BP Financial Assurance Settlement

(Washington, DC - November 29, 2011) The U.S. Environmental Protection Agency (EPA) today announced that several subsidiaries of BP America Inc. have agreed to pay a $426,500 penalty and ensure that more than $240 million in funds are secured to resolve violations of hazardous waste, drinking water and Superfund financial assurance requirements. Financial assurance protects public health and the environment by ensuring that companies have the financial resources available to properly close facilities and clean up pollution at contaminated industrial sites.

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Overview of Company

BP produces, refines, and markets oil and gas. The subsidiaries of BP America Inc. that had inadequate financial assurance are:

Atlantic Richfield Company
BP Exploration Alaska Inc.
BP Products North America Inc.
BP Corporation North America Inc.
BP West Coast Products LLC

Violations

EPA identified the following violations under the Resource Conservation and Recovery Act (RCRA), Safe Drinking Water Act (SDWA), and Superfund:

Failure to comply with the RCRA hazardous waste financial assurance requirements for closure, post-closure, corrective action, and third party liability obligations.
Failure to comply with SDWA financial assurance requirements for Underground Injection Control (UIC) well closure, including plugging and abandonment, obligations.
Failure to comply with Superfund financial assurance requirements for cleanup obligations.

Location of Violations

The eleven RCRA hazardous waste facilities subject to the administrative settlement are located in:

Wood River, Ill.
Whiting, Ind.
Lima, Ohio
Oregon, Ohio

"Financial assurance protects taxpayers from having to foot the bill for costly cleanups. Today's settlement will ensure that BP's subsidiaries have the funds available to cover any necessary cleanup costs today and into the future." - Cynthia Giles, Assistant Administrator of EPA's Office of Enforcement and Compliance and Assurance.
The ten SDWA Class I non-hazardous waste underground injection control (UIC) wells subject to the administrative settlement are located on:

North Slope of Alaska.

The following Superfund sites resolved inadequate financial assurance:

Northwest Oil Drain Site in Salt Lake City, Utah.
Anaconda Copper Mine Site in Yerington, Nev.
Butte Mine Flooding Site in Butte, Mont.
Leviathan Mine Site in Alpine County, Calif.
Milltown Site in Milltown, Mont.

**Summary of Settlement**

Under the administrative settlements, BP:

- Obtained replacement financial assurance for its RCRA hazardous waste facilities in the form of letters of credit, standby trusts, and insurance policies covering $129.8 million in closure, post-closure, corrective action, and third-party liability obligations.
- Obtained replacement financial assurance for its SDWA Class I non-hazardous waste UIC wells in the form of letters of credit and standby trusts covering $19.2 million in closure, including plugging and abandonment, obligations.

BP also replaced inadequate financial assurance for five Superfund sites in the form of letters of credit covering $98.8 million in cleanup obligations.

BP also had inadequate financial assurance coverage for RCRA facilities covered by state orders and regulations and for SDWA wells for which the states have primary enforcement responsibility. EPA worked with its state partners to obtain from BP a total of $76.4 million in compliant financial assurance coverage for these obligations.

**Civil Penalty**

BP will pay a total $426,500 civil penalty in the following increments:

- $386,000 for RCRA
- $25,500 for SDWA
- $15,000 for CERCLA

**For more information, contact:**

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