



FIRE AT STAVROLEN

RIA Novosti, FederalPress, OilRu and others

A fire was reported on 15 December 2011 at the Stavrolen plant in Budyonnovsk. It is thought to have started after an explosion at around 14.20 in the ethylene gas distribution unit which was undergoing refurbishment.

The fire spread to an area of around 1,000 square metres and took a team of 100 firefighters with 24 equipment units two days to put out. There were no reported deaths as a result of the fire, however nine people suffered minor burns.

The maximum concentration of harmful substances was not exceeded, however due to the gas burning at the processing unit, firefighters were concerned that there was a further risk of explosion at the time.

The Prosecutor's Office of the Stavropol Region Investigation committee began an investigation into causes of fire. A criminal investigation was launched under Article 217 of the Criminal Code of Russian Federation: 'Violation of health and safety rules at dangerously explosive facilities'. Plant operations were stopped.

An initial damage assessment was made after two days and was estimated at \$25 mln with three months fire recovery work. The committee of Rostekhnadzor have postponed the decision due to the absence of conclusive expert reports. The investigation was finally completed on 4th February.

The LUKOIL statement says that, according to committee data, the most probable cause of fire was depressurization of the connecting elements within a propane-propylene separation unit. The depressurization was caused by corrosion and structural changes that had occurred during equipment operation.

The estimated cost of damaged and destroyed property is 812 mln rubles.

According to the reports, ethylene production will resume no earlier than 1 April 2012, taking into account the manufacture and supply of the necessary equipment. The repair and restoration works will not have a negative impact on the gas chemicals complex project delivery times on site.