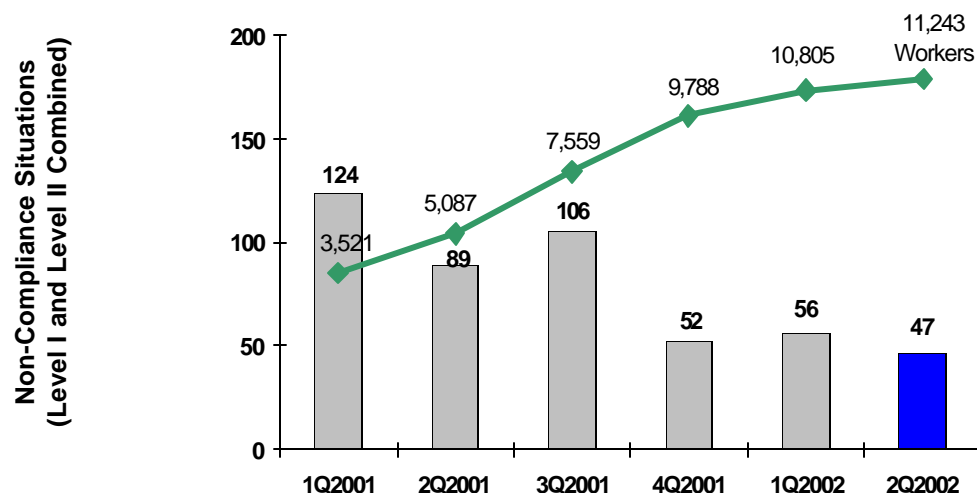


## Reportable EMP Situations

Contractor and Project field monitors recorded a total of 47 Environmental Management Plan Project reportable non-compliance situations this quarter, slightly lower than the number recorded in the first quarter of 2002. No critical (Level III) non-compliance situations have been recorded by the Project to date.

- ◀ Combined Level I and Level II Non-Compliance Situations Compared to Construction Activity (Total Workers on Job)



The combined number of Level I and Level II non-compliance situations per quarter has fallen during the overall course of the Project's construction period. During the same period the total number of Project workers, and therefore the level of construction activity, has substantially increased.

Context: Contractors and Esso/TOTCO/COTCO personnel are required to report all Project Reportable Situations that could put the Project out of compliance with the Environmental Management Plan and the suite of socioeconomic, health, and environmental (SHE) plans filed by each prime contractor. There are two kinds of Project reportable situations: spills and non-compliance

situations. In addition, the Project gathers reports related to compliance initiatives.

- Spills of hydrocarbons or hazardous materials require immediate reporting within one hour of discovery under the following circumstances, with written follow-up reports required to be filed within 24 hours:
  - All spills into a water body must be reported regardless of volume.
  - All spills onto a land surface greater than 150 liters (40 gallons) in volume must be reported.
- Non-compliance situations are ranked according to three levels, a system designed to provide early warning of developing problems so the Project can act to resolve issues before they escalate and result in actual environmental damage.
  - Level I: A situation not consistent with specifications or other requirements, but not an immediate threat to an identified sensitive or important resource.
  - Level II: A non-compliance situation that has not yet resulted in clearly identified damage or irreversible impact to a sensitive or important resource, but requires expeditious corrective action and site-specific attention to prevent such effects.
  - Level III: A critical non-compliance situation, involving observed damage to a specifically protected sensitive resource or a reasonable expectation of impending damage.
- Compliance initiatives are situations that do not rise to any of the non-compliance levels mentioned above. This classification is often used to describe proactive steps taken in response to situations that are not yet non-compliant but could lead to a non-compliance situation if not appropriately addressed.

**Spills** A total of five Project reportable spills occurred this quarter. No major spills occurred, with the spills ranging from 10 liters to approximately 400 liters in size.

#### Summary

All five of the reportable spills this quarter took place in Cameroon, and involved hydrocarbon materials. Three of the spills were into water.

## Spill Events

**19 April:** Approximately 20 liters of hydraulic fluid leaked from a ruptured hydraulic hose on an excavator working on pipeline construction. The fluid spilled into a seasonally inundated area at KP433 in Cameroon. The spill was confined to the pipeline right of way. It was properly cleaned up and no environmental damage was observed.

**20 April:** Approximately 400 liters of hydraulic fluid spilled from a ruptured hydraulic hose on a forklift. The fluid leaked onto the ground at the P2 storage yard in Douala about 20 meters from the railway line. Approximately 250 liters of hydraulic fluid were recovered during the cleanup. The spill was confined to the storage yard. It was properly cleaned up and no environmental damage was observed.

**16 May:** Approximately 10 liters of hydraulic fluid leaked from a ruptured hydraulic hose of a backhoe at KP406, one kilometer from Koné village in Cameroon. The hydraulic pipe ruptured while the backhoe, stuck at a seasonally inundated area, was being maneuvered out of the mud. Approximately five liters of the hydraulic fluid were recovered during the cleanup. The spill was confined to the pipeline right of way. It was properly cleaned up and no environmental damage was observed.

**16 May:** Approximately 20 liters of engine oil from an overturned front end loader leaked into a seasonally inundated area near Yebi village, nine kilometers outside Bélabo along the Bélabo-Goyoum road. Approximately 19 liters of the spilled engine oil was recovered during the cleanup. The spill was properly cleaned up, and no environmental damage was observed. (For more information on this accident, see the section on *Safety*.)

**16 June:** Approximately 200 liters of diesel fuel from an overturned truck leaked onto a road surface about three kilometers from Dompta, Cameroon. The truck, belonging to a subcontractor to the Project's logistics contractor, was on its way to Chad transporting Project materials when the accident occurred. Rain fell heavily the day after the incident and the fuel was washed away. Thus, no spill cleanup action was possible. However, no environmental damage was observed.

Non-Compliance  
Categories of  
Most Concern

The majority of the second quarter's recorded non-compliance situations, about 79% of the total, fell into five categories. In order of frequency, the top five categories were: working outside approved areas; erosion control; equipment maintenance and handling; socioeconomic issues; and waste management. About three-fourths of the reportable situations recorded during the quarter were rectified and closed out by the end of the quarter.

Reportable situations included five Level II non-compliance situations which are described in more detail below.

#### Working Outside Approved Areas

The twenty non-compliance situations recorded in this category included cases of exploiting sand and clearing vegetation on uncompensated lands, creation of deep ruts by Project vehicles in a wetland area, working outside designated borrow pit and construction site limits, working on a well pad site without prior approval by the EMP Group, unauthorized clearing of land for a truck parking area, storage of excavation spoils outside the pipeline right of way, leaving felled trees outside the pipeline right of way in a wetland area, and creating drainage outlets outside a designated construction site limit.

#### Erosion Control

The five non-compliance situations in this category involved dewatering of pipeline trenches containing muddy rainwater onto river banks in Cameroon resulting in some increased turbidity downstream, inadequate erosion and sedimentation control measures at a work site, and failure to implement adequate erosion control measures at several stream margins.

#### Equipment Maintenance/Handling

The five cases in this category included the storage of fuel oil less than 20 meters away from a body of water, lack of proper spill kit use during engine oil handling and machinery repair, and inadequate secondary containment of hydrocarbon-contaminated rainwater around a storage yard generator.

#### Socioeconomic Issues

The four non-compliance situations in this category involved an incident of hiring workers at the gate of a Project worksite, employment of workers without having signed work contracts in place, and operating heavy equipment in a previously marked cemetery resulting in the disturbance of a grave.

#### Waste Management

The three cases in this category included the improper handling of aqueous waste at a cement batching plant, transporting hazardous waste in storage containers that did not meet the Project's specifications, and the temporary storage of waste outside a designated storage location.

## Level II Non-Compliance Situations

Five Level II non-compliance situations were recorded this quarter. All but one of them had been rectified and closed out by the end of the quarter.

- Implementation of soil erosion and sedimentation control measures was not carried out in a timely manner in the Mbikiliki hills area, north of KP994 near the Kribi-Lolodorf road. The pipeline contractor responded to the situation by reorganizing reclamation crew assignments and bringing in additional equipment to accelerate completion of the required soil erosion and sedimentation control measures. No lasting environmental damage was observed.
- A pipeline construction excavator dewatered a pipeline trench into a minor waterway at KP981 without putting adequate sediment control measures in place. Discharge of the muddy rainwater into the stream increased its turbidity to some degree. Contractor personnel were reminded that they must strictly adhere to the EMP requirements and procedures for sensitive resources, particularly at water crossings. The contractor also took action by providing adequate numbers of pumps and hoses to allow future discharges to be made onto land surfaces as required by Project specifications. No lasting environmental damage occurred.
- In a similar incident to the one just described, a pipeline construction excavator dewatered a pipeline trench (containing only muddy rainwater) into a minor waterway at Mbikiliki, Cameroon without putting adequate sediment control measures in place. This resulted in some increased turbidity downstream. Action was taken to remind contractor personnel that they must strictly adhere to the EMP requirements and procedures. No lasting environmental damage occurred.
- River water was discharged into the sea during the hydrotesting of the pipeline at KP1068. The hydrotest was being run on the pipeline between KP1068 and KP1006. The first cleaning pig was launched into the pipe before installation of a control valve had been finished at the discharge site. As a result, river water containing very small amounts of solid debris and corrosion scale from the interior of the pipe ran into the sea, a volume of approximately 650 cubic meters. The operation was immediately shut down when detected by an environmental monitor. Contingency measures to improve communications and operator performance have been instituted to

avoid reoccurrence of this type of situation. No lasting environmental damage occurred.

- A routine inspection at the Ngoumou construction camp found that Guesthouses 1 and 2 did not have adequate health and hygiene provisions despite previous directions to make these corrections. A few bedrooms did not have insect screens and shower facilities were inadequate. The kitchen cleanliness, food storage facilities and food preparation were also not in accordance with Project standards. No further occupation of the guest houses was allowed until they had been audited for compliance with the Project standards and the contractor was reminded of the need to comply with the Project's health and hygiene standards.

**Non-Compliance Situations & Compliance Initiatives Tally** There were 47 non-compliance situations, 21 compliance initiatives and five reportable spills recorded in the second quarter of 2002. The total number of recorded non-compliance situations has decreased slightly since the last quarter. The number of Level II non-compliance situations has fallen slightly from eight in the previous quarter to five this quarter. As noted above, no Level III non-compliance situations have been recorded since the Project groundbreaking in October 2000.

◀ Total Reportable Situations by Country  
2nd Quarter 2002

	<i>Level I</i>	<i>Level II</i>	<i>Level III</i>	<i>Total Non-Compliance Situations</i>	<i>Compliance Initiatives</i>	<i>Reportable Spills</i>
Chad	28	0	0	28	3	0
Cameroon	14	5	0	19	18	5
<b>Total</b>	<b>42</b>	<b>5</b>	<b>0</b>	<b>47</b>	<b>21</b>	<b>5</b>

◀ Non-Compliance Situations by Major Contractor  
2nd Quarter 2002

	<i>Level I</i>	<i>Level II</i>	<i>Level III</i>	<i>Total</i>
David Terrassement	6	0	0	6
TCC	12	0	0	12
Doba Logistics	6	0	0	6
Sogea-Satom	9	0	0	9
Wilbros Spie Capag	9	5	0	14
Pride Forasol	0	0	0	0
Schlumberger	0	0	0	0
Modec	0	0	0	0

◀ Non-Compliance Situations by Category  
2nd Quarter 2002

	<i>Level I</i>	<i>Level II</i>	<i>Level III</i>	<i>Total</i>
Work outside approved areas	20	0	0	20
Erosion control	2	3	0	5
Maintenance/handling of equipment	5	0	0	5
Socioeconomic issues	4	0	0	4
Waste management	3	0	0	3
HSE training	2	0	0	2
Health and safety	1	1	0	2
Storage of hazardous materials	1	0	0	1
Spill response	1	0	0	1
Water withdrawal	1	0	0	1
Vegetation removal	1	0	0	1
Extraction of fill materials	1	0	0	1
Hydrotest water discharges	0	1	0	1
<b>Total</b>	<b>42</b>	<b>5</b>	<b>0</b>	<b>47</b>