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TOP VERDICTS OF 2015

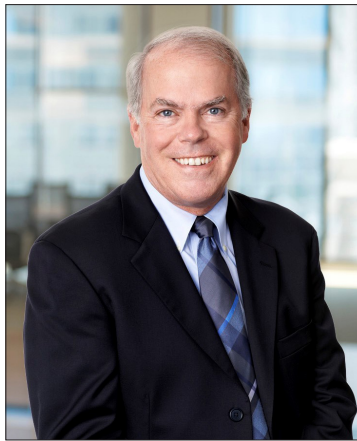
The largest and most significant verdicts and appellate reversals handed down in California in 2015

TOP DEFENSE RESULTS

Macpherson Oil Co. v. Pace Diversified Corp.



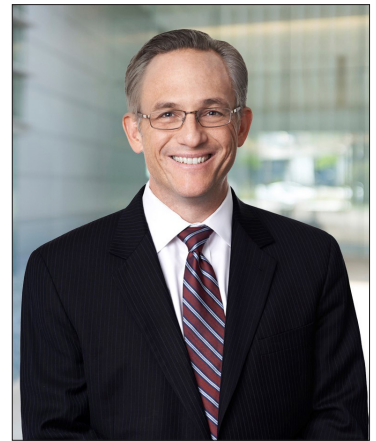
NICHOLAS A. CIPITI



THOMAS G. SCULLY



KAREN M. JOHNSON



RUDY R. PERRINO

CASE INFO

Commercial trespass

Kern County
Superior Court Judge David R. Lampe

Defense attorneys:

Walsworth WFBM LLP, Nicholas A. Cipiti, Thomas G. Scully, Karen M. Johnson, Rudy R. Perrino; Wall, Wall & Peake, Larry F. Peake; Darling & Wilson PC, Joshua G. Wilson

Plaintiffs' attorneys:

Clifford & Brown, Grover H. Waldon; Bright and Brown, James S. Bright, Maureen J. Bright, Brian L. Becker, Cecilia E. Rendon

Oil companies fighting over dwindling reserves in Kern County put on a science show in court. But after an eight-week trial that ended in March, the plaintiff — Macpherson Oil Co. — failed to convince jurors that competitor Pace Diversified Corp. was liable for polluting its rival's wells.

The result was a defense win on \$33.5 million in claims by Macpherson, reduced before trial to \$14.5 million. *Macpherson Oil Co. v. Pace Diversified Corp.*, S-1500-CV-274945 (Kern Super. Ct., filed Oct. 12, 2011).

Macpherson used horizontal drilling technology to get at hard-to-reach oil. Its wells ran several thousand feet underground at the Round Mountain Oil Field northeast of Bakersfield. Pace also owned mineral rights in the neighborhood. In some cases Macpherson's drilling came to within 100 feet of Pace's patch, Pace's lawyers said.

Pace drilled an offset well designed to protect its oil. Macpherson claimed the Pace

well caused its production to drop dramatically due to Pace's use of so-called "loss circulation material."

The material, experts explained to jurors, is a mix of saw dust, cottonseed hulls and ground walnut shells intended to seal small cracks in the rock being drilled to avoid compromising a well.

Macpherson contended that Pace's loss circulation material compromised its wells and decreased output.

Jurors voted 10-2 that Pace was not at fault.

Defense lawyer Nicholas A. Cipiti told The Daily Journal that his team was able to persuade jurors that Macpherson's theories were "not physically possible."

His client, Pace, is the much smaller company. "It's really like a classic David v. Goliath case," Cipiti said. "It was one of the most heartwarming things for me to see my client's face when the verdict came down."

— John Roemer