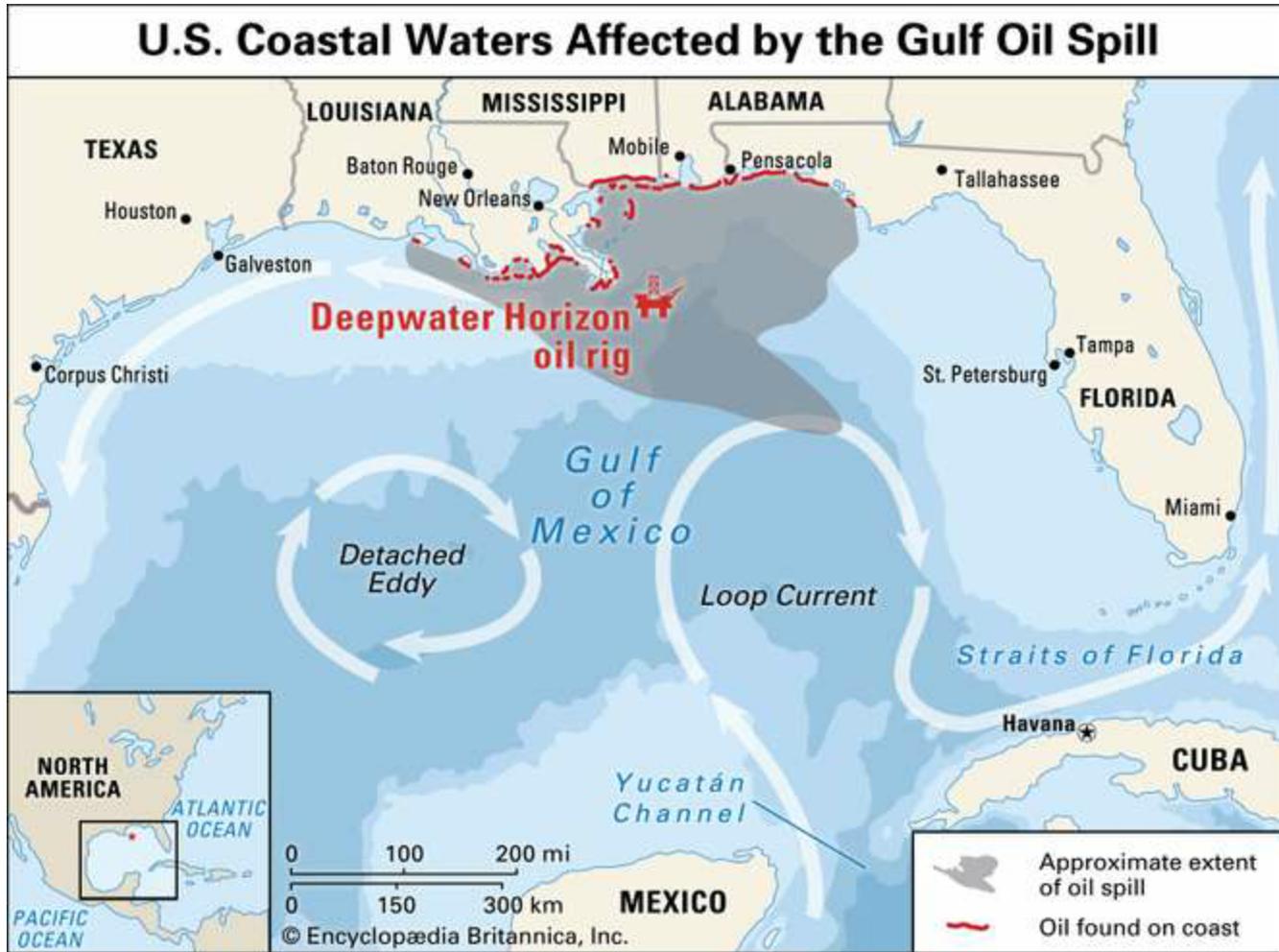


# Deepwater Horizon Spill

# The Explosion

- Explosion on the Deepwater Horizon Rig owned and operated by Transocean and leased by BP on April 20, 2010 caused a massive oil spill which endangered the ecosystem of the region: Gulf of Mexico.



Deepwater Horizon oil spill of 2010: path of the oil



Fireboat response crews attempting to extinguish the blaze aboard the Deepwater Horizon oil rig in the Gulf of Mexico, April 21, 2010.

# Precautions

- Blowout preventer
- “Top Kill”
- Lower Marine Riser Package
- “Static Kill”
- “Bottom Kill”-permanently sealed the leak

# Cleanup Efforts

- Before the seal, oil leaked extended over 57,500 square miles (149,000 square km) of the **Gulf of Mexico**.
- 1.8 million gallons of dispersants were used to distill the oil from the open water
- An estimated 1,100 miles (1,770 km) of shoreline including the beaches of **Mississippi, Alabama, and Florida** were polluted.
- Cleanup efforts were coordinated by the **National Response Team**, a group of government agencies headed by the U.S. Coast Guard and the Environmental Protection Agency (EPA).
- The costs were satisfied by BP, Transocean and several other companies.



### **Deepwater Horizon oil spill beach cleanup**

Workers contracted by BP cleaning up oil on a beach in Port Fourchon, Louisiana, May 23, 2010.

*PO3 Patrick Kelley/U.S. Department of Defense*



The U.S. Coast Guard collecting oil with a skimming boom off the coast of Mobile, Ala., May 31, 2010.

# Aftermath and Impact

- Negative impact on economy(fishing, tourism, unemployment)
- Negative impact on environment and animals
- **BP** created a \$20 billion compensation fund for those affected by the spill.
- Recovery period
- BP had lost almost a quarter of its market value and over \$40 billion in costs associated with cleanup and recovery.
- A report released in September by the **Joint Investigation Team of the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE)** and the **U.S. Coast Guard** emphasized BP's ultimate responsibility for the disaster.



Brown pelicans captured at Grand Isle, La., on June 3, 2010, waiting to be cleaned of oil from the Deepwater Horizon oil spill.



Sand covered with oil from the Deepwater Horizon oil spill, Pensacola Beach, Fla., 2010.

# Legal Aspect

- A formal civil and criminal investigation into the spill was initiated in June 2010 by the **U.S. Department of Justice (DOJ)**. The DOJ sued BP, Transocean, and Anadarko, a minority owner of the well, in New Orleans civil court in December 2010 for violating the **Clean Water Act and Oil Pollution Act**.
- In early March 2012 BP agreed to settle claims for at least \$7.8 billion.
- Settlement mandated the payment of medical claims and provided for 21 years of further medical monitoring and care.
- In November 2012 BP reached an agreement with the DOJ to plead guilty to 14 criminal charges, among them 11 counts of felony **manslaughter**, and **violations of the Clean Water and Migratory Bird Treaty acts**.
- Penalties and fines
- In January 2013 Transocean agreed to a \$1 billion civil penalty under the Clean Water Act. Approximately \$800 million of that amount was earmarked for restoration projects in the gulf, and the remainder was paid to the federal government. The company also pled guilty to criminal violations of the Clean Water Act, resulting in a \$400 million criminal penalty
- In July 2013 **Halliburton** agreed to pay a \$200,000 penalty after pleading guilty to criminal charges that its employees had destroyed evidence related to the spill.
- In November 2015 Anadarko was judged liable for some \$159.5 million in civil penalties for its role in the disaster.
- Charges against individuals

# Civil Trial

- The civil trial of BP, Halliburton, and Transocean began in late February 2013 in New Orleans. The federal government, as well as individual states and entities, was among the plaintiffs. The trial was intended to determine liability under the Clean Water Act and Natural Resource **Damage Assessments** under the Oil Pollution Act, addressing charges not covered by previous settlement agreements.
- 1<sup>st</sup> phase: degree of culpability, difference between negligence and gross negligence
- 2<sup>nd</sup> phase: determine the volume of oil spilled, preparedness and damage control efforts of the parties
- 3<sup>rd</sup> phase: determine damages
- Result: BP 67 percent culpable for the spill and thus grossly negligent, Transocean 30 percent liable and Halliburton 3 percent liable where both companies were deemed negligent. Parties would be liable at 3.19 million barrels as for the amount of oil. BP would pay \$20.8 billion, finalizing the settlement.

- <https://www.britannica.com/event/Deepwater-Horizon-oil-spill>
- <https://www.nrdc.org/resources/summary-information-concerning-ecological-and-economic-impacts-bp-deepwater-horizon-oil>