

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA**

**In re: Oil Spill by the Oil Rig
“Deepwater Horizon” in the Gulf
of Mexico, on April 20, 2010**

MDL 2179

SECTION “J”

**This Document Relates To:
*No. 15-4143, 15-4146 & 15-4654***

**Judge Barbier
Chief Magistrate Judge
Joseph C. Wilkinson, Jr.**

**REPORT BY THE HALLIBURTON AND TRANSOCEAN
SETTLEMENTS’ OLD AND NEW CLASS CLAIMS
ADMINISTRATORS**

STATUS REPORT NO.	9	DATE	February 1, 2018
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**Judge Carl Barbier
Chief Magistrate Judge
Joseph C. Wilkinson, Jr.**

**JOINT STATUS REPORT BY THE HALLIBURTON AND TRANSOCEAN
SETTLEMENTS’ OLD AND NEW CLASS CLAIMS ADMINISTRATORS
STATUS REPORT NO. 9 FILED FEBRUARY 1, 2018**

The Old and New Class Claims Administrators for the HESI Punitive Damages and Assigned Claims Settlement Agreement and the Transocean Punitive Damages and Assigned Claims Settlement Agreement (Settlement Agreements) submit this Status Report pursuant to this Court’s October 23, 2015 Order [Rec. Doc. 15481] to inform the Court on the status of implementation of the Settlement Agreements. All capitalized terms in this Status Report shall have the same meaning as in the Settlement Agreements and orders of this Court, or as otherwise set forth herein.

I. STATUS OF IMPLEMENTATION OF SETTLEMENT AGREEMENTS

A. Overview

Old Class

After reviewing the count of outstanding claims effective January 15, 2018, the Old Class Claims Administrator has determined that any cost associated with utilizing a reserve to accommodate the limited number of DHEPDS claims that remain active is outweighed by the need to distribute the funds in a timely fashion. Nearly half of these claims are in some stage of appeal and may not be fully resolved for up to a year if appeal to the United States Fifth Circuit

Court of Appeals is pursued. As further detailed below, it is intended that a reserve (the “Old Class Reserve”) will be established within the Old Class Settlement Fund for all claims that are not fully resolved effective February 16, 2018, which allow the distribution process to move forward for the balance of the Old Class.

New Class

New Class claimants have been receiving determination notices on claimant-level denials and will soon begin receiving additional communications regarding any remaining deficiencies and final determinations. In conjunction with the Old Class Claims Administrator, the New Class Claims Administrator has also determined that delaying payment on all claims to avoid the expense of creating a small reserve for a limited number of claimants is outweighed by the need to distribute the funds in a timely fashion to those who are otherwise eligible. As such, he intends to establish a reserve for any New Class relevant claims that are still active with the DHEPDS Program effective February 16, 2018. It is also anticipated that the New Class Wetlands claim type may need to be segregated for pooled distribution as anticipated by the HESI/Transocean Distribution New Class Model previously approved by the Court [Rec. Docs. 18797, 22252, and 22253].

B. Claims Process

Old Class

Effective January 15, 2018, there were 4,375 claims in process with the DHEPDS Program, 1,949 of which fall into the appeals category, meaning timing is out of the hands of the Claims Administrator and his staff. As such, it is intended that any claim that has not been fully resolved, meaning all rights to appeal or further consideration of the claim had expired effective February 16, 2018, will be set aside and a reserve will be created for a later distribution to handle these claims. This will allow the Old Class Claims Administrator to move forward with preparations to distribute the Old Class Settlement Fund.

New Class

December 2017 brought some updates to the New Class deficiency and determination letter logic and adjustments to programming that limited the number of letters mailed; however, rolling letter runs have since resumed. Initially, it was planned that claimants would receive only one letter with deficiency information and then a determination letter; however, it became necessary to segregate by claim type and issue deficiency and determination letters on a sub-claim type basis in order to expedite processing. It is anticipated that all remaining deficiency

letters, with the exception of Wetlands claims, will be mailed in the near term and that determination letters will continue to be mailed on a rolling basis with the goal of sending the vast majority of determination letters by mid-March, again, likely with Wetlands determination letters being the last to be mailed, extending somewhat beyond that timeframe.

At this time it appears likely the Wetlands claim type may need to be segregated for later distribution pursuant to the New Class Settlement Fund claim category funding pools described as an option for distribution in the New Class Distribution Model. This will allow the balance of the claim types that are not subject to GIS mapping to be dispositioned and paid without delay.

Appeal and Court Review processing has continued to move forward as well. A total of 415 appeals were received to date. A portion of the appeal requests were withdrawn after follow up with the claimant or attorney regarding the underlying issues (*e.g.*, there is a valid DHEPDS claim in place that will result in payment such that the new claim was denied). Of those appeals that required Claims Administrator determination, all have been determined and letters, which included a Court Review request form for any denied appeal, have been sent.

There have been 87 Court Review requests. Chief Magistrate Judge Wilkinson has provided decisions on 82 of the 85 that have been forwarded to the Court. The two requests not forwarded to the Court were withdrawn by the claimants and/or their counsel.

It is also anticipated that there will be a reserve established for New Class claims for which the DHEPDS claim determination is not final effective February 16, 2018, and a timeframe for distribution of those claims will be established at a later date.

Determinations and Distribution

The Old Class Claims Administrator anticipates distribution will occur in mid-to-late summer 2018, while the New Class distribution, potentially holding back Wetlands claims, will likely take place by the end of September 2018. Both of these distributions will be subject to a reserve for DHEPDS claims that are potentially eligible to participate, but have not received a final determination from DHEPDS as of February 16, 2018.

II. CONCLUSION

The Old and New Class Claims Administrators respectfully submit this Status Report so that the Court may be fully apprised of the status of the implementation of the Settlement Agreements. In the event the Court would like additional information, the Old and New Class Claims Administrators are prepared to provide further details at the Court's request.

/s/ Patrick A. Juneau
PATRICK A. JUNEAU
OLD CLASS CLAIMS ADMINISTRATOR

/s/ Michael J. Juneau
MICHAEL J. JUNEAU
NEW CLASS CLAIMS ADMINISTRATOR