



Pennsylvania Department of Environmental Protection

Office of Chief Counsel
Lee Park, Suite 6015, 555 North Lane
Conshohocken, Pennsylvania 19428-2233

RECEIVED

NOV 05 1996

ROBERT L. GULLEY

October 31, 1996

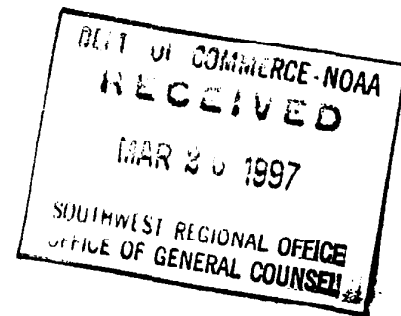
Southeast Regional Counsel

Telephone: (610) 832-6300

Facsimile: (610) 832-6321

Robert L. Gulley
Attorney At Law
Coastal Tower
Nine Greenway Plaza, Suite 826A
Houston, TX 77046-0995

RE: JAHRE SPRAY/Coastal Eagle Point
Oil Spill, July 22, 1995



Dear Mr. Gulley,

I am writing on behalf of the federal and state natural resource trustees. The federal trustees are the United States Department of the Interior, U. S. Fish and Wildlife Service ("DOI"), and the United States Department of Commerce, National Oceanographic and Atmospheric Administration ("NOAA"). The state trustees are the Pennsylvania Fish and Boat Commission ("PAF&BC"), the Pennsylvania Department of Environmental Protection ("PADEP") and the New Jersey Department of Environmental Protection ("NJDEP"). For purposes of this agreement the federal and state natural resource trustees will be referred to jointly as the "Trustees". Pursuant to the terms set forth below, the Trustees agree to settle their respective Oil Pollution Act and any other natural resource damage claims against Coastal Eagle Point Oil Company, Coastal Petroleum, N.V., Coastal States Trading, Inc. and Coastal Offshore Insurance Limited ("Coastal") which arose out of the oil spill into the Delaware River at the Coastal Eagle Point Refinery terminal on July 22, 1995.

1. Natural Resource Damage Claims

The natural resource damage claim includes two elements. One is based on the Type A assessments performed by Coastal Environmental Services, Inc. on behalf of Coastal. The state trustees agree to collectively accept \$20,000 in satisfaction of this portion of the NRD claim. The federal trustees have no claim for any portion of the type A assessments.

The other element consists of claims for lost recreational boating opportunity, brought by the state trustees. The Pennsylvania claim is based on a marina survey performed by the PAF&BC in the area affected by the spill. The PAF&BC will accept \$75,000 to settle the



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Pennsylvania recreational loss portion of the claim. The NJDEP will accept \$22,000 in settlement of its share of the recreational boating loss claim.

Payment of the \$20,000 Type A NRD settlement, the \$22,000 New Jersey recreational loss portion of the NRD and the \$9,300.08 in New Jersey NRD assessment costs (discussed in section 3 of this letter) shall be made by corporate check in the amount of \$51,300.08 to "Treasurer, State of New Jersey" and sent to:

New Jersey Department of Environmental Protection
Office of Natural Resource Damages
501 East State Street, CN 404
Trenton, NJ 08625

Payment of the \$75,000 lost boating opportunity claim should be made to "Pennsylvania Fish and Boat Commission, Fish and Boat Fund, NRD recoveries account" The check should be sent to the attention of:

John Arway
PA Fish and Boat Commission
450 Robinson Lane
Bellefonte, PA 16823-9685.

In accordance with the provisions of the Oil Pollution Act of 1990, the funds received for natural resource damages are to be expended only for restoration, replacement or acquisition of natural resources equivalent to those lost in the spill. The trustees will coordinate the identification of specific restoration projects which may be appropriate for this incident. Any restoration project will be approved by the Trustees' representatives in writing prior to implementation.

2. Pennsylvania Penalties

Both the PADEP and the PAF&BC have determined that the payment of penalties will be required. The PAF&BC has advised that it will accept a penalty payment of \$4,000, representing one day of violation of the Fish and Boat Code's prohibition against the release of substances harmful to aquatic resources. PADEP will accept \$3,960, representing statutory penalties under the Pennsylvania Clean Streams Law. Please be advised that under Pennsylvania law, penalties may be imposed on a strict liability basis without regard to fault, and payment of penalties does not represent an admission of fault.

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Payment of the PADEP penalty shall be made by corporate check made out to "Pennsylvania Department of Environmental Protection, Clean Water Fund". The check should be sent to the attention of:

Robert Bauer
PADEP
Suite 6010, Lee Park
555 North Lane
Conshohocken, PA 19428.

Payment of the PAF&BC penalty should be made to "Pennsylvania Fish and Boat Commission, Fish and Boat Fund". The check should be sent to the attention of.

Barry Pollock, Regional Manager
PA Fish and Boat Commission
Bureau of Law Enforcement
Southeast Region
P.O. Box 8
Elm, PA 17521-0486.

The penalty claims for New Jersey are waived. The federal natural resource trustees have no authority to waive any penalties.

3. Agency Removal Costs, Including Assessment and Oversight Expenses

Natural resource damage assessment and removal/oversight expenses of PADEP, NJDEP, DOI and NOAA are set forth below. The PAF&BC agree to waive the right to collect the expenses associated with investigating the Coastal/JAHRE SPRAY spill. The United States Coast Guard claim for assessment and oversight costs will be handled separately.

The other agency costs are as follows:

1. PADEP..... \$18,275.30 (assessment and removal/oversight expenses)
2. DOI..... \$3,228.60 (assessment expenses)
3. NOAA..... \$ 6,612.17 (assessment expenses)
4. New Jersey.....\$ 9,300.08 (assessment expenses)
\$17,257.42 (removal/oversight expenses)

Payment of the PADEP assessment costs may be made to the "Pennsylvania Department of Environmental Protection, Clean Water Fund". Please forward this check to Mr. Bauer, as set forth above.

Payment of the assessment costs to the Department of the Interior in the amount of \$3,228.60 shall be made to the Secretary of the Interior, and should include the NRDA account number, 14X5198, and should identify the spill name ("Coastal/JAHRE SPRAY Oil Spill"). This sum includes \$251.94 in assessment costs incurred by the Fish and Wildlife Service, Pennsylvania Field Office, \$2,639.16 in assessment costs incurred by the Office of Environmental Policy and Compliance, Philadelphia, and \$337.50 in assessment costs incurred by the Solicitor's Office. The check shall be sent directly to:

Chief, Division of Finance,
U.S. Fish and Wildlife Service
4401 North Fairfax Drive
Arlington, VA 22203.

A copy of the check should be sent to:

Mark Barash
Office of the Regional Solicitor
Department of the Interior
Suite 612, One Gateway Center
Newton Corner, MA 02158.

The check for the NOAA assessment costs should be made out to "NOAA, Department of Commerce" and shall include the NOAA NRDA account number, 8K3B30JS and identify the spill name "Coastal/JAHRE SPRAY Oil Spill Damage Assessment". The check should be sent to :

NOAA Financial Services Division
Bills and Collection Unit, Caller Service 7025
20020 Century Boulevard
Germantown, MD 20874

A copy of the check should be sent to:

Marguerite Matera, Esq.

Robert L. Gulley, Esquire
October 31, 1996

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NOAA, Office of General Counsel
1 Blackburn Drive
Gloucester, MA 01930.

Payment of the New Jersey oversight costs should be made to: "Treasurer, State of New Jersey" and sent to:

New Jersey Department of Environmental Protection
Bureau of Revenue
CN-417
Trenton, NJ 08625-0417

This letter, when signed by an authorized representative of Coastal and each of the Trustee's authorized representatives, shall represent the full agreement and settlement between the undersigned with respect to all claims covered by this letter. This settlement shall become final upon the payment of the penalties, assessment and response/oversight costs and natural resource damages set forth in this settlement letter, and is void if receipt of such payments does not occur within thirty days of receipt by Coastal of a copy of this settlement, fully executed by the Trustees. By entering into this settlement, Trustees waive their respective claims against Coastal and its affiliated entities only as set forth in this settlement letter, for the oil spill into the Delaware River from the Coastal Eagle Point Oil Company marine terminal and from the tank vessel JAHRE SPRAY on July 22, 1995. Any claims by the United States, the State of New Jersey or the Commonwealth of Pennsylvania and agencies of the foregoing, unless specifically waived and compromised in this settlement letter, are preserved.

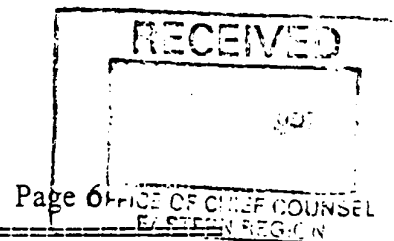
Acceptance of this settlement is not intended, nor shall it be construed to be an admission of liability by Coastal or to prejudice any claims which Coastal may have against the tank vessel JAHRE SPRAY and its owners, operators or managers, arising out of the July 22, 1995 oil spill into the Delaware River. Any such claims are expressly preserved. Coastal does not admit that it is a responsible party under OPA or otherwise liable under federal or state law for natural resource damages, penalties, response costs, removal costs or assessment costs in connection with the July 22, 1995 oil spill into the Delaware River.

After Coastal has signed this settlement letter signifying its agreement with the terms herein, please return the original executed letter to me. I will circulate the letter signed by Coastal to all of the trustees. Once all of the signatures are collected, a copy of this settlement letter will be returned to Coastal, upon receipt of which the 30 day period for payments will begin. ▽

October 31, 1996

Robert L. Gulley, Esquire
October 31, 1996

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If you have any questions, please do not hesitate to contact me.

Very truly yours,

Wm. Stanley Sneath
Assistant Counsel

On behalf of Coastal Eagle Point Oil Company, I am authorized to accept the terms of this agreement, as set forth in this settlement letter.

[name]

[title]

Coastal Eagle Point Oil Company

October 31, 1996

Robert L. Gulley, Esquire
October 31, 1996

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If you have any questions, please do not hesitate to contact me.

Very truly yours,


Wm. Stanley Sneath
Assistant Counsel

On behalf of Coastal Eagle Point Oil Company, I am authorized to accept the terms of this agreement, as set forth in this settlement letter.


[name] Austin O'Toole
[title] Senior Vice President
Coastal Eagle Point Oil Company

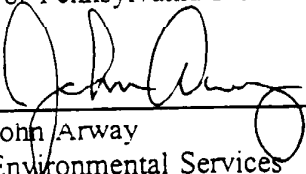
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October 31, 1996

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First page of five trustee signature pages...

For Pennsylvania Fish and Boat Commission:



John Arway
Environmental Services

6 Nov 96

October 31, 1996

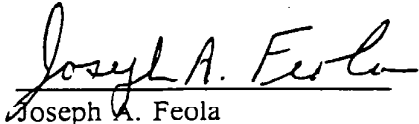
Robert L. Gulley, Esquire
October 31, 1996

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Second page of five trustee signature pages...

For the Pennsylvania Department of
Environmental Protection:

A handwritten signature in cursive script, reading "Joseph A. Feola", written over a horizontal line.

Joseph A. Feola
Water Management Program Manager

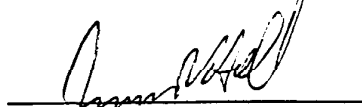
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October 31, 1996

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Third page of five trustee signature pages...

For New Jersey Department of
Environmental Protection:

A handwritten signature in dark ink, appearing to read "James F. Hall", is written over a horizontal line.

James F. Hall
Assistant Commissioner for Natural and Historic Resources

October 31, 1996

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02/07/97 18:36

NOAA GC → 5082819389

FILE NO. 10002010000

FILE

NO.943 F017/017

FEB-07-1997 15:14

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GENERAL COUNSEL NE

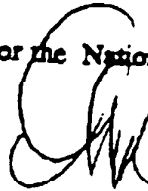
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Fourth page of five trustee signature pages...

For the National Oceanic and Atmospheric Administration



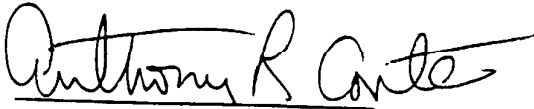
Craig R. O'Connor
Deputy General Counsel
NOAA Office of General Counsel
Herbert Hoover Office Building
14th and Constitution Avenue, N.W.
Washington, D.C. 20230

Robert L. Gulley, Esquire
September 9, 1996

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Fifth page of five trustee signature pages...

For United States Department
of the Interior:

A handwritten signature in cursive script, reading "Anthony R. Conte". The signature is written in dark ink and is positioned above the printed name and title.

Anthony R. Conte
Regional Solicitor, Northeast Region

September 9, 1996

Robert L. Gulley, Esquire
October 31, 1996

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cc: William Jolly, SERO BWQM
Robert Bauer, SEFO BWQM
Michael Chezik, DOI
Don Henne, DOI
Frank Csulak, NOAA
Marty McHugh, NJDEP
John Arway, PAF&BC
Charlie High, PADEP Emergency Response
Sam Boxerman, Esq., Sidley and Austin
Marguerite Matera, Esq., NOAA
Mary Elissa Reeves, Esq., Fox, Rothchild

October 31, 1996

Robert L. Gulley, Esquire
October 31, 1996

On behalf of Coastal States Trading, Inc., I am authorized to accept the terms of this agreement, as set forth in this settlement letter.

A handwritten signature in black ink, appearing to read "Austin O'Toole", written over a horizontal line.

Austin O'Toole
Senior Vice President
Coastal States Trading, Inc.