

## CLAIM SUMMARY / DETERMINATION<sup>1</sup>

<b>Claim Number:</b>	UCGP926004-URC001
<b>Claimant:</b>	Cased Hole Well Services
<b>Type of Claimant:</b>	Corporate
<b>Type of Claim:</b>	Removal Costs
<b>Claim Manager:</b>	(b) (6)
<b>Amount Requested:</b>	\$87,441.13
<b>Action Taken:</b>	Denial

### **EXECUTIVE SUMMARY:**

On May 13, 2025, the National Response Center (“NRC”) received notification that a pipeline attached to a well discharged crude oil into a marsh located in the Terrebonne Parish, Louisiana.<sup>2</sup> The spill resulted from a pipeline blowout, discharging a 200 by 250 feet silvery sheen of crude oil on the Intracoastal Waterway (“ICW”), a navigable waterway of the United States.<sup>3</sup>

United States Coast Guard (“USCG”) Marine Safety Unit Houma (“MSU Houma” or “FOSC”) is the Federal On Scene Coordinator for the incident.<sup>4</sup> MSU Houma pollution response personnel arrived on scene to monitor clean-up operations associated with this discharge.<sup>5</sup> In accordance with the Oil Pollution Act of 1990 (“OPA”),<sup>6</sup> the FOSC identified Whitney Oil & Gas (“Whitney” or “RP”) as the Responsible Party.<sup>7</sup>

The RP hired Cased Hole Well Services (“Cased Hole” or “Claimant”) to manage the cleanup.<sup>8</sup> Cased Hole hired American Environmental and Industrial Services, LLC (“OSRO” or “AEIS”) to complete all response actions.<sup>9</sup> On May 16, 2025, AEIS personnel arrived on scene

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<sup>1</sup> 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 with 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.

<sup>2</sup> National Response Center (NRC) Report # 1430993 dated May 13, 2025.

<sup>3</sup> Coast Guard’s Marine Information for Safety and Law Enforcement (MISLE) system case number 1450967. While MISLE is an internal Coast Guard database whose information is protected from disclosure (see, <https://www.dhs.gov/publication/dhsuscgpia-008-marineinformation-safety-and-law-enforcement-misle>). Some of the information provided in MISLE is available to the public through CG Marine Information Exchange (CGMIX). This case can be found in CGMIX (<https://cgmix.uscg.mil/IIR/IIRSearch.aspx>) using the activity number 8185404.

<sup>4</sup> See, email from FOSC to NPFC dated November 19, 2025.

<sup>5</sup> See, email from FOSC to NPFC dated November 19, 2025.

<sup>6</sup> 33 U.S.C. § 2701(32).

<sup>7</sup> See, email from FOSC to NPFC dated November 19, 2025.

<sup>8</sup> Email from Cased Hole to NPFC dated March 9, 2026. See, Whitney O&G MSA. Whitney and Cased Hole entered into a Master Service Agreement on February 1, 2016.

<sup>9</sup> Email from Cased Hole to NPFC dated December 17, 2025. See, Master Service Agreement between Cased Hole and AEIS effective November 18, 2024.

for assessment and consulting services, and AEIS began cleanup operations on May 23, 2025.<sup>10</sup> AEIS continued with spill removal and cleanup operations; completing them on June 23, 2025.<sup>11</sup> As FOSC, MSU Houma provided oversight with support from Louisiana Department of Environmental Quality (“LDEQ” or “SOSC”), who served as the State On Scene Coordinator.<sup>12</sup>

Invoices were submitted to Whitney for the work AEIS performed.<sup>13</sup> Cased Hole was not compensated by Whitney, noting Whitney declined to pay citing bankruptcy.<sup>14</sup> Since the claim was denied by Whitney, Cased Hole presented its costs to the National Pollution Funds Center (“NPFC”) in the amount of \$87,441.13.<sup>15</sup> The NPFC thoroughly reviewed all documentation submitted with the claim, analyzed the applicable law and regulations, and after careful consideration has determined that all costs must be denied.

### **I. DETERMINATION PROCESS:**

The NPFC utilizes an informal process when adjudicating claims against the Oil Spill Liability Trust Fund (OSLTF).<sup>16</sup> 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.<sup>17</sup> The NPFC may rely upon, but is not bound by the findings of fact, opinions, or conclusions reached by other entities.<sup>18</sup> 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:**

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<sup>10</sup> Cased Hole Original Claim submission received November 17, 2025. *See*, Invoice #25-1096 and affiliated Daily Tickets.

<sup>11</sup> Cased Hole Original Claim submission received November 17, 2025. *See*, Invoice #25-1146 with affiliated Daily Tickets.

<sup>12</sup> *See*, email from FOSC to NPFC dated November 19, 2025. *See also*, Louisiana Department of Environmental Quality Incident Report 224087.

<sup>13</sup> Cased Hole Original Claim submission received November 17, 2025. *See*, Email correspondence dated June 27, 2025 through July 3, 2025, pages 48-52 of 52.

<sup>14</sup> *See*, Cased Hole Original Claim submission received November 17, 2025, pg. 1 of 52. The record does not demonstrate that Whitney Oil & Gas is the party that declared bankruptcy; however, since Whitney denied payment to Cased Hole, the bankruptcy itself is not relevant to this determination.

<sup>15</sup> *See*, Cased Hole Original Claim submission received November 17, 2025.

<sup>16</sup> 33 CFR Part 136.

<sup>17</sup> *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)).

<sup>18</sup> *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).

## ***Incident***

The incident occurred at the Lake Hatch Oil & Gas Field, South of the ICW. The spill occurred when approximately 2 to 5 barrels of crude oil discharged from Well F17 due to a pipeline blowout.<sup>19</sup> The oil flowed North, leading to a 200 by 250 feet silvery sheen of crude oil on the ICW,<sup>20</sup> a navigable waterway of the United States.<sup>21</sup>

MSU Houma, LDEQ, and Whitney Oil & Gas personnel performed a site visit on May 14, 2025.<sup>22</sup> Whitney implemented emergency response actions by hiring Cased Hole to manage the cleanup.<sup>23</sup>

## ***Responsible Party***

The spill occurred at an offshore facility as defined by the OPA.<sup>24</sup> OPA defines the responsible party for a discharge from an offshore facility as “the lessee or permittee of the area in which the facility is located or the holder of a right of use and easement granted under applicable State law or the Outer Continental Shelf Lands Act (43 U.S.C. 1301–1356) for the area in which the facility is located”.<sup>25</sup> The FOSC identified Whitney, as the RP.<sup>26</sup>

On November 18, 2025, the NPFC issued an RP Notification letter to Whitney Oil & Gas, LLC and its purported owner, Mr. (b) (6).<sup>27</sup>

## ***Recovery Operations***

Cased Hole hired AEIS to complete all response actions.<sup>28</sup> On May 16, 2025, AEIS personnel arrived on scene for assessment and consulting services, and AEIS began cleanup operations on May 23, 2025.<sup>29</sup> AEIS continued with spill removal and cleanup

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<sup>19</sup> See, Louisiana Department of Environmental Quality Incident Report #224087, dated December 2, 2025, pg. 2 of 6.

<sup>20</sup> NRC Report # 1430993 dated May 13, 2025, pg. 2 of 6.

<sup>21</sup> See, email from FOSC to NPFC dated November 19, 2025.

<sup>22</sup> See, Louisiana Department of Environmental Quality Incident Report #224087, dated December 2, 2025, pg. 2 of 6.

<sup>23</sup> Email from Cased Hole to NPFC dated March 9, 2026. See, Whitney O&G MSA. Whitney and Cased Hole entered into a Master Service Agreement on February 1, 2016.

<sup>24</sup> An “offshore facility” means any facility of any kind located in, on, or under any of the navigable waters of the United States, and any facility of any kind which is subject to the jurisdiction of the United States and is located in, on, or under any other waters, other than a vessel or a public vessel. 33 U.S.C. § 2701(22).

<sup>25</sup> 33 U.S.C. § 2701(32).

<sup>26</sup> See, email from FOSC to NPFC dated November 19, 2025.

<sup>27</sup> See, RP Notification letter to Whitney Oil & Gas, LLC, dated November 18, 2025. An RP Notification letter notifies the responsible party that a claim was presented to the NPFC seeking reimbursement of uncompensated removal costs incurred as a result of a discharge of oil to navigable waters of the United States.

<sup>28</sup> Email from Cased Hole to NPFC dated December 17, 2025. See, Master Service Agreement between Cased Hole and AEIS effective November 18, 2024.

<sup>29</sup> Cased Hole Original Claim submission received November 17, 2025. See, Invoice #25-1096 and affiliated Daily Tickets.

operations; completing them all on June 23, 2025.<sup>30</sup> As FOSC, MSU Houma provided oversight with support from LDEQ.<sup>31</sup>

### **III. CLAIMANT AND RP:**

The claimant presented its invoices to Whitney on June 27, 2025, June 30, 2025, July 1, 2025, July 2, 2025 and July 3, 2025.<sup>32</sup> Cased Hole was not compensated by Whitney, noting Whitney declined to pay citing bankruptcy.<sup>33</sup>

### **IV. CLAIMANT AND NPFC:**

Since the claim was denied by Whitney, Cased Hole presented the costs to the NPFC in the amount of \$87,441.13.<sup>34</sup> The claim submission included a signed OSLTF form, a Facility Incident Report, Several Signed Daily Activity Reports, a Map of the Incident Location, Pictures, Field Reports, Invoices, Receipts and email interactions between Cased Hole and AEIS.<sup>35</sup>

The NPFC determined that it required additional information from the claimant.<sup>36</sup> The claimant provided the Master Service Agreement between Cased Hole and AEIS effective November 18, 2024, the AEIS 2024 Rate Schedule, and a letter dated December 12, 2025.<sup>37</sup> When the NPFC requested further information,<sup>38</sup> the claimant requested a Tolling Agreement,<sup>39</sup> which became effective January 13, 2026.<sup>40</sup>

On March 9, 2026, the NPFC received an email from the subcontractor, AEIS providing the Master Service Agreement between Cased Hole and Whitney dated February 1, 2016, stamped approvals of all AEIS daily tickets, and a picture of the South Lake Hatch field, owned and operated by Whitney Oil and Gas at the time of the incident.<sup>41</sup>

### **V. DISCUSSION:**

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<sup>30</sup> Cased Hole Original Claim submission received November 17, 2025. *See*, Invoice #25-1146 with affiliated Daily Tickets.

<sup>31</sup> *See*, email from FOSC to NPFC dated November 19, 2025. *See also*, email from Louisiana Department of Environmental Quality Incident Report 224087.

<sup>32</sup> Cased Hole Original Claim submission received November 17, 2025, pages 48-52 of 52.

<sup>33</sup> *See*, Cased Hole Original Claim submission received November 17, 2025, pg. 1 of 52. The record does not demonstrate that Whitney Oil & Gas is the party that declared bankruptcy; however, since Whitney denied payment to Cased Hole, the bankruptcy itself is not relevant to this determination.

<sup>34</sup> *See*, Cased Hole Original Claim submission received November 17, 2025.

<sup>35</sup> *Id.*

<sup>36</sup> Emails from NPFC to Cased Hole dated November 24, 2025, December 3, 2025 and December 15, 2025.

<sup>37</sup> Email from Cased Hole to NPFC dated December 17, 2025.

<sup>38</sup> Emails from NPFC to Cased Hole dated December 19, 2025, January 7, 2026 and January 13, 2026.

<sup>39</sup> Email from Cased Hole to NPFC dated January 13, 2026.

<sup>40</sup> Master Tolling Agreement signed January 21, 2026.

<sup>41</sup> Email from AEIS to NPFC dated March 9, 2026.

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.<sup>42</sup> An RP's liability is strict, joint, and several.<sup>43</sup> 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."<sup>44</sup> 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."<sup>45</sup> 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."<sup>46</sup>

The NPFC is authorized to pay claims for uncompensated removal costs that are consistent with the National Contingency Plan (NCP).<sup>47</sup> The NPFC has promulgated a comprehensive set of regulations governing the presentment, filing, processing, settling, and adjudicating such claims.<sup>48</sup> 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.<sup>49</sup>

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;<sup>50</sup>
- (d) That the removal costs were uncompensated and reasonable.<sup>51</sup>

The NPFC analyzed each of the regulatory factors. The FOSC determined that the actions taken by the subcontractor, AEIS were indeed necessary to prevent, minimize, or mitigate the

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<sup>42</sup> 33 U.S.C. § 2702(a).

<sup>43</sup> See, H.R. Rep. No 101-653, at 102 (1990), *reprinted in* 1990 U.S.C.C.A.N. 779, 780.

<sup>44</sup> *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).

<sup>45</sup> 33 U.S.C. § 2701(31).

<sup>46</sup> 33 U.S.C. § 2701(30).

<sup>47</sup> See generally, 33 U.S.C. § 2712 (a) (4); 33 U.S.C. § 2713; and 33 CFR Part 136.

<sup>48</sup> 33 CFR Part 136.

<sup>49</sup> 33 CFR 136.105.

<sup>50</sup> 33 CFR 136.203. See, email from FOSC to NPFC dated November 19, 2025.

<sup>51</sup> 33 CFR 136.203; 33 CFR 136.205.

effects of the incident.<sup>52</sup> However, Cased Hole has not paid its subcontractor, AEIS for the actions performed.<sup>53</sup> The importance of this is the party who has not been compensated is the party that incurred the costs of those actions if they were proven to be compensable removal costs under OPA.<sup>54</sup> Cased Hole has not paid its subcontractor, so it has not incurred the costs of any removal actions.<sup>55</sup> 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.

After careful analysis of all costs, actions, and supporting documentation submitted to the NPFC, the NPFC must deny the costs claimed since there was no evidence that any of these costs were incurred by the Claimant.

## **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.<sup>56</sup>

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.

Claim Supervisor

**(b) (6)**

Date of Supervisor's review: **3/18/2026**

Supervisor Action: ***Denial Approved***

<sup>52</sup> See, email from FOSC to NPFC dated November 19, 2025.

<sup>53</sup> Confirmed by the claimant via letter dated December 12, 2025 attached to an email to the NPFC dated December 17, 2025, and confirmed by AEIS via email to NPFC dated March 9, 2026.

<sup>54</sup> 33 CFR 136.205.

<sup>55</sup> 33 CFR 136.203(b)

<sup>56</sup> Email from AEIS to NPFC dated March 9, 2026.