

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF LOUISIANA

FILED  
U.S. DISTRICT COURT  
EASTERN DISTRICT OF LA  
2006 SEP 26 PM 5:07

LORETTA G. WHYTE  
CLERK



PATRICK JOSEPH TURNER, ET AL

CIVIL ACTION  
NO. 05-4206

VERSUS

CONSOLIDATED  
CASES

MURPHY OIL USA, INC.

SECTION "L" (2)

\*\*\*\*\*

**MEMORANDUM OF UNDERSTANDING**

1. What follows in this Memorandum of Understanding are the essential terms of a Settlement between Murphy Oil USA, Inc. ("Murphy") and Class Counsel and the Plaintiffs' Steering Committee ("PSC") on behalf of the plaintiff class in ***Patrick Joseph Turner, Individually and as Representative of Similarly Situated Persons v. Murphy Oil USA, Inc.***, on the docket of the United States District Court, Eastern District of Louisiana, Civil Action No. 05-4206 "L"(2).
2. This Memorandum of Understanding will be superseded by the Final Settlement Agreement identifying all applicable terms and conditions. This Final Settlement Agreement shall be executed on or before October 3, 2006.
3. The Final Settlement Agreement and Notice Program will be presented to the Court for Preliminary Approval on Tuesday, October 10, 2006.
4. The parties will agree to an appropriate procedural vehicle under Federal Rule of Civil Procedure 23 to approve and implement the Final Settlement Agreement.

<input type="checkbox"/>	Fee
<input type="checkbox"/>	Process
<input checked="" type="checkbox"/>	Dktd
<input type="checkbox"/>	CtRmDep
<input type="checkbox"/>	Doc. No

5. The total value of this settlement is currently estimated at \$330,000,000.00 (May be more or less depending on actual remediation costs). The amount is broken down as follows:

A. Buyout Program - \$55,000,000.00 for the acquisition and remediation of properties purchased by Murphy in the buy-out zone. Murphy will make a good faith effort to purchase all residential and business properties located in the first four streets (both sides) west of the refinery and north of St. Bernard Highway to the 20 Arpent Canal. This area contains residential properties and commercial properties with an estimated fair market value of \$40,000,000.00. The buy-out price is \$40.00 per square foot of living area for residential properties and an appropriate amount for business properties. In the event that Murphy does not exhaust the \$55,000,000 in the buy-out zone mentioned above within a certain time period, Murphy will acquire other properties in the class area until the \$55,000,000 is exhausted.

B. Compensation Program - All <sup>residents and</sup> residential and commercial properties <sup>y</sup> owners *KAM*  
in the Class Area (including the properties in the buy-out area) will receive a settlement award that is fair and equitable to all. The total amount to be distributed under the compensation program will be \$120,000,000.00, pursuant to a fair and equitable allocation subject to Court approval following recommendations by a Court-appointed Special Master. Class Members in the buy-out zone are not obliged to sell their property to participate in the compensation program. All funds will be spent for the benefit of the class. The parties will negotiate an appropriate method for securing the payment of these funds.

C. Remediation Program - \$51,862,000.00 in past remediation and an estimated \$20,000,000.00 in future remediation expenses beyond

the buyout zone but in the class area. Only the Class Area will have the benefits of a comprehensive remediation program (the Closure Plan approved by EPA and LDEQ), overseen by regulatory authorities and subject to Court review.<sup>1</sup>

D. Past Compensation Program - \$83,264,000.00 in past compensation payments exclusive of remediation.

6. Murphy acknowledges that, from the inception of this incident, the Plaintiff Steering Committee's and Class Counsel's efforts have contributed to and assisted in the resolution of this litigation.
7. It is the intent of the parties that the settlement and administration account be a Qualified Settlement Fund, as defined in the Internal Revenue Code and the Regulations promulgated thereunder.
8. Costs and Fees – Subject to Court approval, all administration costs of the class settlement, all common benefit fees and all common benefit expenses incurred in connection with prosecuting this litigation, will be paid by Murphy.
9. A Settlement Class will be employed in this matter, and a provision shall be included in the settlement agreement allowing Murphy to withdraw from the settlement if more than 10% of the total number of Class Members opt out.
10. In settling, Murphy is not admitting any liability for the oil spill and expressly denies all liability.

---

<sup>1</sup> To date, Murphy has spent \$51,862,000.00 in the remediation of property. Murphy estimates another \$35,000,000.00 in cleanup costs. Murphy's total estimated cleanup and remediation plan cost is \$86,862,000.00.

11. Murphy receives a full release from all Class Members.
12. All members of the PSC agree not to represent any opt-out or objector to the Settlement Agreement.
13. The Plaintiffs' Steering Committee agrees not to challenge settlements previously made under the Murphy Voluntary Settlement Program.

  
\_\_\_\_\_  
MURPHY OIL USA, INC.

9-25-06  
DATE

  
\_\_\_\_\_  
PSC THROUGH LIAISON COUNSEL  
SIDNEY D. TORRES, III

9-25-06  
DATE