

BP near settlement with US over Gulf spill

November 15 2012, by Robert Barr

British oil company BP said Thursday it is in advanced talks with U.S. agencies about settling criminal and other claims from the Gulf of Mexico well blowout two years ago.

In a statement, BP said "no final agreement has yet been reached" and that any such deal would still be subject to court approvals. Shares in BP PLC were down 0.8 percent at 422 pence in early trading in London.

BP said the proposed settlement would not include civil claims under the [Clean Water Act](#) and other legislation, pending private civil claims and state claims for economic loss.

The explosion and fire aboard the Deepwater Horizon rig on April 20, 2010, killed 11 workers and set off a spill which continued for 87 days, fouling large areas of the southern coast of the United States.

The rig sank and an estimated 200 million gallons of crude oil gushed out of the well, fouling extensive areas of the southern U.S. coast and disrupting tourism and [commercial fishing](#).

Any settlement is expected to dwarf the largest previous corporate criminal penalty assessed by the Department of Justice—the \$1.2 billion fine imposed on drug maker Pfizer in 2009.

BP has booked provisions of \$38.1 billion to cover its liabilities from the incident, but the company has said the final cost remained highly uncertain. BP also recently announced that it expects to make the final

payment this year to a \$20 billion trust fund to cover damage from the [blowout](#).

In March, BP announced a settlement estimated at \$7.8 billion with more than 100,000 individuals and businesses for medical and [economic losses](#).

In January 2011, a U.S. presidential commission found that the spill was caused by time-saving, cost-cutting decisions by BP, rig owner [Transocean](#) and cement contractor Halliburton.

In September last year, a team of Coast Guard officials and federal regulators concluded BP bears ultimate responsibility. Their report found BP violated U.S. regulations, ignored crucial warnings and made bad decisions during the cementing of the well a mile (1.6 kms) beneath the [Gulf of Mexico](#).

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