

Pioneer Natural Resources takes proactive approach to pollution prevention

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Pioneer Natural Resources' proactive pollution prevention program has earned the company this year's Bruno Hanson/Midland College Award for Environmental Excellence. The award recognizes Pioneer's Permian spill management program and pollution prevention initiatives. It will be presented at a dinner Monday, April 5 at Midland Center.

The environmental award is named in honor of the late Bruno Hanson and the institution whose environmental programs he supported. Bruno Hanson was an outstanding leader in education, civic and professional endeavors. He was involved in the discovery or extension of more than 20 oil and gas fields, and he had an abiding respect for the natural environment. In 1986, his peers elected him president of the American Association of Petroleum Geologists and in 1992 he was instrumental in the formation of the AAPG's Division of Environmental Geosciences. The winner of the award that bears his name is selected each year by a nominating committee that thoroughly reviews candidates displaying high standards of environmental stewardship while operating or otherwise participating in the Permian Basin oil and gas industry. The nominating committee consists of Arlen Edgar, Ben Shepperd, Hoxie Smith, Gil Van Deventer, and Doc Weathers.

This year's award winner, Pioneer Natural Resources, is especially noteworthy because of the extent of its operations in the Permian Basin. By volume of production, Pioneer is the fifth largest oil and gas producer in the state of Texas and the second largest oil and gas producer in Texas Railroad Commission District 8 and 8A (Permian Basin). Pioneer is taking a pro-active approach in striving to be the top ranked operator in the Permian Basin in regards to spill management and pollution prevention policies and procedures. Because of the scope of its operations in the Permian Basin, Pioneer recognizes its corporate and environmental stewardship responsibilities. Through training and an awareness of proactive measures it empowers each one of its employees to be responsible for pollution prevention.

Beginning in early 2009, Pioneer initiated a proactive pollution prevention program to their overall spill management program. This included the formation of a Spill Investigation Team and formation of a Spill Prevention Action Team (SPAT). The SPAT team meets each month to review monthly spill reports, identify "root causes" and to recommend new policies or procedures that will lead to the reduction and/or elimination of future spills. SPAT team members include Pioneer personnel up and down the corporate ladder. The involvement of senior management in the program displays the development of a corporate culture that emphasizes environmental stewardship.

Pioneer employees are required to report all spills of any quantity of crude oil and/or produced water, not just spills meeting the Texas Railroad Commission reportable quantity of five barrels or greater of crude oil. When each spill is reported, Pioneer's Permian Environmental Department conducts a detailed "Root Cause" analysis to determine and track the cause of the spill. On each spill report employees describe the spill and its cause, the response and cleanup action taken, and actions taken to prevent future similar spills. The investigation does not stop there. Each spill report is distributed to the Permian area superintendents, Permian and corporate health, safety, and environmental personnel, and to operations management at

corporate offices in Las Colinas, Texas.

Along with the new spill prevention program was the expansion of annual spill training from three times a year for 30 personnel to 14 training sessions a year for over 200 Pioneer employees. Newly hired Pioneer employees are trained so that they are immediately aware of corporate environmental policies, spill regulations, and their responsibility to help Pioneer achieve its environmental goals.

This program is especially relevant to Midland and the surrounding Permian Basin area when considering the number of oil and gas facilities that Pioneer operates near residences and commercial businesses. Pioneer is the largest operator in the Spraberry Trend with a geographic extent of 150 miles north to south of Midland and 40 miles east to west. This includes 5,651 wells (active and shut-in), 106 active salt water disposal and injection wells, and 1,638 tank batteries with 3,693 crude storage tanks and 702 produced water tanks, all of which require roughly 5,700 miles of flowlines.

Nominating committee member Arlen Edgar stated, "Fundamental criteria for this award are that the environmental efforts recognized be voluntary and go beyond mere regulatory compliance. Pioneer's planning and training program extends far beyond those criteria and even beyond proactivity. The result is the mentioned corporate culture which pervades the entire organization. Pioneer's program should be viewed as a model for and an inspiration to other oil and gas operators. It should also be looked upon as an icon of corporate responsibility by regulators, lawmakers and the public."

Agreed Ben Shepperd, "Pioneer continues to set an example through its operating practices that everyone in the industry should emulate."

Gil Van Deventer noted, "As a company with a successful and dominating presence in west Texas, Pioneer is also deserving of this award because of their programs outside of the Permian Basin. They have diligently performed numerous site remediations which resulted in several prestigious awards. In 2005 the Railroad Commission of Texas nominated Pioneer for their West Panhandle project through the Voluntary Cleanup Program, winning them Honorable Mention for the 2005 IPGCC Environmental Stewardship Award. In 2009 they again received the IPGCC Environmental Stewardship Award for their Oooguruk North Slope project. Pioneer was also one of the recipients for the 2009 AAPG/DEG Corporate Environmental Excellence Awards which will be presented at the annual AAPG conference in New Orleans this April."

Long time nominating committee member Doc Weathers said, "Pioneer is a particularly noteworthy award-winner this year, not for a particular environmental mess they cleaned up, but because their corporate culture ensures that proactive and specific steps are taken ahead of time to limit and many times prevent environmental problems from occurring in the first place. Many past award winners were recognized, and rightly so, for stewardship related to a specific environmental problem that had already occurred. In my mind, Pioneer deserves kudos and should be recognized for their corporate foresight as well as training and education of their field personnel to take proactive steps to prevent environmental problems."