



NEWS RELEASE

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FOR IMMEDIATE RELEASE

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MMS Inspection and Enforcement Actions Result in Sentencing of California Offshore Oil and Gas Operator

WASHINGTON, D.C. — A multi-year investigation by the Minerals Management Service (MMS), the Department of the Interior's Office of the Inspector General, and the U.S. Department of Justice, resulted with the sentencing of Pacific Operators Offshore, LLC for violation of the Outer Continental Shelf (OCS) Lands Act. The company, which pled guilty to the criminal violation, was ordered to pay a fine of \$450,000 and will serve a 5-year probationary period for use of a Gas Lift Line (GLL) in direct contradiction to an MMS order.

"The MMS is committed to safe and environmentally sound operations on the Outer Continental Shelf," said Randall Luthi, Director of the Minerals Management Service. "The sentencing imposed by the court will send a clear message to all operators on the OCS that protecting the environment is a top priority for the MMS. We will not tolerate activities that undermine our Nation's commitment to the environment."

In 2000, MMS notified Pacific Operators Offshore, the operator of two platforms offshore California, that the GLL was not fit for service. The MMS also informed the company that if they intended to utilize the gas line in the future, they would be required to submit a repair plan for MMS's approval. Continued use of the GLL was judged to pose a significant workforce safety risk. In 2002, MMS Inspectors determined that the GLL was, in fact, still being used by Pacific Operators Offshore, and MMS referred the matter to the Office of Inspector General for criminal investigation.

The protection of the environment and assurance of human safety are top priorities for the MMS, the agency responsible for regulation of the Nation's offshore energy resources. The goal of the MMS OCS Civil/Criminal Penalties Program is to ensure safe and clean operations on the OCS. Through the pursuit, assessment, and collection of civil penalties and referrals for the consideration of criminal penalties, the program is designed to encourage compliance with OCS statutes and regulations.

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