

CLAIM SUMMARY / DETERMINATION¹

Claim Number:	UCGP925026-URC002
Claimant:	Cased Hole Well Services
Type of Claimant:	OSRO
Type of Claim:	Removal Costs
Claim Manager:	(b) (6)
Amount Requested:	\$143,292.65
Action Taken:	Denial

EXECUTIVE SUMMARY:

On March 8, 2025, an oil spill occurred at a Whitney Oil & Gas facility in the Lake Hatch Field in Houma, Louisiana.² Approximately two barrels of crude oil³ were discharged into the water when a crude oil flowline ruptured. The oil entered the surrounding navigable marsh waters,⁴ which are directly adjacent to the Intracoastal Waterway,⁵ a navigable waterway of the United States. EPA Region 6 responded as the Federal On-Scene Coordinator (FOSC).⁶

Whitney Oil & Gas (Whitney) was identified as a Responsible Party (RP). The RP initially hired Environmental Safety & Health Consulting Services, Inc. (ES&H) to manage the cleanup.⁷ ES&H's active response activities concluded in mid-May 2025, but actions and costs related to disposal and transportation of waste continued through June 2025.⁸ Cased Hole states that its subcontracted Oil Spill Removal Organization (OSRO), American Environmental and Industrial Services, LLC (AEIS) performed removal actions, including using absorbents, hand tools and flushing operations.⁹ The record is unclear as to why Whitney also hired Cased Hole Well Services (Cased Hole or Claimant) to provide response services, but the record does show that Whitney and Cased Hole had a contract agreement, and Whitney approved the AEIS daily

¹ This determination is written for the sole purpose of adjudicating a claim against the Oil Spill Liability Trust Fund (OSLTF). This determination adjudicates whether the claimant is entitled to OSLTF reimbursement of claimed removal costs or damages under the Oil Pollution Act of 1990. This determination does not adjudicate any rights or defenses any Responsible Party or Guarantor may have or may otherwise be able to raise in any future litigation or administrative actions, to include a lawsuit or other action initiated by the United States to recover the costs associated this incident. After a claim has been paid, the OSLTF becomes subrogated to all of the claimant's rights under 33 U.S.C. § 2715. When seeking to recover from a Responsible Party or a Guarantor any amounts paid to reimburse a claim, the OSLTF relies on the claimant's rights to establish liability. If a Responsible Party or Guarantor has any right to a defense to liability, those rights can be asserted against the OSLTF. Thus, this determination does not affect any rights held by a Responsible Party or a Guarantor.

² National Response Center Report #1425362.

³ See, Lease Facility Inspection Report dated March 12, 2025. See also, LOSCO Spill Response website with spill details <https://data.losco.org/PublicDetails/PublicSpillDetails/3713> (last visited February 12, 2026).

⁴ Lease Facility Inspection Report dated March 12, 2025. Additionally, as seen in the photos provided by the claimant the OSRO accessed the site using motorboats.

⁵ See, site map.

⁶ 40 CFR 300.120.

⁷ See, ES&H claim determination dated February 17, 2026.

⁸ See, ES&H claim determination dated February 17, 2026.

⁹ Optional OSLTF Claim Form dated October 7, 2025.

work.¹⁰ Cased Hole submitted its invoice¹¹ to Whitney but states that it was not compensated since Whitney declared bankruptcy.¹²

After a thorough review of the documentation provided by the claimant and obtained independently by the NPFC, the NPFC determines that the claim must be denied.

I. DETERMINATION PROCESS:

The NPFC utilizes an informal process when adjudicating claims against the Oil Spill Liability Trust Fund (OSLTF).¹³ As a result, 5 U.S.C. § 555(e) requires the NPFC to provide a brief statement explaining its decision. This determination is issued to satisfy that requirement.

When adjudicating claims against the OSLTF, the NPFC acts as the finder of fact. In this role, the NPFC considers all relevant evidence, including evidence provided by claimants and evidence obtained independently by the NPFC, and weighs its probative value when determining the facts of the claim.¹⁴ The NPFC may rely upon, but is not bound by the findings of fact, opinions, or conclusions reached by other entities.¹⁵ If there is conflicting evidence in the record, the NPFC makes a determination as to what evidence is more credible or deserves greater weight, and makes its determination based on the preponderance of the credible evidence.

II. INCIDENT, RESPONSIBLE PARTY AND RECOVERY OPERATIONS:

Incident

On March 8, 2025, an oil spill occurred at a Whitney Oil & Gas facility in the Lake Hatch Field in Houma, Louisiana.¹⁶ Approximately two barrels of crude oil¹⁷ were discharged into the water when a crude oil flowline ruptured. The oil entered the surrounding navigable marsh waters,¹⁸ which are directly adjacent to the Intracoastal Waterway,¹⁹ a navigable waterway of the United States. EPA Region 6 responded as the Federal On-Scene Coordinator (FOSC).

¹⁰ Master Service Agreement dated January 28, 2016, provided by AEIS via email to the NPFC dated March 9, 2026; and Whitney Approvals provided with initial claim submission.

¹¹ Cased Hole invoice H0625-AEIS(1) addressed to Whitney and dated June 30, 2025.

¹² Optional OSLTF Claim Form dated October 7, 2025.

¹³ 33 CFR Part 136.

¹⁴ See, e.g., *Boquet Oyster House, Inc. v. United States*, 74 ERC 2004, 2011 WL 5187292, (E.D. La. 2011), “[T]he Fifth Circuit specifically recognized that an agency has discretion to credit one expert's report over another when experts express conflicting views.” (Citing, *Medina County v. Surface Transp. Bd.*, 602 F.3d 687, 699 (5th Cir. 2010)).

¹⁵ See, e.g., *Use of Reports of Marine Casualty in Claims Process by National Pollution Funds Center*, 71 Fed. Reg. 60553 (October 13, 2006) and *Use of Reports of Marine Casualty in Claims Process by National Pollution Funds Center* 72 Fed. Reg. 17574 (concluding that NPFC may consider marine casualty reports but is not bound by them).

¹⁶ National Response Center Report #1425362.

¹⁷ See, Lease Facility Inspection Report dated March 12, 2025. See also, LOSCO Spill Response website with spill details <https://data.losco.org/PublicDetails/PublicSpillDetails/3713> (last visited February 12, 2026).

¹⁸ Lease Facility Inspection Report dated March 12, 2025. Additionally, according to the AEIS invoices and photographs, the site was accessed using motorboats.

¹⁹ See, site map.

Responsible Party

The responsible party is Whitney Oil & Gas (operator of the facility that discharged oil²⁰).

Recovery Operations

Whitney Oil & Gas (Whitney) hired Environmental Safety & Health Consulting Services, Inc. (ES&H) under their Master Service Agreement to manage the cleanup.²¹ It also appears that Whitney hired Cased Hole under another Master Service Agreement. According to Cased Hole, it brought on its OSRO, AEIS who used absorbents and hand tools, and performed flushing operations.²²

III. CLAIMANT AND RP:

Cased Hole states that it submitted its costs to the RP on June 30, 2025, but the claimant alleged that the RP refused to pay because they declared bankruptcy.²³

IV. CLAIMANT AND NPFC:

Since the claimant had not been paid by the RP due to bankruptcy the claimant submitted its claim to the NPFC. The NPFC received the claim November 17, 2025. The claim included a cover letter, OSLTF Optional Claim Form, an invoice, a map of the location, a report and photos, signed daily tickets and purported cost backup (AEIS costs), and communications with the RP including approvals.

The NPFC determined that it required additional information from the claimant and requested it via email dated December 3, 2025. Specifically, the NPFC requested proof that the actions taken were directed by the FOSC or determined by the FOSC to have been performed in accordance with the NCP, copies of contracts with AEIS and with Whitney, proof of payment of the subcontractor AEIS (who performed the entirety of the response actions claimed), a copy of the rate schedules used, explanations of receipts and clear copies of some receipts, explanation of the gaps in response dates, a copy of the Louisiana State Police report, and identification of the facility that leaked along with schematics.²⁴

With no response from the claimant after two weeks, the NPFC followed up with another email request on December 19, 2025. The claimant responded with some information on January 6, 2026.²⁵ The claimant provided a letter with some responses, the AEIS rate schedule,

²⁰ Lease Facility Inspection Report dated March 12, 2025.

²¹ See, ES&H claim determination dated February 17, 2026.

²² Optional OSLTF Claim Form dated October 7, 2025.

²³ Initial claim submission cover letter dated October 7, 2025. The record does not provide information on Whitney's alleged bankruptcy.

²⁴ Email from the NPFC to Claimant dated December 3, 2025.

²⁵ Email from claimant to NPFC with letter dated December 19, 2025

LOSCO communications, and the Master Service Agreement between AEIS and Cased Hole. Upon review of the response, the NPFC determined that further information was still required and requested that information via email on January 7, 2026. Specifically, the NPFC again requested proof that Cased Hole incurred removal costs when AEIS is the party that performed the response actions and was not paid by Cased Hole; a copy of the agreement between Whitney and Cased Hole; and proof of coordination with the EPA FOOSC. The only response to this request was an email from AEIS stating that Cased Hole has not paid AEIS, providing a copy of the contract between Whitney and Cased Hole, and an argument regarding the FOOSC's alleged involvement with the response.²⁶

V. DISCUSSION:

An RP is liable for all removal costs and damages resulting from either an oil discharge or a substantial threat of oil discharge into a navigable water of the United States.²⁷ An RP's liability is strict, joint, and several.²⁸ When enacting OPA, Congress "explicitly recognized that the existing federal and states laws provided inadequate cleanup and damage remedies, required large taxpayer subsidies for costly cleanup activities and presented substantial burdens to victim's recoveries such as legal defenses, corporate forms, and burdens of proof unfairly favoring those responsible for the spills."²⁹ OPA was intended to cure these deficiencies in the law.

OPA provides a mechanism for compensating parties who have incurred removal costs where the responsible party has failed to do so. 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."³⁰ The term "remove" or "removal" means "containment and removal of oil [...] from water and shorelines or the taking of other actions as may be necessary to minimize or mitigate damage to the public health or welfare, including, but not limited to fish, shellfish, wildlife, and public and private property, shorelines, and beaches."³¹

The NPFC is authorized to pay claims for uncompensated removal costs that are consistent with the National Contingency Plan (NCP).³² The NPFC has promulgated a comprehensive set of regulations governing the presentment, filing, processing, settling, and adjudicating such claims.³³ The claimant bears the burden of providing all evidence, information, and documentation deemed relevant and necessary by the Director of the NPFC, to support and properly process the claim.³⁴

²⁶ Email from AEIS to NPFC dated March 9, 2026.

²⁷ 33 U.S.C. § 2702(a).

²⁸ See, H.R. Rep. No 101-653, at 102 (1990), *reprinted in* 1990 U.S.C.C.A.N. 779, 780.

²⁹ *Apex Oil Co., Inc. v United States*, 208 F. Supp. 2d 642, 651-52 (E.D. La. 2002) (*citing* S. Rep. No. 101-94 (1989), *reprinted in* 1990 U.S.C.C.A.N. 722).

³⁰ 33 U.S.C. § 2701(31).

³¹ 33 U.S.C. § 2701(30).

³² See generally, 33 U.S.C. § 2712 (a) (4); 33 U.S.C. § 2713; and 33 CFR Part 136.

³³ 33 CFR Part 136.

³⁴ 33 CFR 136.105.

Before reimbursement can be authorized for uncompensated removal costs, the claimant must demonstrate by a preponderance of the evidence:

- (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 directed by the FOSC or determined by the FOSC to be consistent with the National Contingency Plan;³⁵
- (d) That the removal costs were uncompensated and reasonable.³⁶

NPFC analyzed each of the regulatory factors above. The EPA FOSC confirmed that ES&H performed removal actions in accordance with the NCP.³⁷ However, the EPA FOSC has not provided the same confirmation for the actions of AEIS or Cased Hole, nor is there evidence that AEIS's actions were directed by the FOSC. The claimant, via AEIS, attempted to provide information that the actions were determined by the FOSC to be consistent with the NCP, in that the EPA was notified of the incident through the National Response Center, "updated by LOSCO during the incident, and included in close-out documentation." They further argue that because the incident was a low priority for the FOSC, "their lack of input inherently implies that that [sic] the National Contingency Plan was being adhered to."³⁸ The NPFC understands the argument but lack of oversight and direction by the EPA FOSC does not prove that the actions were directed by the FOSC or were determined by the FOSC to have been performed in accordance with the NCP, as the regulations require for paying removal cost claims. The requirements of the claims regulations do not provide an exemption that allows implication to be substituted for direction or determination by an FOSC.³⁹

Additionally, Cased Hole has not paid its subcontractor, AEIS for the actions performed.⁴⁰ The importance of this last finding is that the party in this claim who has not been compensated is the party that performed the actions and incurred the costs of those actions if they were proven to be compensable removal costs under OPA. Cased Hole has not paid its subcontractor, so it has not incurred the costs of any removal actions. Additionally, Cased Hole's claimed markup on the unpaid subcontractor costs is not a compensable removal cost incurred by the claimant because the underlying costs upon which the markup is based has not been incurred by the claimant. The claimant did not perform any actions to remove the oil discharge.

Considering the supporting documentation provided and independent information obtained by the NPFC, the NPFC determines that the claim must be denied.

³⁵ 33 CFR 136.203.

³⁶ 33 CFR 136.203; 33 CFR 136.205.

³⁷ Email from FOSC to ES&H dated October 15, 2025.

³⁸ Email from AEIS to NPFC dated March 9, 2026.

³⁹ 33 CFR 136.203; 33 CFR 136.205.

⁴⁰ Confirmed by the claimant via letter dated December 19, 2025 attached to an email to the NPFC dated January 6, 2026, and confirmed by AEIS via email to NPFC dated March 9, 2026.

VI. CONCLUSION:

After careful analysis of all the supporting documentation provided by the claimant and the entire administrative record, the NPFC determines and finds as a matter of fact that the claimant has not demonstrated that it incurred uncompensated removal costs, and the claimant has not demonstrated that its subcontractor's actions were directed by the FOSC or determined by the FOSC to have been performed in accordance with the NCP, as required.

Based on a comprehensive review of the record, the applicable law and regulations, and for the reasons outlined above, Cased Hole Well Services' request for uncompensated removal costs is denied.

<p>(b) (6)</p> <p>Claim Supervisor: (b) (6)</p> <p>Date of Supervisor's review: 3/17/2026</p> <p>Supervisor Action: <i>Denial Approved</i></p>
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