

Chevron suspends Brazil offshore drilling

November 24 2011



Supply boats clean an oil spill around a Chevron platform operating in the Frade oil field in the Atlantic Ocean 120 km offshore Campos, northern state of Rio de Janeiro, Brazil. The US oil giant has said it has suspended its current and future drilling operations off Rio de Janeiro state, following a crude oil slick in the area.

US oil giant Chevron Corporation said on Thursday that it had suspended its current and future drilling operations off Rio de Janeiro state, following a crude oil slick in the area.

The company said in a statement that while its Brazilian subsidiary had not received formal notice from the national oil agency of an order to stop [offshore drilling](#) it had decided to do so.

"The suspension is indefinite," it said, noting that the area affected included the company's permitted wells in the Frade field, part of what is

known as Brazil's potentially massive 'sub-salt' oil reserves.

On November 8, a helicopter from Brazil's state-owned [oil company](#) Petrobras spotted a slick and the leakage was traced to a well operated by Chevron 1,200 meters (4,000 feet) deep near the Frade field, 370 kilometers (230 miles) off the [Rio de Janeiro](#) coast.

The national oil agency said on Wednesday that Chevron Brazil's activities would be suspended until "the cause and those responsible for the spill have been identified and safety conditions have been restored in the area."

Brazilian authorities say the spill is now under control and that the oil slick has been reduced to two square kilometers.

George Buck, president of Chevron Brasil Upstream Frade, the subsidiary, apologized Wednesday to deputies and the country for the oil slick.

"I would like to reiterate that we have deep respect for Brazil, for the Brazilian people, for the environment, for the laws and institutions of this country," he said.

"We are going to thoroughly investigate the accident and present the results to the Brazilian people ... so that this does not happen again, either here or in any other part of the world," he added.

Chevron faces a slew of fines from federal and Rio state authorities that together could exceed \$145 million.

Buck on Monday said 2,400 barrels of oil had seeped into the ocean between November 8 and 15 but the national oil agency and a non-governmental organization respectively reported 3,000 and nearly 30,000

barrels.

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