

Sample case study on gulf mexico bp oil spill

[Business](#), [Company](#)



Abstract

Gulf Mexico oil spill also known as the Deep-water Horizon oil spill, BP Oil Disaster or the Macondo Blowout is considered to be the largest oil spill in the history of mankind. Such oil spills cause a lot of environmental as well as economic damages. Laws are in place to urge oil drilling companies to keep provisionary measures on the face of such disasters. But many situations went wrong causing a massive oil spill, a part of which still floats around in the seas. The following article is a discussion of the Gulf Mexico BP Oil Spill incident and what could have been done to avoid such a disaster again.

Introduction

Petroleum is the one of the most important conventional energy source. It fuels human lives every day. Petroleum, which literally means oil of rock in Greek, is an organic mixture of gases, chemicals and oils formed from deposited decaying organic material millions of years ago under high pressure. Large deposits of Petroleum can be found deep under the Earth's crust. Most of the petroleum deposits are found in deep ocean floors and shale deposits. With rising needs for petroleum in the worldwide market, oil dealers like BP have set up many oil drill rigs, some of which work in the oceans. Some of these drill sites are shallow and are comparatively easier to manage with the accumulation of past experiences. Deep sea drilling is a comparatively new concept and disasters on such rigs are not heard of commonly. Gulf Mexico BP Oil Spill or popularly known as the Deep-water oil spill began on 20 April, 2010 (Gills and Robertson, 2010).

The reason for the oil spill was a blast on an offshore deep sea oil rig, which

left a leaking hole at the submarine drilling site under BP's jurisdiction, the Macondo Prospect or the Mississippi Canyon Block 252 (MC252) (Gills and Robertson, 2010). The blast killed eleven crew members of the total 126 members on board the rig. The rig was a nine year old Transocean, named as the Deep Horizon, capable of drilling as deep as 3000 meters under water. Although most of the members were saved from the disaster site, the leak remained open for nearly three months even with several failed attempts at sealing the leaks, spewing out tar and petroleum. The leak could be stemmed only after 87 days of repeated attempts on 15 July, 2010, by the time of which the oil slick had spread upto 180, 000 km² of the ocean's surface. Nearly a 100 million US gallons of oil, according to NOAA and independent estimates in 2010 remained spread under the surface. However, leaks resurfaced in the form of tar balls and oil slicks in the ensuing months in 2011 and BP claimed to have finally sealed failed caps in October, 2012(Gills and Robertson, 2010).

The reason for this devastating incident were found in an US report that highlighted the use of downgraded cement used in the well, incriminating BP, the rig provider Transocean and the contractor Halliburton. There were claims prior to this report that put blame completely on BP for using severe cost cutting on the operation of the rig in place. Unfortunately it could not be denied that the oil slick and the ensuing ecological and economical damage were a cause of the faulty administrative policies of the company as well as the lacking reforms in the business practices and government reforms.

Environmental Impact

The magnitude of ecological effect of the oil slick that followed the leak was tremendous. Nearly 60, 000 barrels per day was a figure that many believed was being spilled out each day as efforts were being made to control the spill. According to satellite images, nearly 125 miles of the nearby coast of Louisiana, coasts around Mississippi, Florida and Alabama saw oil spills and tar balls wash up to the shores (Schleifstein, 2012). Estuaries and ecological reserves saw washing up of oil slicks even after the leaks had been controlled by BP (Schrope, 2013).

Corexit oil dispersants were used to disperse the oil accumulated at the surface, of water bodies to remove any anaerobic respiration that could happen due to the cut off sunlight to the inner levels of the ocean. Oil eating bacteria were then deployed, although there were fears that they may deprive oceanic living organisms of oxygen. However, there efforts seemed ineffective as tar balls and oil slicks continued to make appearance even after many months of sealing of the initial leaks. Many agencies, both government and independent, pointed to the over-exaggerated efficiency of these so called sludge eating bacteria (Jervis and Levin, 2010)..

Health issues from islands nearby were reported rapidly in 2010, just after the leak began to spread to its complete magnitude. Mental health issues, skin problems, digestive tract problems and other diseases were reported after a long time. These complaints indicated poisoning of food chain due to release of chemicals during the leak in Mexico Gulf (Schleifstein, 2012).

The environmental impacts that ensued were deep. In the first birthing season of dolphins after the oil leak, nearly 10% more dead baby dolphins

washed into the shores than usual (Schrope, 2013). There was a stark evidence of existence of the oil dispersant used to control the oil slick in the food chains. Some bird eggs, as far as Minnesota tested positive for toxic chemicals that were released during the oil slick. In July 2013, a discovery of nearly 40, 000 pounds of tar mat off the coast of East Grand Terre Island, Louisiana caused the United States' Department of Wildlife and Fisheries to close the region for any kind of commercial fishing.

Social and Economic Impacts

The first economic impact was the volume of loss suffered by BP and the shortage of oil that the company and the consumers had to face due to the volumetric loss in the leak. The second economic impact came with Barack Obama's decision to reissue oil drilling leases to off shore companies which left 33 rigs dysfunctional (Jervis and Levin, 2010). The companies that owned these rigs formed a Back to Work Coalition that found acquittal in federal courts in 2013. United States had to request for skimming boats from foreign countries to help in clearing out the huge oil slicks and tar balls that remained afloat even after many months of sealing of the initial leaks. British economy was hurt as the company involved, although it worked through American methods, was named British Petroleum. The economic impact was felt world over, although the ecological impact was many times as compared to the economic impacts of the incident.

Legal regulations and Judicial Process

The legal procedures that followed the leak and its sealing included insinuations and callings of misinterpretation of statistical data and severe

cost cutting decisions by BP, Transocean and Halliburton (Schrope, 2013). Many studies launched through government aid and independently found BP and the other two organizations guilty at 14 counts of law breaks, 11 of which were manslaughter in nature itself. BP had to pay hefty sums of compensation with four years of government regulated working

Discussion

The situation that arose due to this incident was indicated as avoidable at many times during the whole course of events that followed the blowout. The companies were accused of cost cutting strategies, ignorance of safety tests and using material for cementing that was not of graded quality. Savings may be an important aspect in the setup of a project, but that should not reflect into the quality of the working of the project itself. If the companies had exercised extra efforts at precautionary measures at the beginning of the oil drilling project none of the present damages would have occurred. In this the soul responsibility lies upon the authorities that sanctioned such activity.

Conclusion

Human effort is great. To survive is important. But selfish gains are not gains at all. These can affect many things to in the future, from coming generations to the bounty that they are entitled to. BP and its associated companies perpetrated a series of events that spelt disaster for so many. It is yet to be seen as to how long these effects would last and how many ecological losses would be incurred till then. However, diligence and a sense

of responsibility would have been enough to help mankind avoid such an outcome.

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