

CLAIM SUMMARY / DETERMINATION FORM

Claim Number	: 915078-0001
Claimant	: BP Exploration & Production, Inc.
Type of Claimant	: Corporate
Type of Claim	: Removal Costs
Claim Manager	: [REDACTED]
Amount Requested	: \$5,686.64

**FACTS:**

***A. Oil Spill Incident:***

On July 22, 2014, the Coast Guard's National Response Center (NRC) received notification of a large black tar mat that was discovered washed up along the Grand Batture Islands, located in the Gulf of Mexico, a navigable waterway in Jackson County, MS.<sup>1</sup> The Coast Guard Gulf Coast Incident Management Team (CG GCIMT) was notified and responded to the incident.

BP Exploration & Production, Inc. (BP) was initially designated as the Responsible Party (RP) because of the location of the incident and the tar balls appeared to be visibly consistent with MC-252 oil by the Federal On-Scene Coordinator's Representative (FOSCR). The CG GCIMT directed the response and removal activities for this incident, using BP-contracted resources.

***B. Description of removal actions performed:***

On July 22, 2014, Danos & Curole Marine Contractors (Danos) (BP's Oil Spill Response Organization (OSRO) contractor), a NextSource contractor and USCG personnel arrived on-scene, where it was determined that, until further analysis was performed, BP was responsible for cleanup and removal activities. USCG personnel, along with the personnel from NextSource, removed the tar mat from the beach. Danos provided two vessels for transport to the the affected area. A sample was taken from the tar mat, and it was properly disposed of at the Magnolia Landfill.

***C. Sample Analysis:*** The United States Coast Guard (USCG) sampled the tar mat and forwarded it to the Coast Guard Marine Safety Laboratory (MSL) on July 28, 2014 (MSL Case Number 14-193). In an Oil Sample Analysis Report dated October 29, 2014, the MSL determined that sample 14-193-1 contained heavy petroleum oil with characteristics different from those samples of MC 252 oil. The MSL concluded that the sample was not derived from Deepwater Horizon oil.<sup>2</sup>

***D. The Claim:*** On May 4, 2015, BP submitted a removal cost claim to the National Pollution Funds Center (NPFC), asserting that the oil was not Deepwater Horizon oil and sought reimbursement of its uncompensated removal costs in the amount of \$5,686.64 for services

<sup>1</sup> See NRC Report # 1089819, opened on 7/22/2014.

<sup>2</sup> See MSL Case # 14-193, determined 10/29/2014.

provided on July 22, 2014, which included vessel use. The claimed removal costs are based on the rate schedule in place at the time services were provided. A copy of the vendor rate schedule is provided in the claim file.

**APPLICABLE LAW:**

"Oil" is defined in relevant part, at 33 USC § 2701(23), to mean "oil of any kind or in any form, including petroleum, fuel oil, sludge, oil refuse, and oil mixed with wastes other than dredged spoil".

Removal costs are defined as "the costs of removal that are incurred after a discharge of oil has occurred or, in any case in which there is a substantial threat of a discharge of oil, the costs to prevent, minimize, or mitigate oil pollution from an incident". 33 USC § 2701(31).

Removal costs include any removal costs incurred by any person for acts taken by the person which are consistent with the National Contingency Plan. 33 USC § 2702(b)(1)(B).

The Oil Spill Liability Trust Fund (OSLTF), which is administered by the NPFC, is available, pursuant to 33 USC §§ 2712(a)(4) and 2713 and the OSLTF claims adjudication regulations at 33 CFR Part 136, to pay claims for uncompensated removal costs that are determined to be consistent with the National Contingency Plan and uncompensated damages.

Under 33 CFR 136.105(a) and 136.105(e)(6), the claimant bears the burden of providing to the NPFC, all evidence, information, and documentation deemed necessary by the Director, NPFC, to support the claim.

Under 33 CFR 136.105(b) each claim must be in writing, for a sum certain for each category of uncompensated damages or removal costs resulting from an incident. In addition, under 33 CFR 136, the claimant bears the burden to prove the removal actions were reasonable in response to the scope of the oil spill incident, and the NPFC has the authority and responsibility to perform a reasonableness determination. Specifically, under 33 CFR 136.203, "a claimant must establish -

- (a) That the actions taken were necessary to prevent, minimize, or mitigate the effects of the incident;
- (b) That the removal costs were incurred as a result of these actions;
- (c) That the actions taken were determined by the FOSC to be consistent with the National Contingency Plan or were directed by the FOSC."

Under 33 CFR 136.205 "the amount of compensation allowable is the total of uncompensated *reasonable* removal costs of actions taken that were determined by the FOSC to be consistent with the National Contingency Plan or were directed by the FOSC. Except in exceptional circumstances, removal *activities* for which costs are being claimed must have been coordinated with the FOSC." [Emphasis added].

**DETERMINATION OF LOSS:**

**A. Findings of Fact:**

1. CG GCIMT as the Federal On-Scene Coordinator for this incident, oversaw the removal actions and determined that the actions undertaken by BP's contracted OSRO were consistent with the NCP as reported in NRC Report # 1078503; 33 U.S.C. §§ 2702(b)(1)(B) and 2712(a)(4);<sup>3</sup>
2. The incident involved the discharge of "oil" as defined in OPA 90, 33 U.S.C. §2701 to "navigable waters;"
3. In accordance with 33 CFR § 136.105(e)(12), the claimant has certified no suit has been filed in court for the claimed costs;
4. The claim was submitted within the six year period of limitations for claims. 33 U.S.C. § 2712(h)(1);
5. The NPFC Claims Manager thoroughly reviewed all documentation submitted with the claim and determined the costs presented were for actions in accordance with the NCP and that the costs for these actions were reasonable and allowable under OPA and 33 CFR § 136.205.

**B. Analysis:**

NPFC CA reviewed the actual cost invoices and dailies to confirm that the claimant had incurred all costs claimed. The review focused on: (1) whether the actions taken were compensable "removal actions" under OPA and the claims regulations at 33 CFR 136 (e.g., actions to prevent, minimize, mitigate the effects of the incident); (2) whether the costs were incurred as a result of these actions; (3) whether the actions taken were determined by the FOOSC, to be consistent with the NCP or directed by the FOOSC, and (4) whether the costs were adequately documented and reasonable.

As a result of the MSL analysis that the tar mat was not derived from MC 252 oil, this incident has been determined a mystery spill for which BP seeks reimbursement of its removal costs. The Claimant states that all costs claimed are for uncompensated removal costs incurred for this incident on July 22, 2014. BP represents that all costs paid by it are compensable removal costs, payable by the OSLTF as presented by the Claimant.

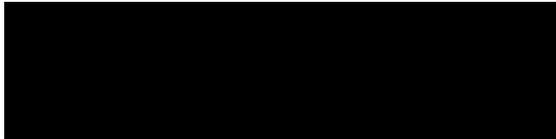
Upon review of the claim submission, the NPFC has determined that the documentation presented to support the actions were reasonable, necessary and performed in accordance with the response objectives as determined by the CG GCIMT and that the actions were also monitored by CG personnel. Additionally, MSL analysis confirms that the response was not associated with the MC252 oil spill.

**C. Determined Amount: \$5,686.64**

The NPFC hereby determines that the OSLTF will offer to pay \$5,686.64 as full compensation for the claimed removal costs incurred by the Claimant and submitted to the NPFC under claim 915078-0001. All costs claimed are for charges paid for by the Claimant for removal actions as that term is defined in OPA and, are compensable removal costs, payable by the OSLTF as presented by the Claimant.

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<sup>3</sup> See NRC Tracker Spreadsheet for NRC Report # 1089819.



Claim Supervisor:



Date of Supervisor's review: *6/9/15*

Supervisor Action: *Approved*

Supervisor's Comments: