Judge: BP Liable for Civil Penalties for Oil Spill

MICHAEL KUNZELMAN, Associated Press

NEW ORLEANS (AP) — A federal judge ruled Wednesday that BP PLC and one of its minority partners in the blown-out Macondo well are liable for civil penalties under the Clean Water Act for their roles in the nation's worst offshore oil spill.

U.S. District Judge Carl Barbier also ruled that Deepwater Horizon rig owner Transocean Ltd. may be liable under the same law as an "operator" of the well. The judge, however, said he couldn't decide before a trial scheduled to start Feb. 27 whether Transocean meets the definition of that term.

The Justice Department argued that BP, minority partner Anadarko Petroleum Corp. and Transocean are each liable for per-barrel civil penalties for oil discharged from the well.

Barbier rejected Anadarko's argument that oil discharged from Transocean's rig, not the well.

"Pressure within the earth drove hydrocarbons up the Macondo Well, through the (blowout preventer), and finally out the riser," the judge wrote. "Thus, the uncontrolled movement of oil began in the well. The riser and (blowout preventer), by contrast, were merely passive conduits through which oil flowed."

Barbier also ruled that BP and Anadarko — but not Transocean — are "responsible parties" under the Oil Pollution Act for oil that flowed from beneath the surface of the water.

Transocean said the ruling is a "vital win" for the company and for the "long-term viability of the industry's operator-contractor model."

"This decision states clearly that BP is the responsible party and reaffirms the longstanding legal, regulatory and economic framework that has been employed by parties in the offshore oil and gas industry for decades," the company said in a statement.

In response to the ruling, BP spokesman Daren Beaudo noted that the company already has paid out billions of dollars in claims to individuals, businesses and governments.

"Long before this motion and its resolution today, BP had committed to paying all legitimate claims and helping economic and environmental restoration efforts in the Gulf Coast. BP continues to stand behind that commitment," Beaudo said in a statement.

Anadarko, which owned a 25 percent share in the well, agreed last year to pay \$4

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billion to BP as part of a settlement

MOEX Offshore 2007 LLC, BP's other minority partner, agreed last week to pay \$90 million in a settlement with the federal government and Gulf states over the spill. The agreement included the largest civil penalty ever recovered under the Clean Water Act, but that record is likely to be shattered if BP reaches its own settlement with the Justice Department.

The trial slated to start next week is designed to identify the causes of the blowout that triggered an explosion on the Deepwater Horizon on April 20, 2010. Eleven workers died in the blast.

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