PEMEX Experiences Three Environmental Emergencies in a Week

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The state-run oil company PEMEX experienced three environmental emergencies within the span of a week in October, one involving a deadly collision between a drilling rig and a floating oil platform off the coast of Campeche, another a major spill from a leaky pipeline in Veracruz, and a third incident involving a leak at an oil well, also in Veracruz.

The accidents brought renewed attention to deficiencies in PEMEX’s safety practices and its obsolete and crumbling infrastructure. The accident off the coast of Campeche occurred Oct. 24 when the Usumacinta drilling rig collided with the Kab-101 platform. Rescue workers were able to pull 61 oil workers to safety, but another 22 employees drowned at the site. This was the deadliest accident in the Gulf of Mexico since 1964, when an explosion on a drilling barge also resulted in 22 casualties. At least 15 of the rescued workers were taken to the hospital to be treated for hypothermia, dehydration, shock, and other problems.

PEMEX officials attributed the accident primarily to inclement weather. "Because of wind gusts of up to 130 km per hour and waves of six to eight meters...the Usumacinta drilling platform struck the valve train of the Kab-101 platform," PEMEX said in a statement. The crash triggered fires near the damaged platforms, which complicated the rescue and cleanup operations, said Campeche Gov. Jorge Hurtado.

PEMEX accused of not taking proper precautions

There are allegations that PEMEX knew that a storm was coming and still sent the workers out to the rig that day. "There was a lot of wind that day," said Delia Reyes Diaz, who helps with meal preparations on one of the damaged platforms. "[The employees] should not have gone out there...because it seems like the winds were reaching 100 km per hour." Reyes also said that PEMEX has offered inadequate safety training for its employees. "I am thankful that I was able to leave the platform in good shape," she told the Mexico City daily newspaper La Cronica de Hoy.

Gov. Andres Granier of Tabasco state said a lack of communication from agencies like the Servicio Meteorologico Nacional (SMN) contributed to the problem. "[The SMN] did not tell us that a front was coming through with winds of 130 kph," said Granier, who raised concerns that the oil spill from the site of the accident would reach the coast of Tabasco. "The oil spill is practically in front of us." In the Congress, legislators introduced a motion to summon Labor Secretary Javier Lozano and PEMEX director Jesus Reyes Heroles to testify about the actions taken in the aftermath of the accident.

Deputy Jose Antonio Almazan, a member of the opposition Partido de la Revolucion Democratica (PRD) and chair the human rights committee (Comision de Derechos Humanos) in the lower
house, said Congress wants to know what steps have been taken since July, when legislators raised concerns about the safety of oil-drilling platforms in Campeche Sound.

PEMEX records show there are more than 100 oil-drilling platforms in Campeche Sound, providing employment for about 13,500 workers. Of the total work force, 4,500 workers are employed directly by PEMEX and the rest work for subcontractors. Deputy Cuauhtemoc Velasco, a member of the Partido Convergencia por la Democracia (PCD), said PEMEX has had 30 serious accidents at facilities in Tabasco, Veracruz, Guanajuato, Tlaxcala, and Campeche since 2004.

The accidents have resulted in dozens of deaths. Velasco raised concerns that PEMEX was not requiring subcontractors to implement proper safety and training regulations. "The subcontractors do not offer training or safety equipment to their workers," said the PCD legislator. "This is why we have so many accidents, some resulting in death." The PCD legislator also noted that many subcontractors do not have adequate medical care at many of the facilities.

President Felipe Calderon, who toured the site of the accident and visited victims at the hospital in Ciudad del Carmen, offered his condolences to the families of the workers who lost their lives and said the government would do whatever possible to support them. He ordered PEMEX director Reyes Heroles to conduct an exhaustive investigation into the causes of the accident and to propose steps that could prevent future mishaps.

Legislators were reluctant, at least for the moment, to criticize Calderon directly. But one key leader, Sen. Manlio Fabio Beltrones, found a way to link the accident to Marta Sahagun, wife of ex-President Vicente Fox, who is being investigated by the Congress on allegations that he used taxpayer money to refurbish his ranch in Guanajuato state (see SourceMex, 2007-09-26).

Beltrones, a member of the opposition Partido Revolucionario Institucional (PRI), said the company Oceonografia, in which Sahagun has some financial interest, failed to ensure that the quality of its lifeboats on the oil rigs was up to standard. Reyes Heroles did not respond directly to the allegations against Oceonografia but noted that PEMEX has compiled a "detailed report of the performance of all the contractors" providing services to the oil rigs.

Sen. Santiago Creel of the governing Partido Accion Nacional (PAN) also did not comment directly on Beltrones' allegations of Sahagun's involvement, instead calling for an objective investigation that would allow the government not only to determine responsibilities for the accident but also to examine its causes.

**Mexico suspends oil production briefly, causing global prices to rise**

The bad weather in the Gulf of Mexico at the time of the accident forced PEMEX to suspend most operations for two days, even at many facilities that were still operational. The company stopped producing about 600,000 barrels of oil during the period, which contributed to a sharp rise in global oil prices to US$93.20 per barrel on Oct. 29. Mexican officials said the accident and the brief disruption in production would have little long-term impact on Mexico's oil industry. "The impact will be relatively low," said Energy Secretary Georgina Kessel.
Kessel said the greatest priority is for PEMEX to upgrade its facilities, in the wake of the collision in Campeche. "This was an unfortunate accident," said the energy secretary. "We need to make sure that all of Petroleos Mexicanos platforms are operating in line with international safety levels." PRI Deputy Jorge Estefan Chidiac, who chairs the finance committee (Comision de Hacienda) in the lower house, also dismissed concerns that the accident could have an impact on global prices in the long term. He expressed confidence in the ability of the company to recover from the accident.

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