



Shell Oil Company
Interoffice Memorandum

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JUN 13 1980

FROM: DIVISION SAFETY AND ENVIRONMENTAL
CONSERVATION MANAGER
COASTAL DIVISION

TO: COASTAL DIVISION
DIVISION PRODUCTION SUPERINTENDENT -
EAST SEGMENT

SUBJECT: ENVIRONMENTAL SURVEY AT
RIVERLANDS UNIT

An environmental survey was conducted at the Riverlands Production Unit June 2-4, 1980. Field facilities included in the survey were White Castle, LaPice, Goodhope, and St. Gabriel. We want to commend the Riverlands Unit for their help during this survey. Their assistance in making this survey successful was invaluable.

Generally speaking, the appearance of the LaPice, White Castle, and St. Gabriel field facilities looked bad; however, disregarding some minor variances, the Goodhope field facility looked good. As regards the LaPice, White Castle, and St. Gabriel facilities, numerous environmental regulations are being violated. Those regulations being violated are administered by the following federal and state agencies:

1. Federal Environmental Protection Agency
2. State Office of Environmental Affairs
 - A. Water Pollution Control Division (was Stream Control Commission)
 - B. Air Quality Control Division
 - C. Hazardous Waste Control Division
3. State Office of Conservation

State or federal agents visiting the three facilities in question could issue a citation at anytime resulting in possible facility shutdowns and stiff fines.

Coastal Division's commitment to comply with environmental regulations is clear when reviewing our published Social Performance Goals. The environmental goal is "to protect the environment by complying with governmental regulations and by providing such additional protection as is responsible, feasible, and meaningful". This commitment is not being honored in the Riverlands Unit as pit dikes are seeping fluids to navigable waters; dikes have deteriorated allowing fluids to escape during rains and upset conditions; pits are full and need to be emptied; vegetation kill is evident around facility pit areas due to oil and saltwater leaks; oil is standing on facility locations and in surrounding wetland areas without being cleaned up; illegal discharges of saltwater and waste oils are being made to navigable waters; and facility housekeeping and upkeep is poor. Facility operations such as these what cause regulations to be formulated by governmental agencies.

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DIVISION PRODUCTION SUPERINTENDENT -
LAST SEGMENT

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We believe there are three main reasons why these facilities are in poor condition and not in compliance with applicable regulations. First, the antiquated production and pit systems used at these fields were not designed to protect the environment. For example, the open pit system now being used to handle the storage of saltwater and waste oils is highly vulnerable to physical manipulations by nature (heavy rainstorms, dike seeps, dike erosion, etc.). In addition, safety shutdowns installed to control incoming fluids during major upsets are deficient or non-existent; consequently, several pits will overflow before corrective action can be completed by the Lease Operator. Projects to address these types of problems are definitely lacking. Secondly, the facility upkeep problem has become compounded because the state enforcement agencies have been slack in enforcing their regulations. This slackness may have been considered beneficial by management when cost was evaluated in the past, but it has created a mood of operational indifference that has in most instances resulted in poor upkeep of facilities. Through the years, we have enjoyed these cost savings, but tough regulations issued by EPA are reversing this trend. Cost savings realized in the past will most likely have to be repaid at exceedingly high interest rates. Lastly, discussions with field personnel indicate they are not fully aware of pollution prevention regulations. This was especially obvious at the LaPice field facility. Dikes were purposely cut to drain oil and saltwater from the SMD storage area. The saltwater pit continuously discharges waste fluids into navigable waters. Waste lubrication oil from the compressors is drained into the wetlands. All of these practices are flagrant violations of the law.

There were four general widespread deficiencies noted during the survey at this Production Unit. These deficiencies are:

1. Excessive and improper use of earthen production pits. In most cases, pits were unsightly with little evidence of upkeep. Dikes were deteriorated and evidence of pit overflow was a common sight. Some pits were illegally draining into navigable waters. Visible oil was standing outside of the pit dikes in the facility and wetland areas (See Attachment I for regulations being violated).
2. Non-compliance with SPCC Plan requirements. Federal Oil Pollution Prevention Regulations require that personnel conduct quarterly maintenance inspections, drain rainwater from diked areas correctly, and conduct specified training (See Attachment II for regulations being violated). In most cases, personnel have not been complying with these requirements.

3. Discharging waste lubrication oil into navigable waters. This practice violates Federal NPDES discharge regulations (See Attachment I) and State Hazardous Waste Regulations (See Attachment III for regulations being violated). Louisiana has labeled waste lubrication oil as hazardous in its Hazardous Waste Management Plan. Waste lubrication oil should be collected in storage tanks, processed through the production facility, and sold via pipeline.

If waste lubrication oil is stored at the facility and transported off-site by a contractor for disposal, a permit must be obtained to store the waste oil and a manifest ticket system must be initiated to transport the waste oil off-site. To bypass the permit and manifest procedure, the waste oil should be processed and resold via pipeline as previously mentioned.

4. Disposing of hazardous wastes at on-site open dumps. At some of the open dumps, empty chemical drums have been disposed of. These drums should be returned to the vendors for disposal, as this operations practice qualifies us as a hazardous waste disposal site and requires a permit. Further, regulations will be promulgated sometime this year to control the disposal of nonhazardous solid wastes. This means that all surface trash dumps must be registered sometime in the near future and converted to sanitary landfills to comply with new state requirements. Rather than register these open dumps, it would be more advantageous and cost effective to remove the solid waste and dispose of it in a licensed landfill. However, if we decide to operate a sanitary landfill, a permit must be obtained (See Attachment IV) and rigid regulations complied with.

Pollution deficiencies are summarized by field in Appendix A. Deficiencies marked with an asterisk are direct violations of regulations and should be corrected as soon as possible.

In conclusion, a follow-up environmental review is planned six months from now. This review will help SEC determine the percentage of deficiencies corrected throughout the Division. If there are questions concerning survey deficiencies, we will be happy to discuss them with you at any time.

Original Signed By
V. A. HARRIS
V. A. Harris

BDF:TKD

Attachments

cc - (w/o attachments)
Coastal Division -
Division Operations Manager

LA PICE FIELD DEFICIENCIES

General

The appearance of this field is bad. In addition, the operation of this facility violates a number of state and federal environmental regulations. Illegal discharges of oil and saltwater are made to navigable waters. Waste lubrication oil is drained to navigable waters. Equipment leaks exist without repair. Action should be taken immediately to achieve compliance with applicable environmental rules and regulations.

Facility Treating Area (Separators, Heater Treaters, Etc.)

- * 1. LACT pump leaks oil onto ground, which drains to wetlands. A sump collection system for these waste oils should be installed so that these wastes can be recycled through the treating system.
- 2. Appearance of the treating station grounds are good with little evidence of spills or leaks.

Storage Tank Area

- * 1. Dikes are deteriorated and need maintenance. At one side, the dike has washed out to ground level.
- 2. Leaks from piping and valves have created pools of oil within the diked area. These leaks should be repaired and the area cleaned up.
- 3. Housekeeping at this area is fair.

SWD System

- * 1. Large saltwater leak in 8" line is draining to navigable waters.
- * 2. Pit system is draining through dike washout to navigable waters. Pit dikes seep to wetlands which kills vegetation and trees adjoining the facility. Pits are unsightly and show little upkeep. Immediate attention is needed here.
- * 3. Dikes surrounding SWD storage tanks have been cut so that oil and saltwater leaks can drain to navigable waters.
- * 4. Drain line through SWD diked area allows saltwater and oil to drain to navigable waters.
- 5. Appearance of this area is very bad. The land and adjoining areas are saturated with saltwater and oil stains.

*Direct violation of regulations.

Compressor Area

- * 1. Waste lubrication oil drains into navigable waters. The State of Louisiana has classified these waste oils as hazardous, and they must be treated as such. A collection system should be installed immediately to correct this violation of the law.
2. Appearance of slabs and area is good.

Well Locations

- * 1. Storing paraffin in pits at Sand Unit A No. 4, FLB No. 22, and Schexnayder No. 2 should be discontinued. These pits should be cleaned out and backfilled. Paraffin at the FLB No. 22 is running over the dike and could possibly reach navigable waters.
2. Open dump located one location from the Schexnayder should be cleaned up. Dumps of this kind in Louisiana will be illegal in the near future. Trash should be hauled to a licensed landfill.
3. Appearance of the well locations, roads, etc. was good with the exception of the noted items above.

SPCC Plans

1. SPCC Plan forms need to be completed quarterly and employees made more aware of the Plan.

ST. GABRIEL FIELD DEFICIENCIES

General

The appearance of this field is bad. The operation of this facility violates a number of state and federal regulations. Illegal discharges of oil, chemicals, and saltwater are made to navigable waters. Waste lubrication oil is drained to wetlands. Equipment leaks exist without repair. Action should be taken immediately to achieve compliance with applicable environmental rules and regulations.

Facility Treating Area (Separators, Heaters, Etc.)

- *1. Leaks from valves and piping at heater treater drain into wetlands.
- *2. Chemical drums in treating area leak and spill into wetlands.
- 3. Appearance of treating area is fair with the exception of those items listed above.

Pit Area

- *1. Saltwater storage pit seeping into wetlands.
- *2. Waste bottoms pit has been flooded and patches of heavy hydrocarbon sludge is all over the facility area. The secondary containment pit is in communication with the wetlands. Syphon hoses are being used to empty the contents of the primary waste bottoms pit into the secondary pit, which results in an illegal discharge into the wetlands. This is an unsightly area.

Compressor Area

- *1. Waste lubrication oil is being drained to navigable waters. Louisiana has classified this waste oil as hazardous and it must be treated as such. A collection system should be installed immediately to correct this violation of the law.
- 2. The appearance of the compressor area is fair. Leaks and patches of oil sludge should be cleaned up.

Well Locations

- 1. Well No. 6 - Trash and empty chemical drums should be removed from the location. Chemical vendors should be required to pick up their empty drums.
- 2. Natalbany No. 8 - Solid waste on location should be cleaned up and disposed of in a licensed landfill. Open dumps such as these will not be legal in the near future.

Deep Well Platform Facility

1. Drains on the platform should be piped to a sump. Presently, oil spillage is collecting under the platform on the ground.
2. The appearance of the facility grounds is very good.

Well Locations

- * 1. Well No. 42 - Burn pit at this site was covered recently. The covered pit is seeping oil to the adjacent canal and forming a large sheen. This is reportable as an oil spill.
2. Well No. 167 - Trash pile at this location is classified as an open dump and should be cleaned up. Open dumps in Louisiana will be illegal in the near future.
3. The appearance of the well location, roads, etc., was generally good. There was some evidence of oil spillage in the canals, but most of this was confined to areas surrounding the block stations.

ENVIRONMENTAL SURVEY
RIVERLANDS UNIT
JUNE 2-4, 1980

WHITE CASTLE DEFICIENCIES

General

The appearance of this field is bad. There is oil and saltwater spillage at the block stations, pit seepage into the canals, and widespread equipment leakage. This field is in violation of a number of environmental regulations issued by the state and federal government. Immediate attention is needed here to attain compliance with applicable rules and regulations.

South Block Station

- *1. Oil spillage is widespread around the SHD storage area and pits. Oil has migrated into the wetlands.
- *2. Pit system used at station has spilled over into secondary containment area which is in communication with the canal. The pit is very unsightly and suggests a laxness towards environmental consciousness.
- *3. Chemical pump drain pan at block station drains on the ground instead of into a sump.
4. Appearance of the block station grounds is good.

West Block Station

- *1. Pit system used at station seeps into canal at two locations. Dikes are deteriorated and need maintenance. Oil and saltwater spillage at pits is widespread and there is evidence that fluids enter the canal. The pit is very unsightly and suggests a laxness towards environmental consciousness.
- *2. Pumps used to evacuate pits leak fluids into the canal. Drain pans are not functioning properly.
3. Chemical pump drain pan at block station drains on the ground instead of into a sump.
4. Storage Tanks
 - a. Abandoned pit behind storage tanks should be sampled and backfilled.
 - b. Area inside of dikes is storing spilled oil. Bottoms circulating pump inside of the diked area leaks bad and causes the oil spillage problem. Leaks from the pump should be routed to a sump so that this problem can be eliminated.

- c. Housekeeping at the storage area is poor.
5. Appearance of the block station grounds is fair with the exception of valve and piping leaks at several locations.

Primary Saltwater Disposal Station

- * 1. Land area surrounding storage tanks and pits is saturated with oil and saltwater. There is standing oil everywhere in the immediate vicinity of the station. At one side of the pit, several acres of trees and vegetation have been killed by the continuous spillage of these fluids.
- 2. The storage tanks have evidence of leakage.
- 3. Appearance of the block station grounds and adjoining areas is very bad.

Shallow Oil Treating Facility

- 1. Pit system is full. Even though this pit has the best appearance of all in the field, evidence of spills is widespread. The pit is very unsightly.
- * 2. Equipment surrounding the treating tank has leaks that are draining into the canal. This area should be diked to prevent spills into the water.
- 3. The appearance of the facility grounds is fair. The caustic treating area looks exceptionally good.

Freshwater Treating Facility (Steam)

- 1. Appearance of this facility is very good.

North Block Station

- * 1. Pit system used at block station is unsightly and there is evidence of dike seepage. Oil and saltwater spillage at pits is widespread, and there is evidence that these spills entered navigable waters. This pit system was not designed to protect the environment.
- 2. Chemical pump drain pan drains on the ground instead of into a sump.
- 3. Appearance of the block station grounds is good.

Compressor Area

- * 1. The waste lubrication oil collection system has overfilled and spilled into the canal. The State of Louisiana has defined this type oil as hazardous. Collecting the waste oil in a sump and transferring it to the oil treating system for sales to the refinery is the correct method for handling this material. Spills of this hazardous material to navigable waters are a serious problem. This should be corrected immediately.
- 2. Compressor slabs and area were very clean.

GOODHOPE FIELD DEFICIENCIES

General

The appearance of this field and treating facility is good. Compliance with state and federal environmental regulations is being achieved in most cases. However, there are items listed below that should be corrected as soon as possible.

Facility Treating Area (Separators, Heater Treaters, Etc.)

1. Hydrocarbon leakage at glycol dehydrator should be investigated and cleaned up.
2. Appearance of treating area is very good with little evidence of spills or leaks.

Storage Area

- * 1. Drain through dike at 1,000-barrel storage area should have a valve installed and sealed. Whenever the diked area is drained, it should be recorded in the SPCC Manual.
2. Appearance of storage area is very good. Dikes are maintained and oil spillage, if any, is cleaned up.

Compressor Area

1. Appearance of area is good with no evidence of spills or leaks.
- * 2. Installation of 330-HP compressor is underway without obtaining an air pollution permit. A permit application should be filed by Engineering as soon as possible.

Pit Area

- * 1. This system has a primary and secondary pit. The secondary pit is in communication with the surrounding waters. The trench causing communication should be closed off to prevent illegal discharges.
2. The pit area is unsightly. Measures should be taken to clean this area up. Pit complexes of this kind should be phased out, whenever possible.

Well Locations

- * 1. Chemical barrels should not be disposed of in open dumps. These barrels should be given back to the vendors for disposal.
2. The open dump should be cleaned up and all trash should be hauled to a licensed landfill. Open dumps will be illegal in the near future.
3. The appearance of the well locations, roadsides, etc. was excellent.

SPCC Plans

- * 1. SPCC Plans need to be completed quarterly and employees made more aware of the Plan.

*Direct violation of regulations.