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A Brief Overview of the Oil Spill Problem in Russia

Greenpeace Russia

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A daily oil spill disaster

According to expert estimates, the fossil fuel industry spills over 30 million barrels of oil every year in Russia, which is equal to approximately six Deepwater Horizon disasters per year. According to official statistics alone, there are over 10,000 single accidents involving oil pipelines every year, making fossil fuel industry operations in Russia among the worst in the world in terms of oil pollution. The scale of the oil pollution can be compared only to Nigeria, where about 0.7 million barrels of oil are spilled annually, much of it due to rebel attacks on pipelines (2). Oil spills are not confined to one area of Russia or one particular operator, rivers and lakes throughout Russia's vast territory are contaminated with oil products. The consequences of this oil spill problem can be far-reaching, oil pollution flows via the rivers all the way to the Arctic Ocean and this can constitute 3.5 million or more barrels of oil products per year reaching Arctic waters (1).

How much oil is being spilled?

In fact, no one knows exactly how much oil is being spilled in Russia. The oil companies are not required to report such statistics and many do not choose to do so voluntarily. The data that is occasionally provided by officials at different levels of the government, or

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by oil producers voluntarily, are often sketchy and contradictory. Expert estimates vary considerably, but based on the most reliable estimates we can conclude that the amount of oil spilled is several million tons a year, and the most likely figure is about 4.5 million tons, that is approximately 1% of the total yearly oil production in Russia (1).

Russia produces over 500 million tons of oil a year, and oil and gas income makes up over 50% of its national budget. Despite the prominence of the fossil fuel industry in Russia, for many years the authorities have refused to acknowledge the scale of the oil spill problem.

Just this past year, owing to the pressure from NGO's, the Minister of Natural Resources Sergey Donskoy made a public statement on the issue of oil spills, saying that the state has no reliable information on the amount of oil spills, the volumes of oil losses and the damage to the environment. For example the oil companies themselves officially report only 10 thousand tons of oil losses a year. The minister also announced that the government aims to improve the situation by applying modern technologies like satellite monitoring (4), a tactic already employed by Greenpeace Russia to monitor oil spills.

Why do oil spills happen?

Watchdogs point out that over 97% of pipeline ruptures in Russia occur because of corrosion, which happens because of old age and misuse of equipment. Many pipes in Russia are over 30 years old, while their accident-free life span is limited to 10-20 years (1). The companies replace old pipelines too slowly. If they continued the replacements at the same rate as now, Rosneft, for example, will only replace all its existing pipelines

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within 55-80 years, Bashneft – in 150 years (these calculations by Greenpeace Russia are based on the companies' reports on infrastructure upgrading).

According to the Russian Minister of Natural Resources, upgrading of the whole interfield oil pipelines system will cost the companies 1.3 trillion rubles a year (about EUR 28 billion), compare that with the net profits of the whole industry, which was 4.9 trillion rubles in the recent 5 years (2007-2011) (4).

It appears that the fossil fuel industry in Russia prefers not to "waste money" on upgrading rusty pipelines and reclaiming land affected by oil spills, but investing in dangerous Arctic offshore oil drilling or building pipelines to China is much more attractive.

No one takes responsibility

Even if a supervisor reports an oil spill, it does not mean it will be dealt with. A company will often just imitate the process of land reclamation, burying the oil under the soil and covering it with sand. After several years of such practices most of the natural vegetation dies off. Many decades will pass before nature begins to recover in severe sub-Arctic and Arctic conditions like those of Komi and oil-producing regions of Siberia.

The consequences for these bad practices are very little. The worst punishment for pollution that companies traditionally face is a fine of a few thousand euros for not reporting oil spills to the state agency in due time. Barely a slap on the wrist for these large and profitable companies.

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Moreover, the fossil fuel industry is involved in efforts to push environmental standards even lower, step by step destroying what remains of Russian environmental legislation. Just this year several deputies from the Russian Duma, with strong ties to the fossil fuel industry, [proposed an amendment to the current legislation](#) which, if passed, would have effectively eliminated the obligatory environmental impact assessment for several types of industrial projects – including offshore drilling projects. Thanks in part to pressure from NGO's this amendment was not passed.

But often such amendments do go through, such as in April 2013, amendments were passed by the Russian State Duma, removing the prohibition for the dumping at sea of soil dug up during dredging operations (12). The original ban on this practice was aimed at avoiding sea pollution and protection of fish resources. The initiative to amend and effectively remove the existing protection law was brought by NOVATEK, a company running dredging operations at the construction of a gas liquefaction plant and the infamous Sabetta port. The port is expected to become a "major gateway to the Arctic", supporting Russian oil and gas development in the region. The company doing dredging works was Belgian Jan De Nul, but the contract was recently transferred to DEME, a Belgian daughter company of the Ackermans & van Haaren holding company.

The fossil fuel industry prefers to keep its dirty practices secret from the general public, and especially from foreign investors. For instance, statistics data on the number of oil spills in Russia after 2012 are no longer accessible for Greenpeace Russia.

An industry-wide problem

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The oil spill problem is not confined to one oil-producing region or one oil company in Russia – it is an industry-wide problem, present amongst all the biggest oil companies. International fossil fuel companies are also part of the oil industry landscape in Russia, companies who claim to bring the best and most advanced technologies, like ExxonMobil, Shell, BP, and Statoil. Yet their presence has not brought any visible changes to the oil spill problem and in fact, the problem has remained constant, according to official statistics, within the last 10 years, there has been no decrease in the number of leaks (11). There are many examples of foreign companies involved in oil pollution in Russia. TNK-BP (since bought by Rosneft), which was established by British BP and Russian Tyumen Oil Company, was listed among dirtiest oil companies in Russia with over 880 oil spills in 2010, according to official statistics. Total and Statoil had numerous accidents at Khariaginskoe oil field in the Nenets region (13,14).

And in the case of Exxon Mobil, its rather ironic that the company responsible for the Exxon Valdez oil disaster is bringing its "modern" technology and approaches to the dangerous offshore Arctic license blocks of Rosneft. To add to this when the joint exploratory drilling begins this summer in the Kara Sea the offshore oil license block will still be violating Russian law by overlapping a federally protected area (Russian Arctic National Park)!

Still another example is the environmental scandal around the oil and gas development project Sakhalin-2 operated by Shell. When NGOs including WWF Russia asserted that Sakhalin-2 threatened marine life and was potentially damaging for the local communities, Sakhalin Energy responded that the project met all standards of its lenders,

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and satisfied environmental and social policies. Nevertheless, the state revoked the environmental seal of approval from this project (15).

Oil companies that have experienced significant spills in Russia and the accompanying official statistics collected in year 2011 (11):

Rosneft (over 6,800 oil spills every year according to official statistics, no data on the volume of leaks)

Lukoil (over 3,700 leaks)

Gazprom Neft (about 870 spills)

Tatneft (over 980)

TNK-BP (over 880)

Bashneft (about 280)

Global figures: (according to the companies' Sustainability reports, 2010)

Shell (480 oil spills, total volume 95,000 barrels)

Pemex (149 spills, 28,000 barrels)

ConocoPhillips (330 spills, 15,000 barrels)

Chevron (639 spills, 12,000 barrels)

BP (142 spills, 10,700 barrels as of 2010 report, + 4.9 million barrels spilled during Deepwater Horizon disaster in the Gulf of Mexico, April 2010)

ExxonMobil (210 spills, 8, 000 barrels).

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The Komi region

The Komi region and the practices of the oil companies operating there are but one typical example of how the 'modern' fossil fuel industry operates in Russia. Similar oil slime fields and poisoned forests that spread for thousands miles around can be found in any big oil producing region, like Siberia (5).

Khanty-Mansi, Yamal-Nenets Autonomous Districts, Tomsk Region, Komi Republic, and other regions that are now oil producing, used to be the land of wild and severe taiga. They are the traditional homes of indigenous communities of fishermen, hunters and reindeer herders. The fossil fuel industry came to the Komi region just several decades ago and within this relatively short period has made life of people there a misery: water is not fit for drinking, forests are polluted, and farm animals are dying from toxic poisoning.

Komi people (a group of Finno-Ugrics) have to meet almost every spring with shovels and buckets ready to clean oil with their own hands, as winter ice on the rivers turns black from new leaks (6). Here, accidents on rusty oil pipelines happen almost every day. This year, many of the local people became so outraged at the irresponsible behavior of oil companies that they made a step unprecedented in Russia: unanimously they voted to stop all fossil fuel industry activities in one of the affected areas, Izhma district (7).

The town of Usinsk in Komi became world-famous after the oil catastrophe in 1994 that was registered in the Guinness World Records as the biggest on land oil spill ever. Over 100,000 tons of oil-containing liquid leaked into the soil and water. The pollution was so extensive that it reached the Arctic Ocean traveling along the Pechora River, forming a 18-kilometer-long oil stain. (8)

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Greenpeace Russia, together with the local community, has been campaigning against oil devastation in the Komi and other regions for over 10 years. Greenpeace campaigners surveyed the region, revealed oil spills and tried to hold the oil companies responsible. It is a long-term struggle as oil producers often try to downscale the accidents and evade their responsibilities, and court procedures on penalties for pollution can drag on for many months.

For example, last December Lukoil was fined for 615 million rubles (about EUR 14 million), a sensational sum for environmental violations in Russia. This was a result of 2-years long court process initiated after Greenpeace complaint (9). But the company managed to contest the decision in the superior court and ultimately they did not pay the fine.

What can be done about it?

Many loopholes and gaps exist in regulations for the fossil fuel industry in Russia that allow irresponsible practices to thrive. Experts of Greenpeace Russia thoroughly studied the gaps and deficiencies in the Russian legislation due to which the problem of oil spills remains unsolved for many years, and suggest concrete measures to fix them. These measures on improving the legislation are revealed in the "Oil Pollution: Problems and Possible Solutions" joint report (16).

In August 2014 Greenpeace plans to discuss the Report with oil companies and state control bodies, and submit these proposals to the Russian Ministry of Natural resources and Ecology, as well as to the RF Government.

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The oil spill problem in Russia is huge but not insurmountable. In fact, solutions do exist – simply by repairing and upgrading the existing pipelines the industry can save up to [4.5 million tons of oil that are now being lost because of the leaks and spills](#). One should consider that together with serious investments in energy efficiency, where Russia could save the energy equivalent of 30 million tons of oil per year (17).

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