BP, Anadarko Settle Gulf Disaster Claims

ROBERT BARR, Associated Press

LONDON (AP) — Anadarko Petroleum Co. has agreed to pay $4 billion to BP PLC as part of a settlement related to last year's Gulf of Mexico oil spill.

BP said Monday that Anadarko's payment will form part of the British company's $20 billion trust fund, which has paid out $7 billion so far to settle claims from individuals and businesses. Eleven workers were killed when the Deepwater Horizon rig exploded off Louisiana on April 20, 2010.

Anadarko held a 25 percent share in the Macondo well which blew out in April last year, causing the largest oil spill in U.S. history. Anadarko, based in The Woodlands, Texas, is also handing over its stake in the well to BP as part of the settlement.

The agreement also gives Anadarko a potential share in funds which BP recovers from third parties or insurance. If BP's total recovery exceeds $1.5 billion, Anadarko would get 12.5 percent of the excess, or up to $1 billion, BP said.

BP shares were up 4.3 percent at 434.3 pence in early trading on the London Stock Exchange.

In May, BP announced a settlement with the other partner in the well, MOEX Offshore 2007 LLC, which owned 10 percent of the well. It agreed to pay BP $1 billion.

Weatherford International Inc., a contractor based in Switzerland, also agreed in June to pay $75 million to the trust fund to settle claims between it and BP. Weatherford manufactured the float collar, designed to help contain cement, used in the blown-out well.

"This settlement represents a positive resolution of a significant uncertainty and it resolves the issues among all the leaseholders of the Macondo well," said BP Chief Executive Bob Dudley.

"There is clear progress with parties stepping forward to meet their obligations and help fund the economic and environmental restoration of the Gulf," Dudley said. "It's time for the contractors, including Transocean and Halliburton, to do the same."

BP is still embroiled in suits and countersuits with Transocean Ltd., operator of the Deepwater Horizon drilling rig, and Halliburton Co., which was responsible for cementing the well. The suits are scheduled to go to trial in New Orleans in February.

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