

October 24, 1991

NATURAL RESOURCE DAMAGES AGREEMENT

This agreement is made and entered into by and among:

1. The Department of the Interior (DOI), acting through the Fish and Wildlife Service, and the National Oceanic and Atmospheric Administration (NOAA), an agency of the United States Department of Commerce,
2. The Office of the Louisiana Oil Spill Coordinator, Office of the Governor (OLOSC), collectively referred to as the State, and
3. Texaco Exploration and Production, Inc. (Texaco).

STATEMENT OF FACTS

1. On February 4, 1991, Well No. 118, owned and operated by Texaco, discharged approximately 2,310 gallons of Louisiana light crude oil into the waters of Lake Salvador, St. Charles Parish, Louisiana.
2. The DOI, NOAA, and the State of Louisiana are co-trustees of the natural and other resources injured by the discharge of oil from Texaco Well No. 118.
3. The spill was caused by a faulty "O" ring in Well No. 118. The well was shut in and the "O" ring replaced.
4. Lake Salvador is a 45,500 surface acre lake located in the coastal region of southeast Louisiana and is a freshwater/intermediate lake, averaging approximately five feet in depth.
5. Lake Salvador contains an abundance of aquatic vegetation, a variety of benthic organisms, and numerous migratory water birds.
6. Lake Salvador supports an extensive commercial and recreational fishery and provides crucial nursery habitat for marine fish and crustaceans.

7. Prevailing winds during the time of the discharge caused the oil to disperse for five miles in a fan-shaped configuration until it made contact with approximately one mile of the northwest shoreline of Lake Salvador.
8. During dispersal of the oil it passed through a large group of resting water birds.
9. The volatile action of the oil caused over 1,300 water birds to die from inhalation toxicosis. There were 1045 dead birds retrieved. Based on analysis of the available information it is estimated that the total loss was over 1,300 birds.
10. Submerged vegetation along one mile of shore was fouled with oil.
11. Texaco instituted response action to clean the shoreline of oil.
12. Texaco's response action provided no reparation for the value of natural resources, services, and recreational opportunities injured by the discharge of oil.

STATEMENT OF OBLIGATIONS

1. The governmental parties to this Agreement have expended time, funds, and resources in investigating the February 4, 1991 discharge of oil. Therefore, Texaco shall reimburse these parties within 30 days of execution of this agreement for their administrative expenses as follows:
 - a. DOI: \$12,162.00
 - b. NOAA: \$ 2,999.00
 - c. OLOSC: \$ 6,328.00

These funds should be paid by cashier's or certified check referencing the "Lake Salvador Oil Spill Agreement" as follows:

As to DOI, a check for \$12,162.00 payable to Department of the Interior and sent to: Department of the Interior, Office of the Secretary, Fiscal Section, Room 5257, 18th & C Streets, N.W., Washington, D.C. 20240. A copy of the check should be mailed to: Department of the Interior, Office of Environmental Affairs, Room 2340 (PEA), 18th & C Streets, N.W., Washington, D.C. 20240.

As to NOAA, a check for \$2,999.00 payable to the National Oceanic and Atmospheric Administration and sent to the Office of Ocean Resources Conservation and Assessment (N/ORCAx01), Attn: Billie Barb, 1700 Sand Point Way N.E., Seattle, Washington 98115.

As to OLOSC, a check for \$6,328.00 payable to the Louisiana Department of Environmental Quality and sent to Louisiana Department of Environmental Quality, Office of the Secretary, P.O. Box 82263, Baton Rouge, Louisiana 70884-2263, Attn: Paul H. Templet, PhD, Secretary.

2. In consideration of and in exchange for the promises described in Paragraph 6 in the Statement of Obligations, Texaco agrees to reimburse the trustees' administrative expenses identified in Paragraph 1 and undertake the restoration project more fully described in Attachment A and incorporated herein. The restoration project shall consist of the construction of an approximately 835-foot-long piling and tire breakwater to be installed in the Netherlands area of Lake Cataouatche, to retard shoreline erosion and to enhance production of submerged aquatic vegetation.
3. The restoration project, referred to in Paragraph 2 of the Statement of Obligations, shall be conducted and implemented by Texaco in accordance with plans and specifications provided by the governmental parties. Upon satisfactory conclusion of the project, the State, acting on behalf of the trustees shall provide Texaco with a written statement that the project has been implemented in a satisfactory fashion. Thereafter, Texaco shall have no further obligation for repair or maintenance of the completed project. The project shall become property of the State of Louisiana.
4. Texaco shall obtain at its expense all permits, rights-of-way, and other documents necessary for the implementation of the restoration project, and it shall comply with all applicable State and Federal laws.
5. During work on the restoration project Texaco shall allow the governmental parties an irrevocable right of access to the project site for the purpose of monitoring implementation of the project.
6. Subject to Texaco's satisfactory completion of both the restoration project outlined in Paragraph 2 of the Statement of Obligations and payment of the administrative expenses outlined in Paragraph 1, the State hereby releases Texaco from civil liability for natural resource damages arising out of the aforementioned discharge of oil from Texaco Well No. 118 on February 4, 1991 and DOI and NOAA hereby agree that neither agency shall refer this matter to the Department

of Justice for the purpose of litigating a monetary claim for natural resource damages.

7. Nothing in this Agreement is intended to be, nor shall it be construed as, a release or covenant not to sue for any claim or cause of action, administrative or judicial for:
 - a. failure to provide the governmental parties with access to the restoration project site.
 - b. natural resource damages, in the event Texaco does not pay the administrative expenses identified in Paragraph 1 or complete satisfactorily the restoration project.
 - c. violation of any State or Federal law during implementation of the restoration project.
 - d. future releases, discharges, or spills from Texaco Well No. 118, or any other well at Lake Salvador.
 - e. any and all criminal liability.
 - f. any matter not expressly included in the release from liability for natural resource damages set forth in Paragraph 6 in Statement of Obligations.
8. Texaco agrees to satisfactorily complete the restoration project work described in Attachment A by March 31, 1992. In the event that the restoration project work is suspended or delayed due to force majeure, including but not limited to delays or suspensions due to inclement weather, Texaco shall be granted an additional and reasonable amount of time past the March 31, 1992 date to complete the restoration project work.
9. Texaco certifies that to the best of its knowledge and belief, it has fully and accurately disclosed to the United States and the State all information currently in the possession of its officers, employees, contractors, and agents which relate in any way to the discharge of oil from Texaco Well No. 118, occurring on February 4, 1991.

DEPARTMENT OF THE INTERIOR
Natural Resource Trustee
Authorized Official

By: *James W. Pulliam, Jr.*
James W. Pulliam, Jr., Regional Director
U.S. Fish and Wildlife Service

Date: *Dec. 16, 1991*

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION
Natural Resource Trustee
Authorized Official

By: *Charles N. Ehler*
Charles N. Ehler, Director
Office of Ocean Resources Conservation and Assessment

Date: *12/19/91*

OFFICE OF THE LOUISIANA OIL SPILL COORDINATOR
Authorized Official

By: *R. Bruce Hammatt*
R. Bruce Hammatt, Louisiana Oil Spill Coordinator
Office of the Louisiana Oil Spill Coordinator
Office of the Governor

Date: *26 November 1991*

TEXACO Exploration and Production, Inc.
Authorized Official

BY: _____
Kenneth B. Wisdom
Division Manager, Onshore Producing Division

Date: _____

RESTORATION PROJECT
FOR LAKE SALVADOR LOUISIANA
FEBRUARY 4, 1991 OIL DISCHARGE

Description

The project is to be constructed on the Salvador Wildlife Management Area and will affect approximately 1500 acres of fresh water marsh. The project known as the "Netherlands Area" (see Figure 1) will reduce erosion from Lake Cataouatche and enhance aquatic vegetation growth which will increase nursery habitat for estuarine dependent species.

The project includes approximately 835 ft. of piling tire breakwater that will be an addition to a Corps of Engineers project that they are constructing as mitigation for their West Bank Hurricane Protection Project. This project would complete the structure for the "Netherlands" area.

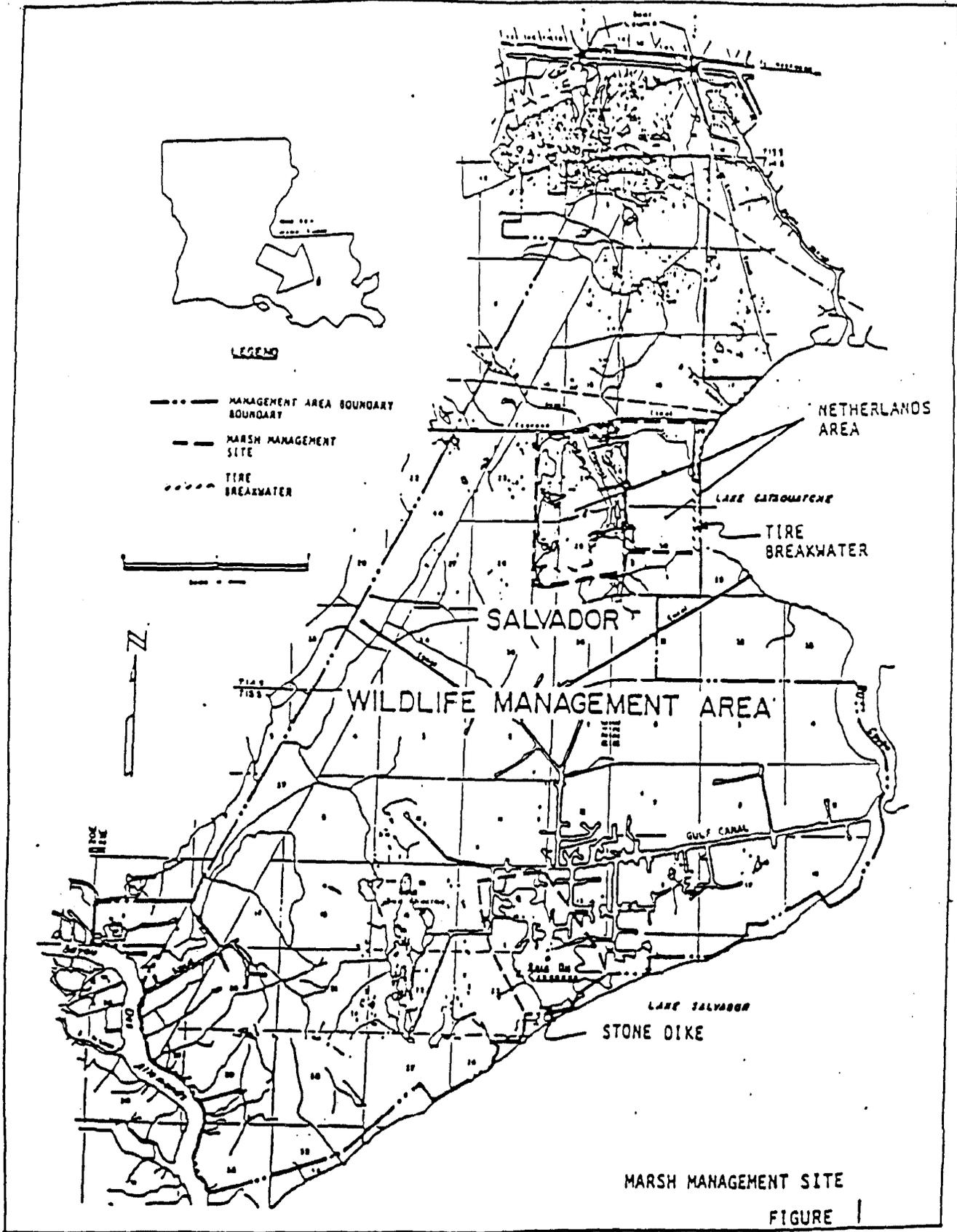
Project Features

The plans and specifications for the piling tire breakwater have been completed by the Corps of Engineers. Both Projects will be constructed in a continuous manner and when completed will include a total of approximately 4,330 feet of piling tire breakwater (see Figure 2). The construction specifications for this project were developed by the Corps of Engineers. See Figure 3 for construction details of the piling tire breakwater.

Natural Resource Values

The Neatherlands area includes approximately 1,500 acres of marsh, cypress ridges, wooded spoil banks, aquatic beads, and open water within the Salvador Wildlife Management Area. The entire areas was, at one time, leveed and pumped. The eastern portion of the tract (735 acres) was used as an oil tank farm during World War II and is primarily (675 acres) open water. This portion also contains approximately 60 acres of fresh marsh. The open water area was primarily an aquatic bed when it was protected from Lake Cataouatche by fresh marsh. However, as the marsh subsided and eroded from wave wash over the years, the aquatic bed was exposed to wave action and increased turbidity from the lake, and was eventually lost. The western portion of the Neatherlands tract encompasses 1,065 acres. It is composed of approximately 40 acres of wooded spoil banks and cypress ridge, 60 acres of maidencane and bulltongue marsh; the remainder is aquatic bed. The aquatic bed includes eurasian milfoil, coontail, and American lotus. This aquatic bed and associated marsh and woodlands is productive habitat for fish, ducks,

alligators, and numerous other species of waterfowl and furbearers. Additionally, the Neatherlands serves as a feeding area for at least one breed pair of bald eagles. Presently, a cypress ridge and old spoil bank and a small amount of maidencane marsh protect the aquatic bed from the wave wash of Lake Cataouatche. However, based on the current rate of land deterioration, it has been projected that within 25 years the eastern Neatherlands area would be fully a part of the lake and that the aquatic bed and marsh and woodlands within the western portion would become open water. Further, it was projected that a timber-pile and used-tire breakwater at the Neatherlands/Lake Cataouatche interface would maintain existing conditions for the next 50 years.



MARSH MANAGEMENT SITE
FIGURE 1

