

Nexen spill discovered by worker walking by Company investigating why pipeline break technology did not work

BY BILL MAH, EDMONTON JOURNAL JULY 17, 2015



Crews work to clean an oil spill near Nexen's Long Lake facility by Fort McMurray on Friday July 17, 2015. The spill was discovered by a contractor after the safety system designed to detect ruptures failed.

Photograph by: Garrett Barry, Fort McMurray Today

Technology designed to detect leaks failed to alert Nexen of a pipeline break that spilled five million litres of bitumen and water south of Fort McMurray, the company said Friday.

"We did have a contractor actually walking the pipeline and that's how we discovered it," said Ron Bailey, senior vice-president of Canadian operations for Nexen Energy ULC, which was acquired by China's CNOOC Ltd. in 2013.

The company is investigating why a warning system designed to detect ruptures did not work and how a double-walled pipe less than a year old broke, he said.

After the worker found the break on Wednesday, which Bailey described as looking like a "fish mouth," the high-pressure line was shut down and the Alberta Energy Regulator notified. The Long Lake Kinosis operation where the leak occurred was also shut down.

The pipeline goes from Kinosis, a set of well pads drilled about 10 or 12 kilometres south of the Long Lake facility. The line transports the emulsion from that operation to Long Lake. The operation uses steam to heat up the oilsands bitumen deep underground, enabling it to flow to the surface.

“We’ve walked the entire pipeline length looking for signs of any other leaks and there aren’t any,” Bailey said.

The rupture occurred in a double-layered, 20-inch pipe that was laid in 2014, Bailey said.

There have been no other incidents on that line, he added.

The emulsion contained about 33 per cent bitumen. Water and materials such as sand make up the rest.

The spill was mostly contained to the pipeline right of way by remaining berms left over from construction. The affected area includes muskeg.

The spill, covering an area of about 16,000 square metres, has been “stabilized,” Bailey told reporters in the company’s first news conference since the spill was revealed on Thursday.

“Our response team has been on-site 24-7 since we identified this, looking to minimize the environmental damage and to work on-site cleanup.”

It’s not known how long cleanup will take.

“When bitumen cools, it solidifies so the bitumen is on the surface (of the ground). There’s produced water with it and the produced water is in a pool and we’re looking to get that off as quickly as possible.”

Although a lake is situated about 100 metres from the pipeline, Bailey said there’s no immediate impact to it.

Because of the remoteness of the site at Nexen’s Long Lake steam-assisted gravity drainage operation about 36 kilometres southeast of Fort McMurray, there was no immediate human impact, Bailey said.

The closest aboriginal community of Anzac, part of Fort McMurray First Nation’s Reserve #176, 15 kilometres north of the spill, was notified, Bailey said.

In a statement, Counc. Byron Bates said the spill occurred on traditional territory, “where members of [the] Nation have hunted, fished, trapped and gathered for over a 1000 years.”

The statement from the community also stated that the First Nation community must be included “more directly” in the response.

The spill site is accessible by winter-access road only so crews had to construct an all-weather road to reach the spill.

“That’s taken us some time. We do have that now and we will be starting to vacuum here this morning to take up the spill,” Bailey said.

Another road is being constructed directly to the break to bring in equipment. The company has hired pipeline spill response experts and is setting up equipment to keep wildlife away.

Bailey promised a transparent response to the spill.

“We are deeply concerned with this. I’d just say we sincerely apologize for the impact that this has caused.

“We will take every step that we see as reasonable and as the regulators help us decide what to do to respond to this.”

Melina Laboucan-Massimo, a Greenpeace campaigner, said Nexen’s spill is even bigger than the one in 2011 near her home community of Little Buffalo that spilled about 4.5 million litres into marshland when a Plains Midstream pipe ruptured.

It was then the largest spill on an Energy Resources Conservation Board-regulated pipeline in Alberta in more than three decades.

“It’s quite concerning that they don’t know what the root cause is or how long it was leaking even when companies have newly built pipelines,” she said.

The Athabasca Chipewyan First Nation called the break a milestone in the oilsands.

“It is now home to the largest spill in Canadian history,” the First Nation said in a release.

“A spill this size into the muskeg, which is an important part of the eco-system and houses many of our medicines, berries and habitat for species our people rely on for sustenance, is extremely serious,” said Chief Allan Adam in the statement.

The muskeg feeds into the groundwater system and the spill is dangerously close to the Clearwater River, he said.

Alberta Energy Regulator (AER) staff are at the Nexen spill to assess the situation, investigate and ensure all safety and environmental requirements are met, the agency has said.

There are no Alberta Environment and Parks staff at the scene and AER is taking the lead according to protocol, said spokeswoman Lisa Glover.

Alberta Premier Rachel Notley called the pipeline break “very troubling.”

Notley was in St. John’s, NL for a meeting of premiers and territorial leaders who agreed to a new national energy strategy when news of the spill broke.

“What we need to do is have a rigorous and fulsome investigation into what went wrong here and ensure it is sufficiently rigorous that it can produce clear, meaningful recommendations to ensure that it doesn’t happen again,” she said.

She said it was premature to talk about penalties and enforcement.

The leaders’ agreement won’t force other provinces to automatically accept pipelines across their jurisdictions, but sets out the importance of the energy industry to all of Canada.

While the Nexen break was bad timing and unfortunate, it didn’t alter the views of her fellow premiers that pipelines are still the safest way to transport hydrocarbon products, Notley said.

Notley, who has raised concerns about the “conflicting mandates” of the AER, said she has confidence in the ability of the oilpatch watchdog to conduct a thorough investigation.

“Going forward is there work that can be done to beef up the enforcement and environmental protection work that is done through the AER? Probably,” she said.

With files from Darcy Henton, Calgary Herald

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