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Kevin J. Vaughan
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September 19, 2014

Robert Collins, NRDP
Supervising Assistant Attorney General
Montana Department of Justice
Natural Resource Damage Program
P.O. Box 201425
Helena, MT 59620-1425

Ann C. Umphres
Attorney-Advisor
Office of the Solicitor, Rocky Mountain Region
Department of the Interior
755 Parfet Street, Suite 151
Lakewood, CO 80215

Re: EMPCo's Response to Trustees' June 24, 2014 Partial Claim

Dear Mr. Collins and Ms. Umphres:

I write on behalf of ExxonMobil Pipeline Company ("EMPCo") in response to your June 24, 2014 letter presenting the Yellowstone Trustees' Partial Claim for Past and Future Assessment Costs for Natural Resource Damage Assessment for Yellowstone River Oil Spill. In your June 24 letter and attached Partial Claim, the Trustees seek \$1,608,863 for estimated costs to implement future assessment work and \$285,942 for reimbursement of costs for assessment work performed from May 1, 2013 through March 31, 2014 ("Partial Claim").

EMPCo has given careful consideration to the Trustees' Partial Claim and respectfully declines to pay the Trustees' past NRDA costs and the Trustees' estimated future NRDA costs for the following reasons. With respect to the Partial Claim as a whole, EMPCo believes that presentment of the Partial Claim while the parties' confidential settlement negotiations are underway is premature. Although EMPCo understands that the Trustees intend to proceed with their NRDA if settlement negotiations are not successful, EMPCo strongly believes that both sides should focus on reaching a successful settlement of this matter before expending substantial additional resources to conduct an NRDA.

Furthermore, the Trustees' proposal to spend an additional \$1.6 million on top of the substantial sums already spent by the Trustees to assess the Silvertip release is disproportionate to the limited natural resource injuries and damages resulting from the Silvertip release.

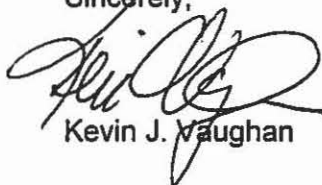
Lastly, EMPCo believes that the specific studies outlined in the Trustees' Partial Claim document are flawed in numerous respects and, if the Trustees ultimately proceed with such

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studies, EMPCo will vigorously defend against any NRD claim based upon the Trustees' flawed legal, technical and economic positions.

Despite its significant objections to the Trustees' Partial Claim, EMPCo remains hopeful that the parties' current settlement negotiations will result in settlement of this matter. EMPCo encourages the Trustees to focus their energies on such negotiations for a short additional period to see if the negotiations bear fruit rather than prematurely expending further sums on NRDA activities.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin J. Vaughan", is written over the typed name.

Kevin J. Vaughan

cc: Len Racioppi
Tom Henson
Alice Brown
Rich Curley