



THE UNITED STATES  
DEPARTMENT of JUSTICE

United States Attorney Tracy L. Wilkison  
Central District of California

FOR IMMEDIATE RELEASE  
December 15, 2021  
[U.S. Attorney's Office website](#)  
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Contact: Thom Mrozek  
Director of Media Relations  
[thom.mrozek@usdoj.gov](mailto:thom.mrozek@usdoj.gov)  
(213) 894-6947

### Three Companies Face Charges of Negligent Conduct During Offshore Oil Leak that Damaged Southern California Coastline

LOS ANGELES – A federal grand jury today accused three companies with illegally discharging oil during a pipeline break in early October by acting negligently in at least six ways, including failing to properly respond to eight separate leak alarms over the span of more than 13 hours and improperly restarting the pipeline that had been shut down following the leak alarms.

An indictment filed this afternoon charges the companies that own and operate the 17-mile-long San Pedro Bay Pipeline with one misdemeanor count of negligent discharge of oil. The charged defendants are Amplify Energy Corp.; Beta Operating Co. LLC (a wholly owned subsidiary of Amplify doing business as Beta Offshore); and San Pedro Bay Pipeline Co. (a wholly owned subsidiary of Amplify).

The pipeline, which was used to transfer crude oil from several offshore facilities to a processing plant in Long Beach, began leaking on the afternoon of October 1, but the defendants allegedly continued to operate the damaged pipeline, on and off, until the next morning. As a result of the allegedly negligent conduct, what is estimated to be about 25,000 gallons of crude oil were discharged from a point approximately 4.7 miles west of Huntington Beach from a crack in the 16-inch pipeline.

The indictment alleges that the defendants acted negligently by:

- Failing to properly respond to eight alarms from an automated leak detection system that were activated between 4:10 p.m. on October 1 until the final alarm at 5:28 a.m. the following day;
- Shutting down and then restarting the pipeline five times after the first five alarms were triggered on October 1, resulting in oil flowing through the damaged pipeline for a cumulative period of more than three hours;
- Despite the sixth and seventh alarms, pumping oil for three additional hours late on October 1 into the early morning hours of October 2 while a manual leak test was performed;
- Despite the eighth alarm, operating the pipeline for nearly one hour in the predawn hours of October 2 after a boat they contacted failed to see discharged oil in the middle of the night;
- Operating the pipeline with crewmembers who had not been sufficiently trained on the automated leak detection system; and

- Operating the pipeline with an understaffed and fatigued crew.

*An indictment contains allegations that a defendant has committed a crime. Every defendant is presumed innocent until and unless proven guilty beyond a reasonable doubt.*

For a corporate defendant, the charge of negligently discharging oil carries a statutory maximum penalty of five years of probation, as well as fines that potentially could total millions of dollars.

The Coast Guard Investigative Service; the U.S. Department of Transportation, Office of Inspector General; the U.S. Environmental Protection Agency, Criminal Investigation Division; and the FBI are investigating the oil leak.

Assistant United States Attorneys Matt O'Brien and Brian Faerstein of the Environmental and Community Safety Crimes Section are prosecuting this case.