

LEGAL ISSUES AFTER A SPILL

Offshore Drilling: JULY 2015



SOURCES FOR LEGAL REMEDIES

Common Law

- Nuisance
- Negligence

Federal Law

Oil Pollution Act

State Law

Common Law remedies

- Violation of standard of care
- “Speaks for itself” doctrine
- Damages of various kinds
 - Property
 - Revenue
 - Other (quality of life)

Federal Law: Oil Pollution Act

- Enacted in response to Exxon Valdez
- Imposes liability for oil spills, including costs of removal of oil and damages to natural resources, property, & profits
- Absent gross negligence (Deepwater), limits liability for damages to \$ 75 M

State Law

- NC Constitution
- Public Trust Doctrine
- NC laws regulating water pollution
 - Oil Pollution Control Act

Possible scenarios

- Public v. responsible party
- Public v. governments

Public v. responsible party

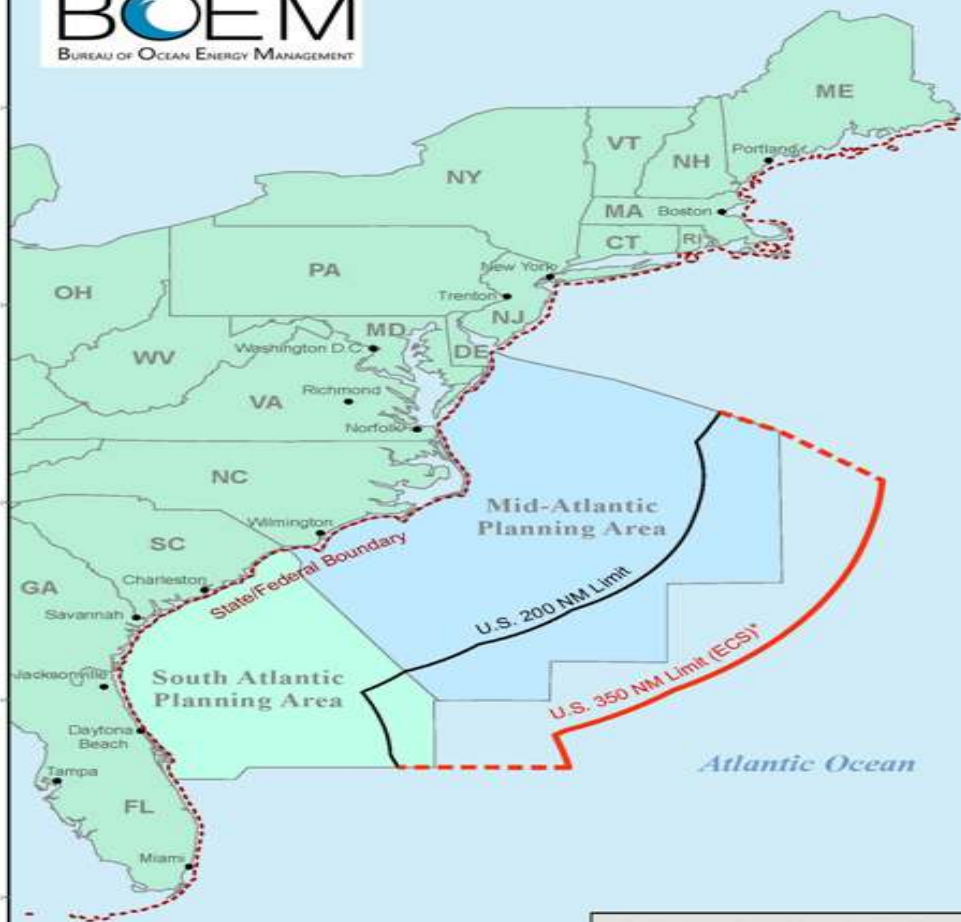
- Two divergent roads
- Exxon approach
- BP approach

Exxon approach

- Valdez spill 1989
- Initial Litigation (32,000 plaintiffs)
- Jury verdict 1994 = \$5 billion
- Further Litigation
- Supreme Court ruling 2008 = \$ 1 billion

BP approach

- Deepwater spill 2010
- Initial Litigation (by US and public)
- BP makes initial remedy funds available
- BP pays \$40+ billion to affected persons
- Further Litigation (77 cases)
- BP settles with USA and states for \$18 billion



1:4,644,340

- Atlantic Extended Continental Shelf (ECS)*
- U.S. 200 Nautical Mile Limit
- - - State/Federal Boundary

Note:
The Maritime boundaries and limits shown above, as well as the division between planning areas, are for initial planning purposes only and do not necessarily reflect the full extent of U.S. sovereign rights under international and domestic law.

0 100 200 400 Miles

Atlantic OCS Planning Area Boundaries and Administrative Boundaries

This map is not intended for navigational purposes or as a legal document.

*The Extended Continental Shelf (ECS) exhibited on this product represents a preliminary, unofficial boundary that does not account for other territories, created for display purposes only.

October 05, 2011