

U.S. Department of  
Homeland Security

United States  
Coast Guard



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16610

**OCT 23 2018**

**Administrative Order Number 19-001**

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

Subj: TAYLOR ENERGY COMPANY, MISSISSIPPI CANYON BLOCK 20 (MC20)

Mr. William Pecue,

Recently developed information related to source location and conditions at the MC20 site, combined with a review of previously existing information, warrant issuance of this new administrative order. Administrative Order 12-001 is rescinded and replaced with the requirements described below.

With the primary source location and known site condition information, it is the federal position that:

1. One or more wells are actively discharging oil and gas from the erosional pit near the former Dome C location.
2. The worst-case estimate of the daily volume of release far exceed previous estimates and is in the order of hundreds of barrels per day.
3. Temporary containment and recovery of oil being discharged at the erosional pit near the former Dome C location is needed and feasible while a more permanent solution to stopping the source is developed.

The supporting documentation for these positions can be found within the enclosed "Summary of Scientific Study Results Supporting the Federal Position on MC-20 Site" paper as well as the video and image files contained in the CD titled "2018 NOAA/BSEE MC20 Erosion Pit Survey Non-Interpretive Information," which is presented to you with this Administrative Order.

Provided what we now know, and under the authority referred to below, you are ordered to institute a containment system to capture, contain, and remove oil from the erosional pit near the former Dome C location. In addition, you are directed to comply with the following terms of this Administrative Order:

1. A Unified Command Meeting will be held from 06-09 November 2018 for the purpose of evaluating containment and recovery systems and developing an implementation plan and timeline.

2. A workshop will be held during the Unified Command meeting from 07 to 08 November, 2018 to evaluate proposals from potential contractors on the design of an effective containment system.
3. You are directed to conduct new market research prior to the November Unified Command meeting and make arrangements with potential contractors to provide an overview of potential designs and service based on the attached documentation. Attached to this letter I have also provided you with the known site conditions and market research questions to assist you with the evaluation process prior to and during the UC meeting.
4. The containment system must eliminate the surface sheen and avoid the deficiencies associated with prior containment systems. Design of the containment system shall take into consideration the site conditions provided to you. The containment system shall be designed to contain an amount with a worst case daily discharge between 250 barrels and 700 barrels per day. A design of a minimum of 250 barrels per day is acceptable at this time.
5. You are directed to choose at least two companies to present their most effective proposed containment system designs during the November Unified Command workshop.
6. By the conclusion of the Unified Command meeting, 06-09 November, we will select one of the proposals presented during the workshop.
7. The containment system must be inspected and approved by the Operations Section and Environmental Unit prior to installation.

The 06-09 November 2018 Unified Command meeting will be held at BSEE Gulf of Mexico Regional Headquarters in Harahan, LA. At this meeting we will evaluate the containment proposals for feasibility and sustainability at MC-20 and a timeline will be set for implementation.

Under the Oil Pollution Act of 1990 (OPA), each responsible party for a vessel or facility from which oil is discharged, or which poses a substantial threat of a discharge of oil, into or upon the navigable waters or adjoining shorelines or the exclusive economic zone is liable for the removal costs and damages specified in 33 U.S.C. § 2702(b). 33 U.S.C. §2702(a). OPA defenses or limitations on liability are not applicable for failure or refusal to comply with this Administrative Order. 33 U.S.C. §§ 2703 and 2704.

Further, failure to properly carry out the removal actions as ordered to protect the environment, public health, and welfare may subject the responsible party to a civil penalty of up to \$40,000 per day of violation or up to three (3) times the cost incurred by the Oil Spill Liability Trust Fund. Failure to comply with the requirements of this Administrative Order may result in the federal government assuming full or partial control of the activities described in this Administrative Order and subsequent removal actions deemed necessary by the Federal On Scene Coordinator.

This Administrative Order becomes effective upon receipt and remains in effect until rescinded by my office. You may submit written requests to me requesting a review and reconsideration of this Administrative Order within 24 hours of issuance. If you choose to do so, you shall identify those factors to be considered by me in making a decision on your request. The act of requesting reconsideration or making an appeal does not stay this Order. My decision upon reconsideration is a final agency action.

This order is given under the authority of 33 U.S.C. § 1321(c) and (e)(1)(B), and 33 C.F.R. § 1.01-80.

Please contact me directly or through CAPT Mark Shepard, at 252-267-4722 or mark.j.shepard@uscg.mil, if you have any questions concerning this matter.



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

Options if not delivered via certified mail:

Hand delivered/affidavit

Received by: \_\_\_\_\_ Date: \_\_\_\_\_