



Pennsylvania Department of Environmental Protection

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

RECEIVED

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ROBERT L. GULLEY

October 31, 1996

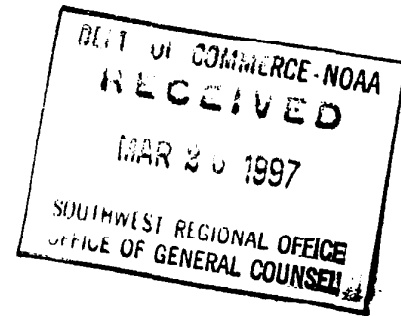
Southeast Regional Counsel

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)

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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.

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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:

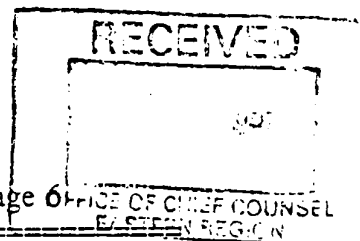
New Jersey Department of Environmental Protection  
Bureau of Revenue  
CN-417  
Trenton, NJ 08625-0417

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. ▾

Robert L. Gulley, Esquire  
October 31, 1996



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

Very truly yours,

A handwritten signature in cursive script that reads "W. Stanley Sneath".

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

October 31, 1996

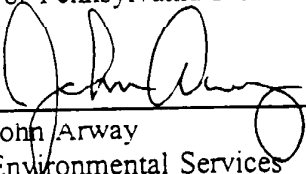
Robert L. Gulley, Esquire  
October 31, 1996

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For Pennsylvania Fish and Boat Commission:

  
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John Arway  
Environmental Services

6 Nov 96

October 31, 1996



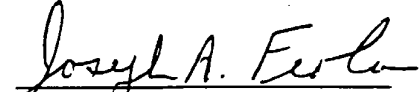
Robert L. Gulley, Esquire  
October 31, 1996

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For the Pennsylvania Department of  
Environmental Protection:

  
\_\_\_\_\_  
Joseph A. Feola

Water Management Program Manager

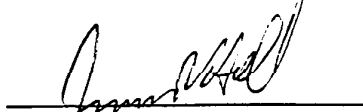
October 31, 1996

Robert L. Gulley, Esquire  
October 31, 1996

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For New Jersey Department of  
Environmental Protection:



James F. Hall  
Assistant Commissioner for Natural and Historic Resources

October 31, 1996

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GENERAL COUNSEL NE

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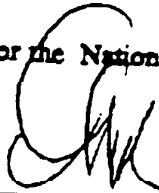
Robert L. Gulley, Esquire  
October 31, 1996

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Fourth page of five trustee signature pages...

For the National Oceanic and Atmospheric Administration



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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

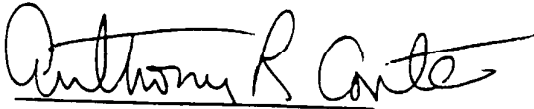
Robert L. Gulley, Esquire  
September 9, 1996

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Fifth page of five trustee signature pages...

For United States Department  
of the Interior:

A handwritten signature in cursive script that reads "Anthony R. Conte". The signature is written in dark ink and is positioned above a horizontal line.

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

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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.