U.S. Department of Homeland Security

United States Coast Guard

Director
United States Coast Guard
National Pollution Funds Center

US COAST GUARD STOP 7100
4200 WILSON BLVD STE 1000
ARLINGTON VA 20598-7100
[redacted]
Fax: 703-872-6113

5890
10/17/2014

[redacted]

BP Exploration & Production, Inc.
ATTN: Mr. Michael Robertson
501 Westlake Park Blvd.
Houston, TX 77079

Re: Claim Number 914131-0001

Dear Mr. Robertson:

The National Pollution Funds Center (NPFC), in accordance with the Oil Pollution Act (OPA) (33 U.S.C. 2701 et seq.), has determined that it will offer $969.50 as full compensation for OPA claim number 914131-0001.

This determination is based on an analysis of the information submitted. Please see the attached determination for further details regarding the rationale for this decision.

If you accept this determination, please sign the enclosed Acceptance / Release Agreement where indicated and return to the above address.

If we do not receive the signed original Acceptance / Release Agreement within 60 days of the date of this letter, the determination is void. If the determination is accepted, an original signature and a valid tax identification number (EIN or SSN) are required for payment. If you are a Claimant that has submitted other claims to the National Pollution Funds Center, you are required to have a valid Contractor Registration record prior to payment. If you do not, you may register free of charge at www.SAM.gov. Your payment will be mailed or electronically deposited in your account within 60 days of receipt of the Release Agreement.

If you have any questions or would like to discuss the matter, you may contact me at the above address or by phone at 1-800-280-7118.

[redacted]
Claims Manager
U.S. Coast Guard
By Direction

ENCL: Claim Summary / Determination Form
Acceptance/Release Agreement
CG Marine Safety Lab Memo dated 9/16/2014

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Fax: 703-872-6113

Claim Number: 914131-0001	**Claimant Name:** BP Exploration & Production, Inc. 501 Westlake Park Blvd. Houston, TX 77079

I, the undersigned, ACCEPT this settlement offer of $969.50 as full and final compensation for removal costs arising from the specific claim number identified above. With my signature, I also acknowledge that I accept as final agency action all costs submitted with subject claim that were denied in the determination and for which I received no compensation.

This settlement represents full and final release and satisfaction of the amounts paid from the Oil Spill Liability Trust Fund under the Oil Pollution Act of 1990 for this claim. I hereby assign, transfer, and subrogate to the United States all rights, claims, interest and rights of action under any other law, that I may have against any party, person, firm or corporation that may be liable for the amounts for which I have been compensated under this claim. I authorize the United States to sue, compromise or settle in my name and the United States is fully substituted for me and subrogated to all of my rights arising from and associated with those amounts paid for which I am compensated for with this settlement offer. I warrant that no legal action has been brought regarding this matter and no settlement has been or will be made by me or any person on my behalf with any other party for amounts paid which is the subject of this claim against the Oil Spill Liability Trust Fund (Fund).

This settlement is not an admission of liability by any party.

With my signature, I acknowledge that I accept as final agency action all amounts paid for this claim and amounts denied in the determination for which I received no compensation.

I, the undersigned, agree that, upon acceptance of any compensation from the Fund, I will cooperate fully with the United States in any claim and/or action by the United States against any person or party to recover the compensation. The cooperation shall include, but is not limited to, immediately reimbursing the Fund for any compensation received from any other source for those amounts paid for which the Fund has provided compensation, by providing any documentation, evidence, testimony, and other support, as may be necessary for the United States to recover from any other person or party.

I, the undersigned, certify that to the best of my knowledge and belief the information contained in this claim represents all material facts and is true. I understand that misrepresentation of facts is subject to prosecution under federal law (including, but not limited to 18 U.S.C. §§ 287 and 1001).

Title of Person Signing	Date of Signature
Printed Name of Claimant or Authorized Representative	Signature
Title of Witness	Date of Signature
Printed Name of Witness	Signature
*DUNS/EIN/SSN of Payee Please Circle one	Payee
Bank Routing Number	Bank Account Number

Claim Number	: 914131-0001
Claimant	: BP Exploration & Production, Inc.
Type of Claimant	: Corporate
Type of Claim	: Removal Costs
Claim Manager	: Alyssa Lombardi
Amount Requested	: $969.50

FACTS:

A. Oil Spill Incident:

On March 12, 2014, the CG National Response Center (NRC) received notification that tar balls were discovered washing up along Grand Isle Beach, located in the Gulf of Mexico, a navigable waterway in Jefferson Parish, LA.[1] 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 were visibly consistent with MC-252 oil by the Federal On-scene Coordinator (FOSC). Because of both the rising tide and time of day, the CG GCIMT directed the response and removal activities for this incident, using BP-contracted resources.

B. Description of removal actions performed:

On March 12, 2014, Danos & Curole Marine Contractors (BP's Oil Spill Response Organization (OSRO)) and USCG personnel arrived on-scene, where it was determined that, until further analysis is performed, BP was responsible for cleanup and removal activities. Danos & Curole Marine Contractors (Danos) removed the tar balls from the beach. Danos personnel (one foreman, three technicians) provided transport, cleaned the affected area and sent the non-hazardous waste for disposal in accordance with both the NCP and the USCG FOSC Recovered Waste Management Plan.

C. Sample Analysis: The United States Coast Guard (USCG) sampled the tarballs and forwarded the samples to the Coast Guard Marine Safety Laboratory (MSL) on April 1, 2014 (MSL Case Number 14-115). In an Oil Sample Analysis Report dated April 4, 2014, the MSL determined that samples 14-115-1 and 14-115-2 contained heavy petroleum oil with characteristics different from those samples of MC 252 oil. The MSL concluded that the samples were not derived from Deepwater Horizon oil.[2]

Further analysis of the oil samples was performed by the MSL at the request of the NPFC.[3] In a follow-up memorandum dated September16, 2014, the MSL clarified that samples 14-115-1 and 14-115-2 were analyzed using gas chromatography (ASTM Standard Test Method

[1] See NRC Report # 1076459, opened on 3/12/2014.
[2] See MSL Case # 14-115, determined 4/4/2014.
[3] See email from Ms. Alyssa Lombardi, NPFC, to Ms. Kristy Juaire, USCG MSL, dated 9/4/2014.

D 3328) and gas chromatography-mass spectrometry (ASTM Standard Practice D 5739). The analysis included a review of multiple polycyclic aromatic hydrocarbons (PAHs) and biomarker compounds that are source-specific and relatively resistant to weathering on normal environmental time scales. Further, the samples were compared against source oil collected during the Deepwater Horizon oil spill and response. Qualitative review of the PAHs and biomarker profiles for the samples indicated that there were no similarities to suggest a possible relationship between these samples and Deepwater Horizon oil.[4]

D. The Claim: On September 3, 2014, 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 $969.50 for services provided on March 12, 2014, which include personnel, vehicle, and 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;

[4] See MSL Memorandum dated September 16, 2014.

(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 # 1076459; 33 U.S.C. §§ 2702(b)(1)(B) and 2712(a)(4);[5]
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:*

As a result of the MSL analysis that the tar balls were not derived from MC 252 oil BP seeks reimbursement of its uncompensated removal costs. The Claimant states that all costs claimed are for uncompensated removal costs incurred for this incident on February 25, 2014. BP represents that all costs paid by it are compensable removal costs, payable by the OSLTF as presented by the Claimant.

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 FOSC, to be consistent with the NCP or directed by the FOSC, and (4) whether the costs were adequately documented and reasonable.

Upon review of the claim submission, the NPFC has determined that the documentation presented to support the actions is reasonable, necessary and in accordance with the response objectives as determined by the CG GCIMT and that the actions were also monitored by CG personnel.

[5] See NRC Tracker Spreadsheet for NRC Report # 1076459.

C. ***Determined Amount: $969.50***

The NPFC hereby determines that the OSLTF will offer to pay $969.50 as full compensation for the claimed removal costs incurred by the Claimant and submitted to the NPFC under claim 914131-0001. 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.

Claim Supervisor: [redacted]

Date of Supervisor's review: ***10/17/14***

Supervisor Action: ***Approved***

Supervisor's Comments: