oil industry engineers brainstormed solutions at a Houston operations center. Even if the top kill were yet to fail, what's being learned in that room will rewrite the deep-water spill response manual.
“The industry as a whole will learn a lot from this, and ultimately that will probably be a good thing,” says Bryce. “But it's not a
game-changer. It doesn't change the law of thermodynamics or the tyranny of big numbers. The most important thing to remember is that,
as bad as all this has been, the offshore oil and gas industry is not going to slow down [drilling in deep water offshore], because that's
where the non-OPEC resources are.”

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