

U.S. Supreme Court Declines Review of Susman Godfrey's \$48.7M Win for Apache

The United States Supreme Court has declined a petition by W&T Offshore, Inc. to review and reverse the Fifth Circuit's decision upholding a federal district court's judgment that Susman Godfrey LLP won for client Apache Corporation. This leaves in place the district court's \$48.7 million judgment for Apache — based on a \$43.2 million jury award plus attorney's fees and interest — that is now worth over \$49.9 million.

"Apache won at trial, won in the District Court, and won in the Fifth Circuit," said Susman Godfrey partner Geoffrey L. Harrison, who served as co-lead counsel to Apache. "The Supreme Court rightly found there was no error to correct. Apache won, W&T lost, and the courts got it right. The jury and courts correctly recognized that Apache acted safely and prudently — W&T just breached the parties' contract."

Apache Deepwater (an affiliate of Apache Corporation) sued W&T in 2014, alleging 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.

"This is the right outcome and underscores the Fifth Circuit's guidance for the oil and gas industry," said Susman Godfrey partner William R. H. Merrill, who was co-lead counsel for Apache at trial and on appeal. "Operators and non-operators alike must comply with both their contracts and federal decommissioning requirements."

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