

Environmental Law in the Oil & Gas Industry

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Protection of the environment is not a direct money making proposition for the oil and gas companies. A good environmental record may gain a company better public relations versus its messier peers and be a selling point to foreign governments in attempts to gain exploration concessions or locate refineries and chemical plants on foreign shores. Nonetheless, every dollar spent on environmental protection or remediation reduces corporate profits.

According to many, the oil industry enjoys sweeping exemptions from provisions in federal environmental statutes which are intended to protect human health and the environment. Truly, some oil industry wastes, substances, and activities *are* far less regulated than the same or similar wastes from other industries. This less-regulated environment exists even though the oil industry is poorly perceived by the public.

When land and water are contaminated by the industry, and when statutory remedies are available, aggrieved parties often turn to common law civil courts for monetary damages instead of seeking redress through (a) governmental regulatory bodies or (b) citizen-suit provisions of the environmental laws. When courts do award money damages against oil companies for environmental contamination often those damage awards are *not* used for environmental remediation.

So... what's the deal? Is the oil industry really treated differently when it comes to the environment and, if so, why? If the general public has such a nasty opinion of the oil industry, why aren't environmental laws a lot tougher on the industry than they are? Is that situation going to change? Why don't oil and gas companies and state legislatures work to ensure that monetary damage awards are used to clean up environmental problems? What lessons can be learned from these experiences to more rapidly improve the environmental situations in other countries?

This class explores these questions and issues from the viewpoints of the

1. landowners directly impacted by oil-field contamination,
2. oil and gas companies,
3. regulatory agencies and legislatures charged with protecting the environment and the general public, and
4. non-governmental organizations who work for protection of the environment.

In some cases, state common law has evolved to fill gaps left by statutes and regulations. Unfortunately, the common law is going in many different directions. Identical contamination fact-patterns in Texas, Louisiana, and Mississippi, for example, would lead to three distinctly different outcomes in the courts. The class will explore the relationships among the relevant environmental statutes, regulations, and common law and help make sense of this tangled web of jurisprudence as it applies to the oil and gas industry. It's a fun journey for those interested in attacking, defending, or overhauling the industry's environmental practices and obligations.

