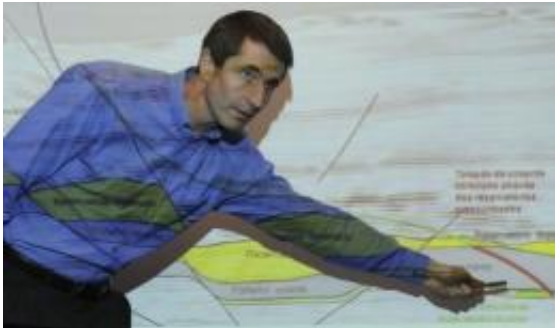


# Brazil to fine Chevron \$56 mn over oil spill

November 21 2011

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Chevron Brazil's president, George Buck speaks to reporters in Rio de Janeiro. He said that between 200 and 330 barrels of oil have spilled into the sea since November 8. Brazilian authorities said Monday they planned to impose fines reaching \$56 million (41 million euros) on US energy giant Chevron for an oil spill from a well off Rio de Janeiro state.

Brazilian authorities said Monday they planned to impose fines reaching \$56 million (41 million euros) on US energy giant Chevron for an oil spill from a well off Rio de Janeiro state.

In the first of an expected slew of fines, the state's environment secretary Carlos Minc said Brazil's national environment agency was fining the American energy giant 50 million reais (\$28 million).

"The (total) amount could reach \$56 million," he added.

Earlier Monday, he told reporters the state also plans to impose its own

fine "that could be as high as 30 million reals" as well as additional fines of more than 20 million reals for the damage caused.

That could mean a total of 100 million reals (\$56 million).

Chevron could also be barred from taking part in exploration tenders for five years, he added.

"There will be no impunity in Rio" with respect to environmental offenses, he added.

The well, which Chevron said began leaking on November 8, is near the Frade field located some 370 kilometers (230 miles) northeast of [Rio de Janeiro](#), in an area that is a migratory route for whales and dolphins.

The federal environment agency said between 5,000 and 8,000 barrels of [oil](#) spilled into the ocean, while Chevron puts the figure at around 2,400 barrels.

Accusing the US energy company of "negligence", Minc said "they under-estimated the excessive oil pressure near a crack... This accident could have been avoided."

Minc said Chevron also failed to contain the leak.



On this November 12 NOAA / US Navy satellite image a leakage from the Chevron's oil field at Campos is seen some 370 Km (230 miles) northeast of Rio de Janeiro. Brazilian authorities said Monday they planned to impose fines exceeding \$56 million (41 million euros) on US energy giant Chevron for an oil spill from a well off Rio de Janeiro state.

President Dilma Rousseff was due to meet later Monday with the energy minister and the head of the National Oil Agency to discuss the fallout from the accident.

Chevron's Brazil country manager George Buck said the company "takes full responsibility for this incident... We are committed to deploying resources until the sheen can no longer be detected."

On Saturday, he told local media that "the pressure of the deposits was underestimated."

Based on an incorrect calculation, the company used a type of material that lacked sufficient weight needed to contain oil, which then leaked and reached the surface, Folha de Sao Paulo newspaper explained.

Chevron said the sheen, estimated at roughly 18 barrels or less in volume, was located about 120 kilometers off Brazil and moving away from the coast.

Buck had insisted the leak was fully contained on November 13, but noted that the incident was still being investigated.

According to Chevron, the slick reached a volume of 882 barrels of oil at its worst, a week ago Monday, and dropped to 18 barrels on Friday.

It estimated that between 200 and 330 barrels of oil a day have seeped into the sea since November 8. The energy ministry, for its part, said 220 to 230 barrels of oil were seeping into the ocean daily.

Those estimates were contested by Greenpeace, which said satellite pictures showed a spill "10 times bigger," and likely reached closer to 3,700 barrels a day.

The recently appointed US special envoy for international energy affairs, Carlos Pascual, expressed Washington's "great concern" over the incident, especially in the wake of last year's BP oil disaster in the Gulf of Mexico.

"As a result of that we spent a great deal of time trying to put together as many lessons as possible. We've working with countries to share that knowledge and information," Pascual said.

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