



BP CEO Reveals Plan B and Beyond for Gulf Oil Spill Disaster

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GRETA VAN SUSTEREN, FOX NEWS HOST: Well, it simply will not stop. Oil is continuing to pour into the Gulf of Mexico. Crews are working frantically 24/7 to try and stop it. Now, plan A has just failed, and now crews are moving on to plan B. British Petroleum CEO Tony Hayward goes "On the Record."

(BEGIN VIDEOTAPE)

VAN SUSTEREN: Mr. Hayward, thank you for joining us.

TONY HAYWARD, BP CEO: Thank you very much for the opportunity.

VAN SUSTEREN: I know that this is both a catastrophe and an emergency. Tell me, where do you stand right now in trying to contain that leak?

HAYWARD: Well, we are working this, as you know very aggressively in three ways, in the subsea to eliminate the leak, on the surface to contain the spill to the greatest extent possible in the area of the leak, and thirdly to defend the shoreline and prevent any oil from getting to the shore.

In terms of the subsea interventions, we are pursuing multiple occupy shuns in parallel. So we tried the large dome over the weekend. It wasn't successful. Too much hydrate formation, a consequence of there being much greater gas in the flow of hydrocarbons than we had anticipated.

So we are now moving to deploy over the next 72 hours, a smaller containment device, a so-called top hat, which is described like that because it looks like a top hat, put in the water, on the end of a piece of drill pipe to fit over the leak. We'll be doing that over the next 72 hours.

In parallel there are a series of other operations being planned on the blow-out preventer, most importantly the so-called top kill or junk shot whereby we would pump into the blowout preventer material to clog it up and stop the flow.

VAN SUSTEREN: Where the hydration is, isn't that ineffective because it blocks it? Is that why that's been ineffective? And why hasn't that effective in containing the leak?

HAYWARD: The issue is the quantity of gas and seawater in the large dome. That is a difficult combination. So, by moving to a smaller dome we'll have less seawater and, hopefully, a better chance of minimizing the hydrate formation and being able to get in sort of system to work.

VAN SUSTEREN: Are you getting everything you need? I realize BP is scrambling. I think it is too early to start blaming. We have a catastrophe with we need to contain. But are you getting assistance from around the world in terms of scientific assistance from the government, man power? Do you need anything at all at this point?

HAYWARD: This is now an oil and gas industry task force with significant input from government scientists and technologists from the Department of Energy, the Navy, Department of Defense.

So there is gathered in Houston, which is where I'm talking to you from, a team of nearly 1,000 people, many of them technologists and scientists grappling with this problem. This is, if you like, the oil and gas industry now focused on an oil and gas industry global problem.

VAN SUSTEREN: What the odds this smaller dome is going to work? I realize we don't know you are just implementing it. But the bigger dome didn't work. When you talked to the scientists the people in Houston, are they hopeful, or is this also a high-risk operation?

HAYWARD: I think we need to recognize that none of this has been done in 5,000 feet of water. That is the reality. We are working on the absolute frontier of the industry. It is -- a number of people have made this analogy, I think it is not unreasonable -- this is a lot like the Apollo 13 moon shot. We have the piece as assembled on the table and we are trying to figure out what is the right intervention.

An important thing is that we are learning all the time. We are learning all the time about what is likely to work from the interventions that we are making. So, we can't be overly confident that this next intervention will work. But it will not have the same scale of hydrate problem that we had with the first go.

VAN SUSTEREN: Let's say Plan A failed, the bigger dome, Plan B is the smaller dome, hoping less of a hydrate problem. In the horrible, awful event that Plan B doesn't work, what is Plan C?

HAYWARD: So Plan C is the so-called junk shot, top kill, where we connect two flexible hoses to the top of the blowout preventer and pump material to block up the blowout preventer.

Plan D is to remove what is called the riser with which is sitting above the blowout preventer and put in place another blowout preventer. There's a Plan E and a Plan F. So we are working through a whole series of options that are being developed and engineered in parallel and deploying them in time sequence.

VAN SUSTEREN: Any idea the estimate of how much oil is being pumped - - how much is that leak right now? I've seen lots of estimates.

HAYWARD: There is no accurate way of estimating this, I'm afraid. There is not a meter on the sea bed. You have to estimate what is on the surface, which itself is something of an estimation, and then back calculate based on the amounts of oil that evaporates and is dispersed as it travels up through the sea column.

So the numbers are genuinely guesstimates at this point. But what we can say that the containment efforts of subsea dispersant, on the surface, skimming on the surface, and booming on the surface is retaining the vast majority of the oil in the vicinity of the leak.

VAN SUSTEREN: In terms of other drilling rigs are there any other ones right now at risk in the Gulf of Mexico? There's a lot of attention on this one. But as you look around the Gulf, should we be worried tonight?

HAYWARD: BP has no other drilling operations ongoing at the current time. The MMS, regulatory agency has put out a series of safety alerts to other rigs that are drilling requiring them to make additional safety measures and assessments.

VAN SUSTEREN: As I understand, I'm sure it is obvious I'm not an expert in this, but the blowout preventer failed us in this particular instance, leading to this catastrophe. Did it not have redundancy? And in terms of the MMS, the department of interior in Washington that is supposed to regulate safety, did they have requirements that it have a redundancy?

HAYWARD: The blowout preventer had three levels of redundancy. They've all failed. We don't understand why that is the case. That will clearly be something that the investigation focuses on very significantly.

I think that -- this is a terrible accident, and, as you say, something that is very, very serious. We need to understand what has happened here. It is the first time in 20 years of drilling in the deep water globally that we've had an incident of this sort to deal with.

And clearly the investigation will make findings which, I would expect, would change in a significant way industry practices and regulation over this sort of equipment.

VAN SUSTEREN: Sir, there's no question that everyone wants a full and thorough investigation so that never happens again.

There are some congressional hearings that are starting this week. And I'm all in favor of your company being grilled and looked at to see what did wrong or right or whatever. But I'm curious,

are these hearings coming too soon so some of your resources that should be diverted or some of you attention to stopping this leak is being distracted by the hearings? Are these hearings creating a time problem for you at all?

HAYWARD: I think it is reasonable and right that Congress should take a very active interest in this. And we have found a way of managing to deal with their concerns while not interrupting our ongoing operations.

VAN SUSTEREN: Good luck, sir. We sure hope that gets contained soon, thank you sir.

HAYWARD: Thank you very much for the opportunity.

(END VIDEOTAPE)

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