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Taylor Energy Company, LLC  
Attn: William Pecue  
1615 Poydras Street, Suite 500  
New Orleans, LA 70112

16 NOV 2018

### NOTICE OF FEDERAL ASSUMPTION

Mr. Pecue:

On October 23, 2018, Administrative Order 19-001 was delivered to you, notifying you of requirements to conduct market research and arrange with potential contractors to provide an overview of potential designs for a containment system for the OPA incident at the above-captioned Taylor location, for which you are financially responsible.

On November 8, 2018, you proposed a containment system. However, for the reasons described in more detail in my decision memorandum dated November 16, 2018, and attached hereto, I have higher confidence in the technical capability and response time proposed by Couvillion Group. Couvillion Group presented this containment proposal to you on November 13, 2018. However, on November 15, 2018, Taylor Energy Company responded to Couvillion Group's proposed agreement with modifications that were not acceptable to Couvillion Group.

As the Federal On-Scene Coordinator, I found that Couvillion Group's proposal provided both the best capability and timeline for responding to this ongoing oil discharge. I now find that your attempts to engage in further negotiations with Couvillion Group as to contracting terms and pricing, all of which are wholly unrelated to the technical aspects of the response, only serves to delay containment activity and could compromise the proposed operations of Couvillion Group, which I have determined is best suited to perform the removal operations. Therefore, I have now determined that your actions to contain the discharge of oil into the navigable waters of the United States are unsatisfactory.

To prevent further delay in the response to the ongoing discharge, effective November 16, 2018, at 1700 CST, the U.S. Coast Guard will partially assume response actions under the authority of Section 311(c) of the Federal Water Pollution Control Act (FWPCA) as amended. The actions assumed pertain to all activities related to the development and installation of a containment system; removal and disposal of oil collected in the containment system; and maintenance of a containment system at the MC20 site, as identified in Administrative Order 19-001. Containment actions will be carried out in accordance with the criteria of the National Oil and Hazardous Substances Pollution Contingency Plan (NCP) and federal regulations. Federal assumption does not relieve you of your financial responsibilities and your obligation to abate the source of the discharge. Taylor Energy Company's requirement to conduct overflights and respond to recoverable oil remains.

Should you require further information concerning this matter, you may contact me directly or through CAPT Mark Shepard at 252-267-4722 or [mark.j.shepard@uscg.mil](mailto:mark.j.shepard@uscg.mil).

*K.M. Luttrell*

K.M. Luttrell  
Captain, U.S. Coast Guard  
Federal On-Scene Coordinator

Received and acknowledged:

Witness:

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Signature                      Date

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Signature                      Date

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