

**SETTLEMENT AGREEMENT FOR
MOORINGSPORT OIL SPILL (LA#2014_1013_1210) AMONG: THE
LOUISIANA OIL SPILL COORDINATOR'S OFFICE, DEPARTMENT OF
PUBLIC SAFETY AND CORRECTIONS; LOUISIANA COASTAL
PROTECTION AND RESTORATION AUTHORITY; LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY; LOUISIANA
DEPARTMENT OF NATURAL RESOURCES; LOUISIANA DEPARTMENT
OF WILDLIFE AND FISHERIES;
MID-VALLEY PIPELINE COMPANY; AND SUNOCO PIPELINE L.P.**

I. INTRODUCTION

- A. The State of Louisiana, appearing through the Louisiana Oil Spill Coordinator's Office, Department of Public Safety and Corrections ("LOSCO"), the Louisiana Coastal Protection and Restoration Authority ("CPRA"), the Louisiana Department of Environmental Quality ("LDEQ"), the Louisiana Department of Natural Resources ("LDNR"), and the Louisiana Department of Wildlife and Fisheries ("LDWF") (collectively referred to as the "Trustees") and Mid-Valley Pipeline Company ("Mid-Valley") and Sunoco Pipeline L.P. ("Sunoco") (each a "Party" and collectively, the "Parties") enter into this Settlement Agreement to resolve, without litigation, the State of Louisiana's Natural Resource Damages claims under the Oil Pollution Act ("OPA"), 33 U.S.C. §§ 2701 et seq., and the Oil Spill Prevention and Response Act ("OSPRA"), La. R.S. 30:2451 et seq., resulting from the unauthorized discharge of crude oil from the Mid-Valley Pipeline owned by Mid-Valley and operated by Sunoco (hereinafter "the Incident" as defined in Section II.E of this Agreement).
- B. The Trustees are authorized to seek Natural Resource Damages, including the reasonable costs to assess the Natural Resource Damages, pursuant to OPA, 33 U.S.C. §§ 2702 & 2706, and OSPRA, La. R.S. 30:2480.
- C. This Settlement Agreement deals solely with the Trustees' claims for Natural Resource Damages that resulted from the Incident pursuant to OPA, 33 U.S.C § 2702(a) and (b)(2)(A), and OSPRA, La. R.S. 30:2480.

Now, therefore, the Parties enter into this Settlement Agreement, and mutually agree as follows:

II. DEFINITIONS

Unless otherwise expressly provided herein, terms used in this Settlement Agreement shall have the same definition given to them in OPA, OSPRA, and the Natural Resource Damage Assessment ("NRDA") regulations promulgated under OPA and OSPRA (15

CFR Part 990 and LAC 43:XXIX.Chapter 1, respectively). In the event of a conflict between the definitions in this Settlement Agreement and the definitions in OPA, OSPRA, and the NRDA regulations, the definitions in this Settlement Agreement shall govern.

- A. “Agreement” shall mean this Settlement Agreement.
- B. “Effective Date” for purposes of this Agreement shall mean the date of the last signature of this Agreement.
- C. “Incident” shall mean the discharge of approximately 4,500 barrels of crude oil near Mooringsport, Caddo Parish, Louisiana that released into Miller Branch Creek, Tete Bayou, and connecting waterways and wetlands beginning on or about October 13, 2014 from the Mid-Valley Pipeline owned by Mid-Valley and operated by Sunoco.
- D. “Mid-Valley” shall mean Mid-Valley Pipeline Company and its successors, assigns, employees, directors, officers, agents, guarantors, and insurers, or other entities or persons otherwise bound by law.
- E. “Natural Resources” shall have the meaning provided in OPA, 33 U.S.C. § 2701(20), and OSPRA, La. R.S. 30:2454(17).
- F. “Natural Resource Damages” shall have the meaning provided in OPA, 33 U.S.C. § 2702(b)(2)(A), and OSPRA, La. R.S. 30:2454(5)(a).
- G. “Outstanding Past Assessment Costs” shall mean the reasonable costs, including but not limited to direct and indirect costs, incurred by the Trustees in assessing the Natural Resource Damages and in restoration planning for the Incident that have not been paid as of the Effective Date of this Agreement.
- H. “Restoration Project Planning and Implementation Costs” shall mean those costs incurred by the Trustees for the planning, selection, design, implementation, permitting (as necessary), monitoring, and oversight of restoration project(s) and for the costs of complying with the requirements of the law to conduct restoration planning and implementation. The Trustees will use the funds to restore, rehabilitate, replace or acquire the equivalent of Natural Resources and Natural Resource services injured, lost, or destroyed as a result of the Incident and for the oversight of the selected restoration project(s).
- I. “Settlement Amount” means the dollar amount to be paid to the State of Louisiana, through LOSCO, to resolve the Trustees’ claims for Natural Resource Damages under OPA and OSPRA that resulted from the Incident. This dollar amount includes all Outstanding Past Assessment Costs and Restoration Project Planning and Implementation Costs of the Trustees.
- J. “Sunoco” shall mean Sunoco Pipeline L.P. and its successors, assigns, employees,

directors, officers, agents, guarantors, and insurers, or other entities or persons otherwise bound by law.

III. TRUSTEE STATEMENT OF FACTS

The Trustees have found and determined the following:

- A. On October 13, 2014, the Trustees were notified of an unauthorized discharge of crude oil from the Mid-Valley Pipeline near Mooringsport, Louisiana, Caddo Parish.
- B. At the time of the Incident, the pipeline was owned by Mid-Valley and operated by Sunoco.
- C. Approximately 4,500 barrels of crude oil were released and traveled into the Miller Branch Creek, Tete Bayou, and connecting waterways and wetlands.
- D. Sunoco, on behalf of itself and Mid-Valley, and its oil spill response contractor(s) timely initiated, conducted, and participated in response actions to contain and remove the discharged crude oil.
- E. Natural Resources within the area that provide services to the public, including wildlife, forest habitat, bayhead swamp, and aquatic/bayou habitat were adversely impacted by the discharged oil and response actions.
- F. Response actions implemented by Sunoco did not fully compensate for the Natural Resources and their services that were actually or potentially injured, lost, or destroyed as a result of the Incident.
- G. On October 22, 2014, pursuant to 15 C.F.R. 990.14(c), La. R.S. 30:2480(C)(6)(b) and (c), and LAC 43:XXIX.115, the Trustees invited Sunoco to participate in the Natural Resource Damage Assessment for the Incident.
- H. Sunoco, on behalf of itself and Mid-Valley, accepted the Trustees' invitation and worked cooperatively with the Trustees in assessing the Natural Resource injuries.
- I. On August 20, 2017, the Trustees published a Notice of Intent to Conduct Restoration Planning for the Incident in the Louisiana Register. LR 43:1695 (August 2017).
- J. The Trustees have expended considerable time, funds, and resources in assessing the Incident and any Natural Resource injuries and losses that may have resulted from the Incident. The remaining unpaid balance for Outstanding Past Assessment

Costs is \$65,037.56.

- K. The Trustees will continue to incur Restoration Project Planning and Implementation Costs in conjunction with implementation of this Agreement.
- L. The total Settlement Amount including Outstanding Past Assessment Costs and Restoration Project Planning and Implementation Costs is \$1,213,037.56.

IV. AGREEMENTS

- A. The Parties agree that settlement of the Trustees' Natural Resource Damages claim for this Incident without litigation is in the best interest of the public.
- B. The Parties agree that, within thirty (30) days of the Effective Date of this Agreement, Sunoco, on behalf of itself and Mid-Valley, shall pay the Settlement Amount of \$1,213,037.56 in lieu of performing a restoration project in accordance with LAC 43:XXIX.131 to LOSCO, on behalf of the State of Louisiana, in accordance with payment instructions provided to Sunoco by LOSCO in advance of the Effective Date of this Agreement. The payment shall reference "Mooringport LA2014_1013_1210". In the event of Sunoco's insolvency or its failure to pay under Paragraphs IV.B. and D., Mid-Valley shall make such payment.
- C. Upon signature of this Agreement, the Parties agree that the Outstanding Past Assessment Costs and Restoration Project Planning and Implementation Costs cannot be disputed and will be considered final.
- D. In the event that payments required by Paragraph IV.B are not made within thirty (30) days from the Effective Date of this Agreement, interest on the unpaid balance shall begin to accrue on the thirty-first (31st) day, and continue to accrue through the date of full payment. Interest will be calculated pursuant to 33 U.S.C. § 2705(b)(4).
- E. Any change in ownership or corporate status of Sunoco including, but not limited to, any transfer of assets or real or personal property, shall in no way alter Sunoco's rights or responsibilities under this Agreement. In any action to enforce this Agreement, Sunoco shall not raise as a defense the failure by any of its or Mid-Valley's officers, directors, employees, agents, or contractors to take any actions necessary to comply with the provisions of this Agreement.
- F. Any change in ownership or corporate status of Mid-Valley including, but not limited to, any transfer of assets or real or personal property, shall in no way alter Mid-Valley's rights or responsibilities under this Agreement. In any action to enforce this Agreement, Mid-Valley shall not raise as a defense the failure by any of its or Sunoco's officers, directors, employees, agents, or contractors to take any actions necessary to comply with the provisions of this Agreement.

- G. The Trustees agree that Restoration Project Planning and Implementation Costs will be held by LOSCO in the Natural Resource Restoration Trust Fund in accordance with La. R.S. 30:2480.2 solely for use, as agreed by the Trustees, for the joint planning, implementation, monitoring and oversight of restoration project(s) for injuries to Natural Resources resulting from the Incident.
- H. The Trustees preferred restoration project(s) will be contained in a Restoration Plan(s) prepared and implemented jointly by the Trustees, for which public notice, opportunity for public input, and consideration of public comment will be provided, as required under OPA and OSPRA. Once the public review process has been completed, the Trustees will implement the Restoration Plan(s) with any revisions the Trustees may deem appropriate after considering any public comments.
- I. Decisions regarding any use or expenditure of the Settlement Amount shall be made by the Trustees. Sunoco and Mid-Valley shall not be entitled to dispute, in any forum or proceeding, any decision relating to use of the Settlement Amount or restoration efforts pursuant to this Agreement.

V. NO ADMISSIONS OR DENIALS

- A. By entering into this Agreement, Sunoco shall not be deemed as admitting any liability arising out of or relating to the Incident. Sunoco neither admits nor denies the facts cited in this Agreement and agrees to pay the Settlement Amount set forth in this Agreement.
- B. By entering into this Agreement, Mid-Valley shall not be deemed as admitting any liability arising out of or relating to the Incident. Mid-Valley neither admits nor denies the facts cited in this Agreement and agrees to pay the Settlement Amount set forth in this Agreement if payment is not made by Sunoco.

VI. RELEASE, COVENANT NOT TO SUE AND RESERVATION OF RIGHTS

- A. Subject to and in consideration of Sunoco or Mid-Valley's complete payment of the Settlement Amount and any interest owed according to Section IV of this Agreement, the Trustees hereby agree to release and not to file suit or take enforcement or other administrative actions against Sunoco or Mid-Valley for Natural Resource Damages resulting from or relating to the Incident pursuant to OPA and OSPRA. This release and covenant not to sue is conditioned upon receipt by LOSCO of all payments required by this Agreement. This release and covenant not to sue extends only to Sunoco and Mid-Valley and does not extend to any other person.
- B. Sunoco and Mid-Valley hereby covenant not to sue and agree not to assert any

claims or causes of action against the State of Louisiana for any claims arising from or relating to the Incident, pursuant to any federal, state, or common law, including, but not limited to any claims based on the Trustees' selection and implementation of restoration project(s) for the purposes of compensating the public for injuries to Natural Resources resulting from the Incident; and/or approval of plans for any such activities. Nothing herein shall be construed to constitute a waiver by the Trustees of Sovereign Immunity of the State of Louisiana.

- C. Nothing in this Agreement is intended to be, nor shall be construed as, a release or covenant not to sue for any claim or cause of action, administrative or judicial, for:
 - 1. Failure of Sunoco or Mid-Valley to meet a requirement of this Settlement Agreement;
 - 2. Any past releases other than the Incident, future releases, discharges, or spills;
 - 3. Any and all criminal liability; or
 - 4. Any other matter not expressly included in Section VI.A.

VII. CERTIFICATIONS

- A. Sunoco and Mid-Valley certify that, to the best of their knowledge and belief, they have fully and accurately disclosed to the Trustees all information requested by the Trustees that is currently in the possession of Sunoco or MidValley officers and employees, contractors, and agents relating to the Incident.
- B. The Trustees certify that, to the best of their knowledge and belief, no other Trustee intends to present a claim for damages to Natural Resources and services that may have been injured, destroyed, or lost as a result of the Incident.

VIII. AMENDMENT

- A. This Agreement may be amended by mutual consent of the Parties. Such amendments shall be in writing and shall have as their effective date the date on which they are signed by all Parties to this Agreement.
- B. The Trustees may grant an extension of any deadline in this Agreement upon a written request showing good cause by Sunoco or Mid-Valley.

IX. SEVERABILITY

Invalidation of any one of the provisions contained herein shall in no way affect any other provision, which shall remain in full force and effect.

X. EXECUTION

This Agreement may be executed in one or more counterparts. All counterpart signature pages shall be considered part of the original document. Each party signing below covenants that he or she is fully authorized to enter into the terms and conditions of this Agreement and duly authorized to bind the Party for whom he or she is signing.

XI. VENUE

Venue of any action brought with regard to this Agreement shall be in the Nineteenth Judicial District Court, parish of East Baton Rouge, State of Louisiana.

IN WITNESS WHEREOF, this Agreement is executed by each of the Parties as of the dates written below.

[Signature Pages Follow]

FOR THE STATE OF LOUISIANA:

Samuel E. Jones
Coordinator
Louisiana Oil Spill Coordinator's Office

Date

FOR THE STATE OF LOUISIANA:

Chuck Carr Brown, PhD.

Secretary

Louisiana Department of Environmental Quality

Date

FOR THE STATE OF LOUISIANA:

Jack Montoucet
Secretary
Louisiana Department of Wildlife and Fisheries

Date

FOR THE STATE OF LOUISIANA:

Thomas F. Harris
Secretary
Louisiana Department of Natural Resources

Date

FOR THE STATE OF LOUISIANA:

Kyle R. “Chip” Kline, Jr.
Chairman
Louisiana Coastal Protection and Restoration Authority

Date

FOR MID-VALLEY PIPELINE COMPANY

Name

Title

Date

FOR SUNOCO PIPELINE L.P.

Name

Title

Date