

# BP agrees to pay US\$18.7 billion to settle Deepwater Horizon oil-spill claims

Deal announced today would end civil lawsuits by US federal and state governments.

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Oil company BP would pay US\$18.7 billion over 18 years to settle civil lawsuits related to the [2010 Deepwater Horizon oil spill](#), under a tentative settlement with US state and federal governments.

The deal, announced on 2 July, would be the largest settlement with a corporation in US history, according to the US Department of Justice. It covers most legal claims arising from the disaster. Eleven people died when the Deepwater Horizon drilling rig exploded in the Gulf of Mexico, damaging a seafloor wellhead that spilled 3.19 million [barrels of oil](#) before it was capped months later.

The agreement covers claims brought by the US federal government; the states of Alabama, Florida, Louisiana, Mississippi and Texas; and more than 400 local government entities.

BP would pay \$5.5 billion over 15 years in penalties under the Clean Water Act — significantly less than the maximum potential fine of \$13.7 billion. The oil company has also agreed to pay \$7.1 billion to state and federal governments over 15 years, to settle natural-resource damage claims, and \$4.9 billion to the states over 18 years for economic and other claims. Local governments would split \$1 billion from the company.

The proposed civil settlement dwarfs the separate \$4-billion deal BP signed in 2013 to settle a criminal case brought by the federal government. “This is a realistic outcome which provides clarity and certainty for all parties,” said Bob Dudley, BP’s group chief executive, in a statement.

Fred Krupp, president of the Environmental Defense Fund in New York City, called the settlement “a significant step toward justice”.

Before the agreement can be finalized, it must undergo a public comment period and review by a federal court.

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Oil from the Deepwater Horizon spill was visible on the surface of the Gulf of Mexico.