

ONE HUNDRED ELEVENTH CONGRESS  
**Congress of the United States**  
**House of Representatives**  
COMMITTEE ON ENERGY AND COMMERCE  
2125 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-6115

Majority (202) 225-2927

Minority (202) 225-3641

January 14, 2010

Mr. John C. Mingé  
President  
BP Exploration (Alaska) Inc.  
P.O. Box 196612  
900 E. Benson Boulevard  
Anchorage, AK 99516

Dear Mr. Mingé:

The Committee on Energy and Commerce has oversight authority for the Trans-Alaska Pipeline System (TAPS). TAPS supplies nearly 700,000 barrels of oil per day to the continental United States, or more than a quarter of the nation's daily petroleum consumption. TAPS is a vital energy security asset for the United States.

Recent serious safety and production incidents warrant the Committee's requesting updated information regarding the safe operation of the pipeline.

In the Spring and Summer of 2006, BP Exploration's (Alaska) (BPXA) production facilities on the North Slope experienced two oil spills resulting from corrosion in its Oil Transit Lines. These spills, and the temporary shut down of the Greater Prudhoe Bay Field, interrupted the flow of oil to the Western region of the United States for a period of time. This Committee conducted two oversight hearings to determine the cause of the spills and to understand what actions BP was taking to ensure that the critically important natural resource that BPXA manages receives the funding required for safe and productive operations. Since 2006, this Committee has continued to monitor various issues concerning BPXA's North Slope activities, including an ongoing commitment to sustain safe and reliable production in its Alaska operations.

### **Recent Safety and Production Incidents**

Through the Committee's continuing oversight of BPXA's activities, we have learned of several significant events in BPXA North Slope operations over the last 15 months:

- **September 29, 2008:** An 8-inch high pressure gas line at the Y-Pad location "separated," sending 3 pieces of pipe to the tundra. Two segments of the pipe measuring 14 feet and

28 feet in length landed 900 feet from the pipeline. Roughly 30 minutes later, a second and unrelated incident occurred on the S-Pad, causing a gas release.

- January 15, 2009: A disc cleaning “pig” became lodged and lost in a 34-inch Oil Transit Line during de-oiling, allowing gas to pass around the pig and travel through Skid 50 to Pump Station 1, causing a significant venting of gas to the atmosphere and the complete, temporary shutdown of the TAPS.
- October 10, 2009: At the Central Compressor Plant, low pressure flare staging valves stuck closed, causing gas to travel to the backup low pressure flare valves, which activated and caused gas to vent improperly to the atmosphere. This incident could have caused an explosion. In a briefing, you reported to Committee staff that the pilot on the backup flare was not lit and that cameras, while on, were not pointed at the flare location, which prevented BP staff from knowing the pilot was out.
- November 29, 2009: An 18-inch pipe near the Lisburne Production Center that was carrying a mixture of crude oil, produced water, and natural gas ruptured, spraying its contents over an estimated 8,400 square feet area.

In addition to these four events, BPXA has experienced a number of personnel incidents involving serious injury or death, including two within three weeks of each other in which individuals were crushed by their own vehicles. A vehicle incident at Prudhoe Bay’s North Gas Injection Pad on November 18, 2009 resulted in the death of a BP contract employee.

At the same time that these events are occurring, Committee staff have received reports that proposed budget cuts by BP may threaten the company’s ability to maintain safe operations.

### **Request for Information**

We appreciate your continued willingness to meet with Committee staff and respond to our inquiries. This letter follows up on the most recent briefing and seeks more information about BPXA’s response to recent safety events and the status of the company’s programmatic commitments to its North Slope operations. Please provide a complete written response, **by January 29, 2010**, to assist the Committee with its ongoing oversight of these matters. In response to this letter, please address the following:

#### **Pipeline Corrosion Concerns**

Although the Oil Transit Line has been replaced successfully, as BPXA promised, recent events raise questions about the condition of feeder lines that lead from the well heads to the Oil Transit Line itself. Please provide a full briefing on the status of the corrosion monitoring program, including pigging operations, for these feeder lines. Include in this briefing the status

of pigging operations for all the lines that have the potential to impact the continued flow of oil to the TAPS. We expect that this response will include reports regarding the pipe separation incident that occurred last year near Y-pad, its causes, and what actions have been taken to ensure that no other lines suffer similar ruptures.

### High Potential Incidents

Please provide a description of actions BPXA has taken to increase process safety in its North Slope operations. In particular, please describe planning and risk assessment undertaken by the company prior to the January 15, 2009, 34-inch Oil Transit Line de-oiling incident and the October 10, 2009, Central Compressor Plant gas release incident. Please also identify any changes resulting from the January 15 and October 10 incidents.

### 2010 Budget Cutbacks

Please outline any operational cuts imposed in BPXA's 2010 budget and set forth BPXA's plan for ensuring that these cuts do not affect negatively the safety of workers or the environment. In particular, please detail implementation of "bottom up" budgeting and how the company has integrated line workers into the budgeting process. Please specify any deferred projects, capital expenditures, or personnel plans that have the potential to impact safe operations and explain how the company will mitigate that impact.

### Employee Concerns

BPXA acknowledged during the 2006 hearings that it had not done a very good job in identifying or responding to employee concerns. The company committed to taking actions to improve that process. We acknowledge the work of the BP Office of the Ombudsman, and there has been a decrease in the number of concerns reported to this Committee since the Office's creation. To assist the Committee in its continued oversight, please provide an update on operations in the Ombudsman's office, including the number and type of concerns received and the actions the company has taken in response. In addition, please describe BP's plans for improving its process for addressing employee concerns and all actions taken to meet those goals.

### Legacy Issues

Last December, BPXA submitted to this Committee a copy of the Ombudsman's Legacy Issue Report, as part of the company's commitment to conduct a full review of all employee concerns raised since 2000. Please provide an update on the status of all unresolved issues in that report, including the Ombudsman's and BPXA's actions concerning each issue.

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Fire and Gas Upgrade Project

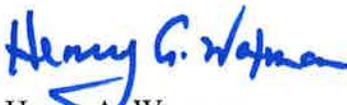
This Committee has been examining the status of aging fire and gas systems intended to detect and prevent explosions in particularly dangerous facilities for many years. Please update the Committee on any actions BPXA is taking to upgrade these systems and facilities and what impact any proposed budget cuts would have on these plans.

Risk Assessment Activities

At the time of the 2006 hearings, BPXA recently had created a Technical Directorate to conduct risk assessment, including examination of company resources dedicated to operations and maintenance. Please update the Committee on the Directorate's work in this regard, and in particular, its consideration of pipeline and corrosion issues. Please include in this discussion any Directorate risk assessment of the line that ruptured near the Lisburne Production Center on November 29, 2009, and inform the Committee of any changes in scheduled assessments that resulted from the spill.

We appreciate your cooperation with this request so that the Committee can continue its ongoing oversight to ensure that BPXA's operations in the North Slope are adequately protecting workers and the environment. We are considering other oversight measures, including additional hearings and a possible staff visit to the North Slope this winter to inspect the facilities involved in recent safety incidents. We would appreciate the involvement of the Office of the Ombudsman in your responses to these questions and their participation in the briefings you provide.

Sincerely,



Henry A. Waxman  
Chairman



Bart Stupak  
Chairman  
Subcommittee on Oversight  
and Investigations

cc: The Honorable Joe Barton  
Ranking Member

The Honorable Greg Walden  
Ranking Member  
Subcommittee on Oversight  
and Investigations

# Congress of the United States

## House of Representatives

Washington, D.C. 20515

### Responding to Document Requests from the Committee on Energy and Commerce

In responding to the document request from the Committee on Energy and Commerce, please apply the instructions and definitions set forth below.

#### Instructions

1. In complying with the request, you should produce all responsive documents in your possession, custody, or control.
2. Documents responsive to the request should not be destroyed, modified, removed, transferred, or otherwise made inaccessible to the Committee.
3. In the event that any entity, organization, or individual denoted in the request has been, or is currently, known by any other name than that herein denoted, the request should be read also to include them under that alternative identification.
4. Each document produced should be produced in a form that renders the document capable of being copied.
5. When you produce documents, you should identify the paragraph or clause in the Committee's request to which the documents respond.
6. Documents produced in response to this request should be produced together with copies of file labels, dividers, or identifying markers with which they were associated when this request was issued. To the extent that documents were not stored with file labels, dividers, or identifying markers, they should be organized into separate folders by subject matter prior to production.
7. Each folder and box should be numbered, and a description of the contents of each folder and box, including the paragraph or clause of the request to which the documents are responsive, should be provided in an accompanying index.
8. It is not a proper basis to refuse to produce a document that any other person or entity also possesses a nonidentical or identical copy of the same document.
9. If any of the requested information is available in machine-readable or electronic form (such as on a computer server, hard drive, CD, DVD, memory stick, or computer backup tape), you should consult with Committee staff to determine the appropriate format in which to produce the information. Documents produced in electronic format should be organized, identified, and indexed electronically in a manner comparable to the organizational structure called for in (6) and (7) above.

Documents produced in an electronic format should also be produced in a searchable format.

10. In the event that a responsive document is withheld on any basis, you should provide the following information concerning the document: (a) the reason the document is not being produced; (b) the type of document; (c) the general subject matter; (d) the date, author, and addressee; and (e) the relationship of the author and addressee to each other.
11. If any document responsive to this request was, but no longer is, in your possession, custody, or control, you should identify the document (stating its date, author, subject and recipients) and explain the circumstances by which the document ceased to be in your possession, custody, or control.
12. If a date or other descriptive detail set forth in this request referring to a document is inaccurate, but the actual date or other descriptive detail is known to you or is otherwise apparent from the context of the request, you should produce all documents which would be responsive as if the date or other descriptive detail were correct.
13. This request is continuing in nature and applies to any newly discovered document. Any document not produced because it has not been located or discovered by the return date should be produced immediately upon location or discovery subsequent thereto.
14. All documents should be bates-stamped sequentially and produced sequentially.
15. Two sets of documents should be delivered, one set to the majority staff and one set to the minority staff. The majority set should be delivered to the majority staff in Room 316 of the Ford House Office Building, and the minority set should be delivered to the minority staff in Room 564 of the Ford House Office Building. You should consult with Committee staff regarding the method of delivery prior to sending any materials.
16. Upon completion of the document production, you should submit a written certification, signed by you or your counsel, stating that: (1) a diligent search has been completed of all documents in your possession, custody, or control which reasonably could contain responsive documents; and (2) all documents located during the search that are responsive have been produced to the Committee or identified in a privilege log provided to the Committee.

## Definitions

1. The term “document” means any written, recorded, or graphic matter of any nature whatsoever, regardless of how recorded, and whether original or copy, including, but not limited to, the following: memoranda, reports, expense reports, books, manuals, instructions, financial reports, working papers, records notes, letters, notices, confirmations, telegrams, receipts, appraisals, pamphlets, magazines, newspapers, prospectuses, interoffice and intra-office communications, electronic mail (email), contracts, cables, notations of any type of conversation, telephone calls, meetings or other communications, bulletins, printed matter, computer printouts, teletypes, invoices, transcripts, diaries, analyses, returns, summaries, minutes, bills, accounts, estimates, projections, comparisons, messages, correspondence, press releases, circulars, financial statements, reviews, opinions, offers, studies and investigations, questionnaires and surveys, and work sheets (and all drafts, preliminary versions, alterations, modifications, revisions, changes, and amendments of any of the foregoing, as well as any attachments or appendices thereto). The term also means any graphic or oral records or representations of any kind (including without limitation, photographs, charts, graphs, voice mails, microfiche, microfilm, videotape, recordings and motion pictures), electronic and mechanical records or representations of any kind (including, without limitation, tapes, cassettes, disks, computer server files, computer hard drive files, CDs, DVDs, memory sticks, and recordings), and other written, printed, typed, or other graphic or recorded matter of any kind or nature, however produced or reproduced, and whether preserved in writing, film, tape, disk, videotape or otherwise. A document bearing any notation not a part of the original text is to be considered a separate document. A draft or non-identical copy is a separate document within the meaning of this term.
2. The term “documents in your possession, custody, or control” means (a) documents that are in your possession, custody, or control, whether held by you or your past or present agents, employees, or representatives acting on your behalf; (b) documents that you have a legal right to obtain, that you have a right to copy, or to which you have access; and (c) documents that you have placed in the temporary possession, custody, or control of any third party.
3. The term “communication” means each manner or means of disclosure or exchange of information, regardless of means utilized, whether oral, electronic, by document or otherwise, and whether face-to-face, in a meeting, by telephone, mail, telexes, discussions, releases, personal delivery, or otherwise.
4. The terms “and” and “or” shall be construed broadly and either conjunctively or disjunctively to bring within the scope of the request any information which might otherwise be construed to be outside its scope. The singular includes plural number, and vice versa. The masculine includes the feminine and neuter genders.
5. The terms “person” or “persons” means natural persons, firms, partnerships, associations, corporations, subsidiaries, divisions, departments, joint ventures,

proprietorships, syndicates, or other legal, business or government entities, and all subsidiaries, affiliates, divisions, departments, branches, and other units thereof.

6. The terms “referring” or “relating,” with respect to any given subject, means anything that constitutes, contains, embodies, reflects, identifies, states, refers to, deals with, or is in any manner whatsoever pertinent to that subject.

## **Errata Sheet**

The Trans-Alaska Pipeline System (TAPS) production is 667,000 barrels per day, roughly 0.7 million barrels per day. Oil consumption in the continental United States in 2008 was 19.5 million barrels per day, according to the Energy Information Administration. Thus, TAPS supplies roughly 3.6% of the nation's daily petroleum consumption.