

B. "TCEQ" shall mean the Texas Commission on Environmental Quality and its predecessor and/or successor agencies.

C. "BP" shall mean BP Products North America Inc.

D. "BP Entities" shall mean BP plc, BP Products North America Inc., its past and present affiliates, parents, subsidiaries, divisions, predecessors, successors and assigns, and its present and former officers, directors, employees, and representatives (including without limitation contract employees, consultants, and attorneys).

E. "Refinery" shall mean the refinery which BP operates at 2401 5th Avenue South, Texas City, Texas.

F. "Permit 47256" shall mean TCEQ Air Flexible Permit No. 47256 which regulates air emissions from the normal operation and startup, shut down, and maintenance of most of the Refinery's process units.

G. "Permit 3170" shall mean TCEQ Air Permit 3170 which regulated air emissions from the Refinery's Isomerization Unit until July 13, 2005.

H. "Permit 2231" shall mean TCEQ Air Permit 2231 which prohibits the emission of air contaminants from certain tanks in the Refinery's tank farm.

I. "Permit 2612" shall mean TCEQ Air Permit 2612 which prohibits the emission of air contaminants from certain emission points in Aromatics Unit No. 2.

J. "Day" or "Days" shall mean calendar days.

K. "Parties" shall mean the State and BP, collectively.

L. "Effective Date" shall mean the date the Court signs this Judgment.

M. "Judgment" shall mean this Agreed Final Judgment.

N. "Temporary Injunction" shall mean the Agreed Temporary Injunction, signed by this Court on June 29, 2009.

O. "Lawsuit" shall mean Consolidated Cause No. D-1-GV-09-000921 in the 201st Judicial District of Travis County, Texas. Cause No. D-1-GV-10-001237 in the 261st Judicial District of Travis County, Texas was consolidated with Cause No. D-1-GV-09-000921 in the 201st Judicial District of Travis County, Texas on _____, 2011. "Lawsuit" therefore encompasses Plaintiff's claims in original Cause Nos. D-1-GV-09-000921 in the 201st Judicial District of Travis County, Texas and D-1-GV-10-001237 in the 261st Judicial District of Travis County, Texas.

2. NO ADMISSION OF LIABILITY

2.1 This Judgment shall not constitute or be used as an admission of liability in any other proceeding. BP does not admit liability and enters into this Judgment because of the uncertainty and costs of litigation. BP represents to the Court that it actively participated in the negotiations leading to this Judgment.

3. PARTIES BOUND

3.1 This Judgment applies to and is binding upon the Parties and their agents, employees, representatives, successors, predecessors, divisions, subsidiaries, present and former officers and managers, and all other persons acting in concert with them, on their behalf, or under their control, whether directly or indirectly.

3.2 Nothing in this Judgment shall be construed to create any rights in, or grant any cause of action to, any person not a party to this Judgment.

4. PAYMENT TO THE STATE

4.1 The State shall have judgment against BP in the amount of \$50,000,000. \$49,500,000 of this amount is an unallocated payment of penalties; \$500,000 of this amount is payment of the State's attorneys' fees and litigation expenses.

4.2 BP shall pay the entire amount due under this Judgment to the State of Texas no later than thirty Days after the Effective Date of the Judgment.

4.3 All amounts required to be paid in accordance with this Judgment shall be paid by: wire transfer made according to wiring instructions provided to BP by Division Chief, Environmental Protection and Administrative Law Division, Office of the Attorney General; OR certified check made payable to the "State of Texas AG# 072457211" delivered to: Division Chief, Environmental Protection and Administrative Law Division, Office of the Attorney General, P.O. Box 12548, Austin, Texas 78711-2548 (U.S. mail delivery), or 300 West 15th Street, Suite 1000, Austin, Texas (personal delivery).

5. TERMINATION OF THE AGREED ORDER

5.1 The State confirms and agrees that BP's prior performance of the obligations set forth in the 2006 Agreed Order and its performance of the obligations set forth in this Judgment constitute compliance with all terms and conditions set forth in that Agreed Order and terminate it under Section III, paragraph 9 of its Ordering Provisions. No Party shall thereafter bring any claim, whether now known or unknown, in any way concerning the Agreed Order.

6. DISSOLUTION OF THE TEMPORARY INJUNCTION

6.1 The Temporary Injunction is hereby dissolved. The Temporary Injunction shall no longer be binding on any Party, no Party shall have any continuing obligation with

respect to the Temporary Injunction, and any and all obligations under the Temporary Injunction shall cease.

7. RELEASE AND COVENANT NOT TO SUE

7.1 This Judgment settles all claims (including without limitation claims based on alleged violations of any state or federal law, rule, regulation, order, or permit) relating to the the allegations in the Lawsuit that were or could have been brought by the TCEQ or the Texas Attorney General, including without limitation all claims for civil penalties, injunctive relief, and attorney's fees. The State, through the Texas Attorney General and on behalf of the people of Texas and the TCEQ, releases and covenants not to sue the BP Entities on any claims (including without limitation claims based on alleged violations of any state or federal law, rule, regulation, order, or permit) relating to the events and activities underlying the allegations in Plaintiff's Lawsuit that were or could have been brought by the TCEQ or the Texas Attorney General.

7.2 The State further releases and covenants not to sue the BP Entities for any of the following: all claims of any kind (including without limitation claims based on alleged violations of any state or federal law, rule, regulation, order, or permit) that are based in whole or in part on any act or omission that had occurred at the Refinery at any time up to and including November 1, 2011 that have been referred to the Attorney General for investigation or enforcement but for which no claims have been asserted, including without limitation the following incidents, investigations and violations: Investigation 800143 / Incident 136079; Investigation 800145 / Incident 136590; Investigation 800146 / Incident 136643; Investigation 824965 / Incident 138185; Investigation 830265 / Incident 140115; Investigation 848855 / Incident 140212; Investigation 848857 / Incident 141747; Investigation 848718 / Incident 142016; Investigation 849746 / Incident 142317; Investigation 849834 / Incident 142434; Investigation 858236 / Incident 143026; Investigation 880355 / Incident 145872; Investigation

881010 / Incident 147284; Investigation 905271 / Incident 149635; Investigation 911976 / Incident 151420; Investigation 912278 / Incident 151888; Investigation 636755, which includes Violation Numbers 344607, 344610, 344619, 344622, 344625, 344628, 344630, and 344633; Investigation 865136, which includes Violation Numbers 413272, 413474, 413476, 414134, 414250, 414274, 414719, 414744, 415315, 415416, 415418, and 415426.

7.3 The State further releases and covenants not to sue for any claims that were or could have been brought by the TCEQ or the Texas Attorney General (including without limitation claims based on alleged violations of any state or federal law, rule, regulation, order, or permit) relating to emissions events, maintenance, startup and shutdown activities, violations, deviations, acts or omissions that occurred at the Refinery that were reported by BP to TCEQ up to and including November 1, 2011, and which are not otherwise or elsewhere described and released in Paragraph 7.1 or 7.2.

8. PUBLIC NOTICE

8.1 The signature on this Judgment for the State is subject to the public notice and comment required by Texas Water Code § 7.110. This Judgment will not be presented to the Court and the State's consent will not be effective until public notice of this Judgment has been published in the Texas Register, the public has been given thirty days during which to comment to the State on the terms of this Judgment, and the State has re-affirmed its consent, after considering any comments, by presenting the Judgment to the Court for signature and entry.

9. RETENTION OF JURISDICTION

9.1 This Court retains jurisdiction over both the subject matter of this Judgment and the Parties for the duration of the performance of the terms and provisions of this Judgment for the purpose of enabling the State or BP to apply to the Court at any time for such further direction or relief as may be necessary or appropriate for the construction or modification

of this Judgment, to effectuate or enforce compliance with its terms, or to resolve disputes related to it.

10. MODIFICATIONS

10.1 This Judgment may only be modified upon the written consent of all of the Parties. All modifications of this Judgment shall become effective as of the date of approval by this Court.

10.2 No informal advice, guidance, suggestion, or comment (whether oral, written or electronic) by any representative of the State or the TCEQ regarding any requirement of this Judgment shall relieve BP of its obligation to obtain such formal written approval as this Judgment may require for a modification and to comply with all requirements of this Judgment.

10.3 No waiver of any provision of this Judgment shall be effective unless it is in writing and signed by the party against whom it is asserted, and any such written waiver shall be applicable only to the specific instance to which it relates and shall not be deemed to be a continuing or future waiver.

11. PLAINTIFF'S RESERVATION OF RIGHTS

11.1 The State reserves its right to seek any and all manner of additional relief from BP, including but not limited to, administrative and/or civil penalties, injunctive relief, and attorney's fees for violations of any kind (including without limitation claims based on alleged violations of any state or federal law, rule, regulation, order, or permit) that are not released in paragraphs 7.1, 7.2 or 7.3 of this Judgment.

11.2 Notwithstanding any other provision of this Judgment, the State reserves, and this Judgment is without prejudice to, all rights against BP with respect to all other matters.

11.3 This Judgment shall not be construed in any way to relieve Defendant, or its agents or contractors, from the obligation to comply with any state or federal law, rule, regulation, order, or permit.

12. POST-JUDGMENT INTEREST

12.1 BP shall pay post-judgment interest on all amounts awarded herein at the legal rate of 5.00 per cent per annum from the date amounts are due under this Judgment until paid.

13. GENERAL PROVISIONS

13.1 This Judgment constitutes the entire agreement between the Parties, and supersedes any and all prior agreements or understandings between the Parties relating to the referenced cause.

13.2 This Judgment may be executed in multiple parts, which together shall constitute a single original instrument. Any executed signature page to this Judgment may be transmitted by facsimile transmission to the other party, which shall constitute an original signature for all purposes.

13.3 BP acknowledges that it has true and correct copies of the Texas Clean Air Act, Tex. Health & Safety Code Chapter 382 and Chapter 101 of Title 30 of the Texas Administrative Code, and Permit 47256, Permit 3170, Permit 2231, and Permit 2612. BP also acknowledges that it is fully aware of the contents of said documents and their requirements.

13.4 The State shall be allowed such writs and processes as may be needed for the enforcement of this Judgment.

13.5 Each of the undersigned representatives of a party to this Judgment certifies that he or she is fully authorized to enter into the terms and conditions of the Judgment and to legally execute and bind that party to this Judgment.

- 13.6 The Parties hereby waive the right of appeal from this Judgment.
- 13.7 This Judgment finally disposes of all parties and all claims in this cause.
- 13.8 Any relief not expressly granted herein is hereby denied.

SIGNED this the ____ day of _____, 2011.

JUDGE PRESIDING

Respectfully submitted,

GREG ABBOTT
Attorney General of Texas

DANIEL T. HODGE
First Assistant Attorney General



BILL COBB
Deputy Attorney General for Civil Litigation

BARBARA B. DEANE
Chief, Environmental Protection and
Administrative Law Division

DAVID PREISTER
Chief, Environmental Protection Section

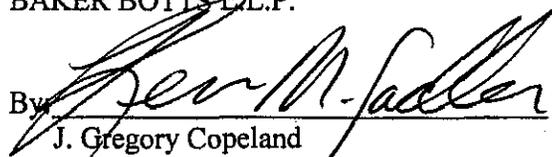
JANE E. ATWOOD
State Bar No. 00796144
Assistant Attorney General

Environmental Protection and
Administrative Law Division
P.O. Box 12548, Capitol Station
Austin, Texas 78711
Phone: (512) 463-2012
Facsimile: (512) 320-0052

ATTORNEYS FOR PLAINTIFF
THE STATE OF TEXAS

BAKER BOTTS L.L.P.

By



J. Gregory Copeland
Texas Bar No. 04798500
Matthew L. Kuryla
Texas Bar No. 24000312
J. Scott Janoe
Texas Bar No. 24012897
Baker Botts L.L.P.
One Shell Plaza
910 Louisiana
Houston, TX 77002-4995
Telephone: (713) 229.1234
Telecopier: (713) 229.2730

Kevin M. Sadler
Texas Bar No. 17512450
Scott D. Powers
Texas Bar No. 24027746
Baker Botts L.L.P.
98 San Jacinto Blvd., Suite 1500
Austin, TX 78701
Telephone: (512) 322-2500
Telecopier: (512) 322-2501

ATTORNEYS FOR DEFENDANT
BP PRODUCTS NORTH AMERICA, INC.