

From: Proegler, Mark A  
Sent: Thu Sep 23 20:35:28 2010  
To: Tooms, Paul J; Rainey, David I  
Subject: New Flow Estimate: BP Media Clips -- September 23, 2010 - 4:30 pm Edition  
Importance: Normal

Paul and Dave:  
In case you didn't see this latest flow rate estimate, as a follow-up to my earlier emails.

Mark

Visit [Gulf of Mexico response \(bp.com\)](#)

**From:** morningclips@brunswickgroup.com [mailto:morningclips@brunswickgroup.com]  
**Sent:** Thursday, September 23, 2010 3:28 PM  
**To:** newsletters@lonebuffalo.com  
**Subject:** BP Media Clips -- September 23, 2010 - 4:30 pm Edition

BP Media Clips

## September 23, 2010

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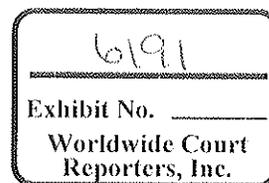
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## **BP Engineer Called for More Questioning Before Panel Probing Rig Explosion**

**Bloomberg**

**09/23/2010**

**Author: Joe Carroll**

BP Plc engineer John Guide, leader of the team that oversaw drilling of the well that caused the largest offshore oil spill in U.S. history, has been summoned to testify for a second time before a federal investigative panel.

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## **Scientists give fresh estimate of Gulf oil spill**

**Reuters News**

**09/23/2010**

**Author: Matthew Bigg**

ATLANTA, Sept 23 (Reuters) - Researchers weighed in on the controversial question of how much oil poured into the Gulf of Mexico during the BP Plc spill and said on Thursday the total amount was around 4.4 million barrels.

The figure, derived using a technique called optical plume velocimetry, represents the first independent peer-reviewed study of the worst oil spill in U.S. history and conforms closely to the most recent estimate by government scientists.

The spill began in April when a deepwater rig exploded and sank in the Gulf. The well was capped on July 15 and killed on Sunday after causing billions of dollars worth of environmental and economic damage to Gulf coast states.

Estimating the extent of the spill precisely is a crucial part of any environmental damage assessment and also has big legal implications for the energy giant.

BP faces potential fines under several anti-pollution laws and recent increases in the estimate of how much oil leaked from its well suggest this could amount to a major liability.

The company has already clocked up potential fines of up to \$9 billion, based on a possible \$4,300 per barrel fine for polluting major waterways.

"It's important to understand how much oil was put into the system as we work to understand the ecological impacts in the short term and long term," said Timothy Crone, professor at Columbia University's Lamont-Doherty Earth Observatory.

"People need to know how much oil came out," Crone said in an interview. The paper, co-authored with Maya Tolstoy, will be published in the journal Science.

BP initially said it had no estimate of the amount of oil flow but over a period of weeks growing fears of a catastrophic spill put pressure on the company and the U.S. government to produce more accurate estimates.

Officials put the figure at 1,000 barrels per day but the company also said it was collecting more than that amount and that far more was escaping.

## ESTIMATES ESCALATE

The next estimate was 5,000 barrels, a figure disputed by scientists, then 12,000-19,000 barrels and later a government estimate using an analysis of video of the gushing well produced said 56,000-68,000 barrels a day.

One consequence of the progressive upward revisions was a loss of public trust in the company and the federal government, with critics on the Gulf coast arguing that it showed BP wanted to minimize the scale of the spill to limit its liability. BP denied this.

"The idea that it wasn't measurable was false. Almost any ocean scientist that was thinking about this would have agreed," said Crone, who has previously studied hydrothermal vent systems.

Researchers analyzed two high resolution videos 20-30 seconds long and estimated the average flow rate of oil using a technique that enabled them to make a two-dimensional model of the plume billows and then calculate volumetric flows.

Despite the fact that BP streamed live video of the flow for weeks, the quality was insufficient for Crone's analytical technique, forcing him to rely on short videos obtained from the government.

The average flow rate between April 22 June 3 was 56,000 barrels per day, with a formal uncertainty of 21 percent.

After a riser pipe was removed on June 3 as part of efforts to seal the well, 68,000 barrels of oil was flowing into the ocean each day with a formal uncertainty of 19 percent, the researchers said.

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## **European nations to review deep oil drill rules**

**Reuters News**

**09/23/2010**

**Author: Alister Doyle**

OSLO, Sept 23 (Reuters) - Fifteen European nations are set to promise to review rules for oil permits in extreme environments after BP Plc's Gulf of Mexico spill, stopping short of a moratorium urged by environmentalists.

Countries in the OSPAR group, which oversees the North East Atlantic, were to consider a draft recommendation on "a review of existing regulatory frameworks, including the permitting of drilling activities in extreme conditions."

The draft, put to environment ministers meeting in Bergen, Norway, on Sept. 23-24, said that nations would also apply lessons from BP's deep-sea well that ruptured in April and caused the worst spill in U.S. history.

The draft -- worked out by officials from Norway, Britain, Germany, Denmark and the Netherlands -- would also assess "the need for action within the scope of the OSPAR Convention."

Truls Gulowsen of environmental group Greenpeace said the draft was far weaker than a past German proposal that had sought a moratorium on "certain new oil exploration activities in deep waters" after BP's blowout.

"It's been watered down completely," he said, adding that Greenpeace favoured a wider

moratorium. Most nations have already agreed to review their national rules after BP's blowout.

OSPAR is named after deals in Oslo and Paris and seeks to protect the North East Atlantic region, from the North Pole to the Azores. Ministers are set to work out new ways to safeguard the seas, for instance with large new offshore protected areas.

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## **FUND VIEW-Rathbone UK income fund eyes overseas**

### **exposure**

**Reuters News**

**09/23/2010**

**Author: Claire Milhench**

LONDON, Sept 23 (Reuters) - Rathbone's UK income fund is considering making use of its ability to put up to 20 percent in non-UK stocks, as manager Carl Stick seeks greater diversity in key sectors such as pharmaceuticals.

"Where we can't get enough exposure in the UK in a particular sector I will look elsewhere," he told journalists at a briefing on Wednesday.

Under Investment Management Association classification rules, UK equity income funds are allowed to put up to 20 percent in overseas stocks.

GlaxoSmithKline is currently his top holding, accounting for 5.8 percent of the fund. Stick likes its exposure to emerging markets and the fact that it has recognised its old model is under stress.

"Instead of throwing money into R&D looking for the next blockbuster they are trying to remodel the business on long-term consumer cashflows such as over-the-counter medicines, toothpaste and Lucozade," he said.

But Stick is not fond of the other big UK pharma stock, AstraZeneca, believing its top-line profit is under perpetual threat. Instead he expressed interest in Johnson & Johnson whilst stressing he was not yet ready to buy.

### **CONCENTRATION RISK**

The UK's shrinking dividend base is forcing managers to look overseas to reduce concentration risk in certain sectors and large caps. Many of the biggest funds were holed by BP's decision to suspend dividends after its oil well blow out. [ID:nLDE61O1UJ]

UK fund firm Artemis recently became the latest in a series of managers to launch a global income fund in order to tap a more diverse range of income stocks.

Stick's fund has avoided some of the concentration problems that have beset larger UK income funds as, with some 435 million pounds (\$681.2 million) under management, he can maintain a small and mid-cap bias.

According to Lipper data, the fund was up 11 percent in the 12 months to end-August, and outperformed its peers in the Lipper Global Equity UK Income sector by 2.6 percentage points.

But he was still impacted by the oil well disaster. "I had quite a large holding in BP before the leak and the dividend cut did hurt us." He cut the stock from 5 percent to 3 percent of the fund and is underweight oil versus the market.

"BP will probably pay a dividend next year but not at the levels we have seen previously," he said.

Elsewhere, Stick favours media stocks, arguing that many have an emerging markets dimension. United Business Media runs the largest jewellery expo in India, while Pearson is the largest English-as-a-foreign-language publisher in China.

He is also backing consumer plays Cineworld and the Restaurant Group, which owns Frankie & Bennie's and Garfunkel's, as these offer low-cost entertainment that should continue to prove popular with cash-strapped families. (\$1=.6386 Pound)

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## **Atlantic European Countries Oppose Offshore Drilling Moratorium**

**Dow Jones**

**09/23/2010**

BRUSSELS (Dow Jones)--A group of 15 environment ministers representing countries with an interest in the North-East Atlantic Ocean on Thursday opposed a German proposal for a moratorium on deep-water oil drilling in the area.

The OSPAR Convention--a group of countries that aims to protect the marine environment of that sea area--"decided it will wait for the American report on the Deepwater Horizon accident" before taking any decision, said Gard Nybro-Nielsen, spokesman for the Norwegian Environment Ministry, confirming that Germany had proposed a moratorium on new drilling at a convention meeting Thursday in Bergen, Norway, but that it wasn't approved.

The U.S. imposed a moratorium on drilling, which is scheduled to expire on Nov. 30, after the BP PLC (BP, BP.LN) offshore drilling platform Deepwater Horizon burst into flames in the Gulf of Mexico earlier this year, killing workers and releasing oil in the sea for months.

The spill began after an April 20 blast aboard Transocean Ltd.'s (RIG, RIGN.VX)

Deepwater Horizon drilling rig, which BP had leased for its Macondo well.

In Europe, the head of the European Commission's energy department has voiced the idea of a similar moratorium but only the national governments would have the power to decide such a measure.

The commission, the European Union's executive body, is expected to present a document in the next few weeks to lay out its strategy on offshore drilling.

The OSPAR convention gathers countries ranging from Spain to Finland--as some of its rivers flow to the Barents Sea--including Iceland, the U.K. and Norway. The European Commission also participated to Thursday's meeting.

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## **Wildlife recovery scaled back on Alabama coast as calls drop off; signs of oil remain**

**Associated Press Newswires**

**09/23/2010**

MOBILE, Ala. (AP) - Federal officials are scaling back wildlife recovery and rescue operations on the Alabama coast, but signs of the BP oil spill are still being reported in shoreline waters.

Steve Gray, a federal wildlife official assigned to Alabama, said they reduced recovery and rescue work because they were no longer getting calls as frequently as before.

But the Press-Register reported Thursday that shoreline assessment workers on the Gulf coast are still finding tarballs washing ashore and bands of oil beneath sand.

Coast Guard officials say teams are keeping a record of where oil is located underwater and they recommend a cleanup method. After the removal, teams go back to resurvey and make sure the cleanup was effective.

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## **Outside study puts oil spill at nearly 185 million gallons, same ballpark as fed estimate**

**Associated Press Newswires**

**09/23/2010**

**Author: Seth Borenstein**

WASHINGTON (AP) - After several missteps, the federal government finally got it right, accurately estimating how much oil spilled into the Gulf of Mexico, an independent scientific study found.

Nearly 185 million gallons of oil spilled from the broken BP well into the Gulf of Mexico this summer, according to a study by two Columbia University researchers who made their estimates based on video of the oil spewing from the well.

The federal government's final estimate was a shade more than 172 million gallons. The Columbia researchers' estimate is 12.6 million gallons more than the federal figure. However, because it's so difficult to get a precise estimate, there is a large margin of error for both the government figure and the Columbia number. The margin is so large that the two estimates essentially overlap, the researchers said. Their study was published online Thursday in the journal *Science*.

U.S. Geological Survey Director Marcia McNutt, who oversaw federal estimates of the spill size, called the Columbia study "a completely independent and unbiased verification of the government result."

Tim Crone of Columbia, the lead researcher who calculated his estimate based on detailed flow formulas determined by watching video of the leak, "Our numbers overlap, so sure, we agree."

But Crone said he is more confident in his estimate because it went through the rigorous independent peer review required to be published in a respected journal. He added that it is hard to compare in depth to federal numbers "because few details of their methods have been released."

Crone used a different technique to study video than most scientists who analyze flow rates from video. Usually, scientists track particles and calculate a speed as they travel across a screen, sort of like watching a car race down a highway. But in this case the particles were

hard to track, so Crone used a technique he's been working on for a decade. Crone studies individual points in the video -- all the points -- and watches their changes in color and texture. For this study, Crone reviewed video from two dates, May 15 and June 3, and extrapolated for the spill estimate.

The Columbia estimate has a margin of error of 20 percent, so the spill would be somewhere between 148 million and 222 million gallons. The federal estimate had a 10 percent margin of error, so the spill would be somewhere between 155 million and 189 million gallons.

Federal estimates of how much oil spilled and where it has gone have been criticized by both scientists and Congress because the agencies involved have not provided detailed information on how they calculated their figures. But the government numbers were not based solely on traditional video analysis; they also factored in measurements of pressure and estimates from photos and infrared images taken from airplanes and satellites.

Purdue University engineering professor Steve Wereley, who at first was critical of federal efforts and then joined the government team, said he trusts the government work as more comprehensive than Columbia's.

The federal government struggled mightily to calculate the spill's size at first and was sharply criticized for clinging to a too-low estimate for weeks.

Ian MacDonald, a Florida State University oceanographer, said that by his count it took eight tries for the federal government finally to get its calculations right.

Initially, federal officials adopted BP's estimate that 42,000 gallons a day was gushing out.

They upped it to 210,000 gallons a day and stuck with that number for weeks. Then the government set up a special team of experts to estimate the spill size; that group came up with a range of estimates that was blasted by independent scientists as still too low.

Finally in mid-June, about two months after the oil rig accident that caused the deepwater gusher, the federal government said the well could be leaking as much as 2.4 million gallons a day. And in August, following the shutdown of the spill the previous month, federal scientists estimated a total leak of 172.2 million.

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## **European nations reject German proposal to halt deep-sea drilling in Northeast Atlantic**

**Associated Press Newswires**

**09/23/2010**

**Author: Bjoern H. Amland**

OSLO, Norway (AP) - Oil-producing countries on Thursday rejected a German proposal for a moratorium on deep-water drilling in the Northeast Atlantic that reflected environmental concerns after the BP Gulf of Mexico oil spill.

At a meeting of environment ministers and officials from 15 European countries and the European Union, Germany suggested that offshore nations consider a temporary halt to the "drilling of new complex deep-water oil exploration wells."

Greenpeace activists said offshore oil nations including Norway, Denmark and Britain opposed the draft at the two-day meeting in Norway's west coast city of Bergen. Stefan Krug, a spokesman for Greenpeace Germany, called it "a shame" that host Norway was "not

able to agree to adequate and urgent measures."

Norwegian Environment Ministry spokesman Gard Nybro-Nielsen confirmed the German proposal was off the table.

Oil and gas resources in the North Sea have made Norway one of the richest countries in the world, but those resources are running out. Feeling the pressure, Norway is also exploring in the Barents Sea in the Arctic.

Norwegian Environment Minister Erik Solheim told The Associated Press that Norway will not authorize new deep-water drilling until the Deepwater Horizon blowout in the Gulf has been evaluated, but doesn't support an international moratorium.

President Barack Obama imposed a U.S. deepwater drilling moratorium in the Gulf of Mexico following the April 20 oil well blowout that killed 11 workers and spewed more than 200 million gallons of crude into the Gulf before it was capped in July.

The German proposal also called for making sure that offshore operations meet the highest safety standards and demanded an analysis of whether the circumstances that led to the Deepwater Horizon accident could also occur in the Northeast Atlantic.

"It was important to us that this issue was on the agenda," said Thomas Hagbeck, a spokesman for Germany's environmental agency.

EU Environment Commissioner Janez Potocnik attended the meeting along with envoys from Norway, Germany, Denmark, Britain, Belgium, Finland, France, Iceland, Ireland, Luxembourg, the Netherlands, Portugal, Spain, Sweden, Switzerland.

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## **E2 Morning Roundup: Murkowski stays top ENR Republican, Issa offers oversight blueprint, lawmakers press Salazar to defend coal and more**

**The Hill**

**09/23/2010**

**Authors: Darren Goode and Ben Geman**

House Oversight and Government Reform ranking member Darrell Issa (R-Calif.)

Wednesday released a blueprint for providing executive branch oversight, which mainly criticized Democrats for ignoring Republican requests for hearings, investigations and so forth. That, Issa said, includes the failure by panel Democrats to hold a hearing on the troubled then-Minerals Management Service until after the Gulf of Mexico oil spill had begun.

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## **Costner Back In Capitol Roll Call**

**09/23/2010**

Actor Kevin Costner shared his thoughts with Members of Congress on Wednesday on how the government can respond to future oil spills in the Gulf of Mexico.

Yes, again.

The star of "Waterworld" (insert joke here) has been heavily promoting his work to clean up oil spills for the past several months on Capitol Hill. In June, he testified before a House Science and Technology subcommittee about a \$20 million device developed by his company, Ocean Therapy Solutions, that can separate oil from water.

BP bought 32 of Costner's creations and deployed 21 of them during cleanup efforts after this summer's oil spill, Costner said while testifying Wednesday before the House Homeland Security Committee. With the device now a proven success, Costner used this trip to present a highly detailed proposal developed by his new company, Blue Planet Solutions, on how the government can respond to future spills.

Costner's vision, presented in a 26-page report, is much like a battle plan. It's a three-tiered response involving 190 vessels that would be sent to a spill site to process the oil, at an estimated price tag of \$850 million to \$1 billion, Costner testified.

"The plan is simple. It is easy to understand," Costner said. "It's backed up by logistics and science."

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## **Special report: Ten years of oil spills**

**Blog: Reuters**

**09/23/2010**

**Author: Carla Tonelli**

The Deepwater Horizon disaster in the Gulf of Mexico and subsequent oil leak this summer captured urgent intellectual efforts of leading scientists around the world... Though it was the largest marine oil spill in the history of the petroleum industry, it was not the first oil spill nor will it be the last.

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## **GOP 'Pledge To America' is an oath to Big Oil**

**Blog: Grist**

**09/23/2010**

**Author: Daniel J. Weiss**

House Republicans just released "A Pledge to America" [PDF] -- their agenda for the 112th Congress if they take charge... The GOP support for more offshore oil drilling after the BP Gulf of Mexico disaster exposed its deadly risks contradicts, rather than reflects, public opinion. A recent survey by the Pew Research Center found that a majority of Americans

opposes more offshore oil drilling.

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