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U.S. DISTRICT COURT
EASTERN DISTRICT OF LA.

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CAROL L. MICHEL^{CC}
CLERK

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

FELONY

**INDICTMENT FOR VIOLATIONS OF THE CLEAN
WATER ACT AND THE OUTER CONTINENTAL SHELF LANDS ACT**

UNITED STATES OF AMERICA

*

CRIMINAL NO.

21-2

v.

*

SECTION:

SECT. MMAG. 4

PATRICK HUSE

*

VIOLATIONS:

33 U.S.C. § 1319(c)(1)(A)

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33 U.S.C. § 1319(c)(2)(A)

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33 U.S.C. § 1321(b)(3)

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33 U.S.C. § 1321(b)(5)

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43 U.S.C. § 1350(c)(2)

18 U.S.C. § 2

* * *

The Grand Jury charges that:

COUNT 1

(Negligent Discharge)

A. At all times material herein:

1. Company A is a privately held company with headquarters in Houston, Texas. Company A owns oil production facilities on federal mineral lease OCS-G 4126 in the Gulf of Mexico. One Company A facility was Main Pass 310A ("MP-310A"). MP-310A was approximately fifteen nautical miles from the shoreline of the state of Louisiana, in a portion of the Gulf of Mexico known as the "Outer Continental Shelf." MP-310A was in the territorial

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jurisdiction of the Eastern District of Louisiana.

2. Company A's facility at MP-310A was a production and distribution platform with several platforms and pipelines running to it, or "feeder wells." One of the feeder wells was unmanned platform Main Pass 310JA ("MP-310JA"). MP-310JA was also located on the Outer Continental Shelf, approximately 1.8 nautical miles from MP-310A and in the territorial jurisdiction of the Eastern District of Louisiana.

3. Company A, a "lessee," hired third-party operators to operate its platforms. Various Company A employees supervised the operators, including **PATRICK HUSE ("HUSE")**. **HUSE** worked as a "Person-in-Charge" ("PIC") on manned platform MP-310A. As a PIC, **HUSE** had authority over the operators and was responsible for their actions. Among other things, **HUSE** was responsible for ensuring that operations on MP-310A complied with federal laws and regulations.

4. The Bureau of Safety and Environmental Enforcement ("BSEE") is a federal agency that regulates oil companies such as Company A. When a BSEE inspector discovers a violation of environmental and safety regulations, the inspector issues a report known as an "Incident of Non-Compliance" ("INC") report. When a company such as Company A receives an INC, it is required to respond by explaining how and when it will correct the violation.

5. INCs are punishable by civil penalties and fines for each day the oil company is in violation. Additionally, BSEE regulators can punish a company by, among other things, shutting in the company's oil platforms, meaning the wells associated with the platforms will no longer be flowing.

6. When Company A's oil platforms removed oil from the ground, they also removed "produced water," or water that contained oil, grease, and other pollutants. The oil platforms

discharged the produced water back into the Gulf of Mexico. Company A received a permit from the federal government that specified how clean the produced water needed to be before Company A could discharge it. To comply with the permit, Company A ran the produced water through a filtration process. First, the produced water went through a system known as the “Free Water Knockout,” which separated some oil and gas from the produced water. Then, the produced water went through a device called a “WEMCO,” which removed more of the residual oil. When they functioned properly, the Free Water Knockout and WEMCO systems filtered the produced water to permissible levels before Company A discharged it back into the Gulf of Mexico.

7. Federal law requires that the PIC of an offshore facility immediately notify an appropriate federal agency, such as BSEE, when a platform discharges oil or other hazardous substances into the Gulf of Mexico and produces a sheen.

MP-310A Sheening Event

8. On or about July 16, 2015, BSEE inspectors began an annual safety inspection of MP-310A. The inspectors were not constantly on the platform, but instead left and returned multiple times over the course of several days.

9. On or about July 19, 2015, operators working on MP-310A observed a sheen on the surface of the water surrounding the platform. The sheen meant that the platform was discharging oil or other hazardous substances into the Gulf of Mexico. The operators reported the sheen to **HUSE**. The operators told **HUSE** they believed that the sheen was caused by sand buildup in the Free Water Knockout and WEMCO filtration systems. Rather than shutting-in the entire platform so the systems could be repaired or replaced, **HUSE** ordered certain wells closed but otherwise kept the platform operating, which caused further sheening. **HUSE** did not report the

sheen to BSEE or to other appropriate federal agencies.

10. The operators attempted to stop the sheening. However, MP-310A experienced repeated sheening for an additional four days. On or about July 23, 2015, an operator activated an emergency shutdown device, which stopped production for all wells connected to MP-310A. The operator activated the emergency shutdown device to stop the sheening.

11. Around the time of the emergency shutdown, the BSEE inspectors announced that they would be returning to MP-310A to finish their inspection. **HUSE** instructed the operators that, if the BSEE inspectors questioned them about the shut-in, they should lie and say it was for construction, cleaning, and potentially replacing the WEMCO. When the BSEE inspectors arrived on MP-310A, **HUSE** falsely represented that the platform had been shut-in for reasons unrelated to the sheening.

B. The offense conduct:

On or about July 19, 2015, on an oil production facility known as MP-310A, erected on a federal mineral lease in an area in the Gulf of Mexico in the territorial jurisdiction of the Eastern District of Louisiana, **HUSE** negligently discharged a harmful quantity of oil and other hazardous substances into a water of the United States and in connection to activities under the Outer Continental Shelf Lands Act, in violation of Title 33, United States Code, Section 1321(b)(3) and 1319(c)(1)(A), and Title 18, United States Code, Section 2.

COUNT 2
(Knowing Discharge)

A. The allegations contained in Paragraphs 1-11 of Count 1 of this Indictment, as set forth above, are realleged and incorporated by reference as though set forth in their entirety herein.

B. From on or about July 19, 2015, to on or about July 23, 2015, on an oil production

facility known as MP-310A, erected on a federal mineral lease in an area in the Gulf of Mexico in the territorial jurisdiction of the Eastern District of Louisiana, **HUSE** knowingly discharged a harmful quantity of oil and other hazardous substances into a water of the United States and in connection to activities under the Outer Continental Shelf Lands Act, in violation of Title 33, United States Code, Section 1321(b)(3) and 1319(c)(2)(A), and Title 18, United States Code, Section 2.

COUNT 3

(Failure to Report Discharge)

A. The allegations contained in Paragraphs 1-11 of Count 1 of this Indictment, as set forth above, are realleged and incorporated by reference as though set forth in their entirety herein.

B. From on or about July 19, 2015, to on or about July 23, 2015, on an oil production facility known as MP-310A, erected on a federal mineral lease in an area in the Gulf of Mexico in the territorial jurisdiction of the Eastern District of Louisiana, **HUSE**, a person in charge of MP-310A, from which oil and other hazardous substances were discharged in a quantity which may be harmful into a navigable water of the United States and in connection with activities under the Outer Continental Shelf Lands Act, failed to immediately notify or caused the failure to immediately notify the appropriate agency of the United States government as soon as they had knowledge of the discharge, in violation of Title 33, United States Code, section 1321(b)(5), and Title 18, United States Code, Section 2.

COUNTS 4-8

(False Statements in Inspection Logs)

A. **At all times material herein:**

1. Federal regulations and rules required that Company A travel to and visually

inspect unmanned platform MP-310JA every day and that a Company A employee physically board MP-310JA for inspection at least once a week.

2. From in or around June 2015 to in or around October 2015, **HUSE** instructed operators to falsely state in a log kept on MP-310A that they had visited and inspected the unmanned platform. Company A's inspection records from these dates contain dozens of entries that falsely state that an inspection of MP-310JA occurred. **HUSE** also made his own false entries in the inspection records.

3. In reality, Company A employees and contractors from MP-310A did not perform the inspections described in the inspection records. The misrepresentations in the inspection records gave the artificial impression that Company A and **HUSE** were complying with federal regulations.

B. The offense conduct:

On the dates set forth below, on an oil production facility known as MP-310A, erected on a federal mineral lease in an area in the Gulf of Mexico in the territorial jurisdiction of the Eastern District of Louisiana, **HUSE** did willfully and knowingly make a false statement, representation, or certification on an application, record, report, or other document filed or required to be maintained under federal laws and regulations related to the Outer Continental Shelf Lands Act:

Count	Defendant	Date	Execution
4	HUSE	6/1/2015	With intent to deceive federal regulators and others, HUSE falsely stated that an operator inspected MP-310JA.
5	HUSE	7/21/2015	With intent to deceive federal regulators and others, HUSE falsely stated that HUSE inspected MP-310JA.
6	HUSE	8/13/2015	With intent to deceive federal regulators and others, HUSE falsely stated that an operator

			inspected MP-310JA.
7	HUSE	10/14/2015	With intent to deceive federal regulators and others, HUSE falsely stated that HUSE inspected MP-310JA.
8	HUSE	10/19/2015	With intent to deceive federal regulators and others, HUSE falsely stated that HUSE inspected MP-310JA.

All in violation of Title 43, United States Code, Section 1350(c)(2), and Title 18, United States Code, Section 2.

PETER G. STRASSER
UNITED STATES ATTORNEY



SPIRO G. LATSIS
Assistant United States Attorney
Louisiana Bar Roll No. 24517



J. RYAN McLAREN
Assistant United States Attorney
Louisiana Bar Roll No. 36577

New Orleans, Louisiana
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