

Fifth Circuit Upholds Susman Godfrey's \$43.2M Federal Jury Verdict Win for Apache

07.22.2019 | 10 | 21NEWS

The Fifth Circuit Court of Appeals unanimously affirmed a \$43.2 million federal court jury verdict in favor of Susman Godfrey LLP client Apache Deepwater LLC against W&T Offshore, Inc. Susman Godfrey represented Apache at trial and on appeal before the Fifth Circuit.

The award is now worth over \$49.9 million including pre- and post-judgment interest and attorneys' fees.

"This is a great victory for Apache, which was only possible because of the hard work and incredible support we received from Apache's in-house counsel and key business people" said Susman Godfrey partner William R. H. Merrill, who was co-lead counsel for Apache at trial and on appeal.

Apache Deepwater (an affiliate of Apache Corporation) filed the lawsuit in December 2014 and alleged that W&T breached the parties' operating agreement over three subsea wells in the Gulf of Mexico by refusing, without justification, to pay its 49% share of the costs to plug and abandon the wells. Apache had a 51% interest in the wells and was the designated operator. W&T had a 49% interest and was the non-operator.

After Susman Godfrey took the case and filed the lawsuit, W&T made a partial payment to Apache of \$24.8 million, leaving an unpaid balance of \$43.2 million, the exact amount that Apache sought and won in the 2016 jury verdict. After a two-week trial, the jury agreed with Apache and found that W&T had breached the parties' contract and awarded the full amount.

Susman Godfrey partner Geoffrey L. Harrison, who was co-lead counsel for Apache at trial and argued the appeal in the Fifth Circuit said, "The Fifth Circuit's decision is the exact right outcome and provides important guidance for offshore oil and gas operators and non-operators alike. Companies must comply with their contracts and with federal decommissioning requirements, and safety and sound operational judgment outweighs ill-conceived cost sensitivity".

In addition to Harrison and Merrill, the Susman Godfrey team representing Apache included Ashley L. McMillian and Abigail C. Noebels.