

OUR PRACTICE

Oil and Gas

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Baker Donelson represents & advises clients in the oil and gas industry in litigation, transactional and regulatory compliance matters.

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Clients. Our clients include major, independent and state-owned oil and gas companies, pipeline companies, well operators, drilling contractors, seismic companies, transportation companies, insurers, financial institutions, royalty owners and service and supply companies involved with the industry.

Litigation and Dispute Resolution

We work to help clients avoid litigation altogether. But, when matters require adjudication of claims – before juries, judges, magistrates, mediators or arbitration panels – we have the experience to untangle the most complex disputes.

Property damage, personal injury and insurance claims. Our lawyers counsel clients on a wide variety of claims, including well blowouts; wellhead, casing, downhole and reservoir damage; transportation failures; personal injuries; environmental and land contamination (legacy) claims; lost and delayed production claims; coastal erosion and levy board litigation; and insurance coverage disputes.

Contract and title disputes. Members of our team provide counsel on title disputes, mineral lease disputes, royalty valuation disputes and production royalty audits. We also advise on contract disputes, including indemnity claims, as well as claims regarding product sales and marketing contracts.

Offshore energy. The exploration offshore for oil and gas often involves maritime laws and regulations. Our lawyers advise on offshore energy issues, and related maritime matters.

Pipeline expropriation and condemnation. We have deep experience advising oil and gas clients on acquiring land or land-use rights through expropriation and condemnation proceedings.

Transactions and Regulatory Compliance

Our team addresses the legal needs of upstream, midstream and downstream operators in the oil and gas industry, including domestic onshore and offshore operations as well as international projects.

Business formation and financing. We advise on business formation (including start-ups), acquisition of oil and gas properties, leasing activities and mergers and acquisitions of oil and gas companies. In addition, we provide counsel on agreements for the financing of pipelines, rigs and other production equipment and facilities, including development of credit lines, mezzanine financing, production payment financing and leveraged lease transactions.

Transactions. Members of our team provide counsel on exploration, participation and joint development agreements, purchase and sale agreements, transportation, pipeline, gathering and processing agreements, waste disposal agreements, master service agreements, drilling contracts, seismic licensing, data acquisition and use agreements, joint operating agreements, farmouts, vessel and platform construction contracts, patent and trademark applications, area of mutual interest agreements as well as transportation, refining and sale and distribution of oil and natural gas and related products.

Occupational safety and health. Our attorneys advise on a full range of safety and health issues, including general OSHA compliance and recordkeeping, audits and inspections, defense of citations, evaluation of OSHA issues as they relate to third party tort actions, retaliation complaints that are investigated by OSHA, due diligence of safety issues related to mergers and acquisitions, and drafting of comments to proposed rules and regulations that affect the industry.



Case Studies

- [Baker Donelson Helps Oil and Gas Client Resume Site Operations](#) - Injunction Proceeding
- [Baker Donelson Drafts Pore-Space Lease Agreement for Carbon Capture and Sequestration \(CCS\) Project](#) - Pore-Space Lease Agreement



Representative Matters

- Defended one of the largest natural gas producers in the United States in a blowout case against claims of gross negligence to preclude enforcement of limitation of liability, indemnity and allocation of risk provisions in a Master Service Agreement, with the court awarding nearly \$10 million in damages, including prejudgment interest, to the client.
- Represented a major oil producer regarding damage to its production spar caused by the installation of defective, Chinese-manufactured bolts. The case involved complex structural engineering and metallurgy issues. It was successfully tried before a judge in federal court over the course of two weeks, resulting in a multi-million dollar award for the client, including attorney fees and costs.
- Represented an oil refiner in the defense of hundreds of class action property damage, personal injury and groundwater contamination claims arising from the largest land-based oil spill in Louisiana history, and at the time the largest oil spill in the U.S. since the Exxon Valdez. The oil spill was the result of widespread flooding associated with Hurricane Katrina, which caused a crude oil storage tank to breach and release thousands of gallons of crude oil in the neighboring residential community. The class certification hearing lasted a week and included the parties' presentation of multiple geotechnical, hydrological, and mechanical experts. The claims area certified was much smaller than what the plaintiffs were seeking, resulting in a cost savings of hundreds of millions of dollars. The claims were successfully settled prior to trial.
- Successfully defended a natural gas pipeline company in a legacy lawsuit alleging millions of dollars in contamination to property located in south Louisiana, with the defendant arguing that none of the constituents alleged to have contaminated the property could have originated from the defendant's operations. The court dismissed the company from the suit in one of the first instances after legislature enacted amendments to governing statute permitting dismissals after pretrial evidentiary hearing.
- Obtained a favorable ruling on behalf of an energy corporation from the Louisiana Court of Appeal, Second Circuit, affirming the state court's holding after a trial that depth limitation language in a \$260 million mineral purchase agreement was unambiguous and that the corporation was the rightful owner of the oil, gas and minerals at issue, with the case demanding a detailed analysis of contract law, as well as an understanding of the complexities of geologic formations and correlative oil and gas well markers.

- Defended an energy corporation in a suit for the recovery of more than \$15 million in damages and expenses resulting from a natural gas well blowout, involving claims for negligence, breach of warranty and products liability arising from a defective gate valve and casing.
- Recovered on a multimillion dollar claim on behalf of an interstate gas pipeline company after a critical offshore pipeline was damaged during dredging operations.
- Represented an offshore oil and gas producer in a federal criminal investigation regarding an explosion on a company-owned platform.
- Represented an international drilling contractor in the defense of claims arising out of the BP oil spill multi-district litigation. The case focused on complex technical matters involving geology, well design and construction, subsea blowout preventers, drilling operations, well control, production and source control. We took more than 50 depositions involving the aforementioned issues, were responsible for managing numerous expert reports, and prepared multiple witnesses for trial. We actively participated in the Phase One and Two trials, which lasted a total of four months.
- Represented a major oil company and obtained its dismissal in claims brought by a factory worker that his lymphoma was caused by long-term work-place exposure via air and to dermal volatile organic compounds (benzene, toluene, xylene).
- Represented a group of ten major oil and chemical companies who manufactured or supplied chemical products to a chemical facility which went out of business. The plaintiff claimed their work place exposure resulted from dermal absorption and poor ventilation (air quality) at the chemical facility. Dismissals were obtained for their entire group of clients – manufacturers and suppliers.
- Successfully defended a client in an \$18 million lawsuit filed in federal court alleging violations of federal securities laws, state law fraud and intentional misrepresentation concerning the client's purchase of the plaintiffs' interest in a company formed after the Deepwater Horizon explosion in 2010 to employ unique centrifuge technology to separate oil from water to assist oil spill remediation efforts in the Gulf.
- Negotiated a favorable settlement for one of the nation's largest independently owned petroleum marketing companies in a complex commercial transaction involving biodiesel and other natural fuels.
- Litigated and then negotiated a favorable settlement for an oilfield equipment manufacturer in a products liability and negligence suit alleging more than \$30 million in damages to an offshore oil and gas well resulting from the premature activation of a piece of equipment. The settlement included a significantly discounted payment to resolve all claims.
- Represented oil field services company in negotiating and concluding numerous geophysical services contracts with various major oil and gas exploration and production companies for work offshore the United Kingdom, Norway, The Netherlands and West Africa and in the Gulf of Mexico.
- Defended an ICC arbitration and two appeals to the U.S. Fourth Circuit Court of Appeals in securing confirmation of an international arbitral award on behalf of a state-owned petroleum company, which resulted in the dismissal of more than \$100 million in breach of contract and tort claims arising out of the sale of multiple gasoline shipments, and ordered reimbursement to the client of more than \$730,000 in attorneys' fees and costs.
- Represented an oil refiner in a London arbitration regarding an insurer's refusal to consent to a class action settlement agreement and pay covered claims. After a week-long arbitration, the panel ruled against the insurer, finding that it unreasonably withheld consent and payment. The panel ordered the insurer to reimburse the client on all indemnified claims, along with attorney fees and costs.
- Represented an international driller in a four-month trial involving one of our nation's largest environmental disasters, in which thousands of plaintiffs, federal, state and local governments were seeking damages under the Clean Water Act and Oil Pollution Act, with the result that the driller was found not grossly negligent under the Clean Water Act, and that the operator of the well was obligated to indemnify the driller for all Oil Pollution Act Damages.
- Represented a refinery operator following a release of 25,000 barrels of oil into a residential area. Successfully restricted the geographic area of the certified class. Following this, created and

developed an aggressive settlement plan which resulted in a global settlement. After settlement, served as the refinery operator's lead witness in an arbitration proceeding in London against several excess level insurers. The client was ultimately indemnified for all settlement payments and defense expenses. Also represented the operator in this matter in connection with remediation of the contaminated properties. Remediation was supervised by EPA and Louisiana Department of Environmental Quality.

- Represented an international oil company in a \$100 million lawsuit involving the counterparty's repudiation of a long-term refinery supply agreement based on a declaration of force majeure.