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Newsroom: Reuters: Logan on BP Lawsuits

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Newsroom

Reuters: Logan on BP Lawsuits

Reuters spoke to Dean David Logan for an internationally syndicated story on lawsuits surrounding companies implicated in the the Gulf oil spill, one year later.

From Reuters: "[Lawsuits fly in BP's Gulf spill blame game](#)" by Tom Bergin And Moira Herbst. Outlets picking up the story include Vancouver's [Victoria Times Colonist](#), [Business Insurance](#) and [Reuters Canada](#).

Lawsuits fly in BP's Gulf spill blame game: Petroleum giant seeks damages above \$42 billion from partners



April 22, 2011: A barrage of court claims pitting BP Plc against its partners in the Gulf of Mexico oil spill could lay the groundwork for billions of dollars in settlements to spread the costs of the disaster.

BP has sued Transocean Ltd., Halliburton and Cameron International Corp., in one of the biggest legal moves since last year's blowout. It is seeking up to the full cost of the disaster - estimated at \$42 billion - plus costs, interest and punitive damages from each of the companies that helped it drill the doomed well.

So far, BP has met the cost of the cleanup effort alone and is paying compensatory damages to fishermen, property owners and others in the Gulf area affected by the spill.



"To my knowledge, Transocean, Cameron and Halliburton haven't paid a nickel to victims or for the cleanup," **said David Logan, dean of Roger Williams University School of Law in Rhode Island.**

"These suits are intended to spread liability, but they're also part of a larger public relations effort for BP," **he said.** "BP wants to remind the world they weren't the only corporation that was a key player in this cascade of bad events that led to a remarkably bad outcome."

The lawsuits, filed in U.S. District Court in New Orleans, come one year after the Deepwater Horizon rig blast killed 11 workers and created an environmental disaster. Wednesday was the deadline for companies connected to the spill to file claims against each other.

Transocean owned and operated the rig. Cameron was the maker of the blowout preventer, the so-called fail-safe device that neglected to automatically shut down the well. Halliburton handled the cementing work on the well.

Legal experts say they had anticipated BP filing the cases, but predicted they would not ultimately go to trial. "I expected that before this was over, they would all be suing one another," said Edward F. Sherman, a professor at Tulane University Law School. "Ultimately the parties will probably divide up responsibility and reach a settlement."

A settlement reached among several companies could allow BP to recoup some or all of the money it is spending to compensate victims, run cleanup efforts and provide support to Gulf state governments.

James Roy, a lead attorney for plaintiffs suing BP, said he thinks BP will ultimately shoulder most of the disaster's cost. "I don't think these suits change the economy of who pays for the damages," he said. "BP, in our opinion, is the primary target defendant."

Meanwhile, BP has been sued by its partners in the well, Anadarko Petroleum Corp. and Japan's Mitsui. That lawsuit challenged BP's demands that they contribute to the cost of the clean-up effort.

Transocean shares in Switzerland closed down 2.2 per cent, while in New York BP shares gained 0.3 per cent. Halliburton shares were up 1.6 per cent and Cameron slipped 0.6 per cent.

In court papers, BP said Halliburton concealed critical information that could have prevented the disaster.

"Halliburton's improper conduct, errors and omissions, including fraud and concealment, caused and/or contributed to the Deepwater Horizon incident," BP said in the lawsuit.

Halliburton, which said it would "vigorously defend" itself against the claims, sued BP in Texas state court Tuesday accusing BP of failing to accept responsibility for the disaster, as called for in its contract.

"The plain and unequivocal language of the contract requires BP to defend and indemnify [Halliburton] from virtually all claims arising out of the blowout," Halliburton said in its lawsuit.

Service providers' contracts with operators usually provide indemnities against any environmental damage that may result from their work.

This could limit BP's opportunities to recoup cash from Transocean or Halliburton.

For full story, click [here](#).