

OUR PRACTICE

Oil and Gas

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

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, Intellectual Property 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.

Intellectual property. We have considerable experience in preparing patent applications related to the oil and gas industry and to the energy sector. We have petroleum engineers and mechanical/industrial engineers who are also registered patent attorneys, all of whom have technical experience in the oil and gas industry.

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

Litigation and Dispute Resolution

- 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 provider of infrastructure services in connection with various issues concerning an engineering, procurement and construction contract regarding the Maurepas Pipelines Project, which has three separate pipelines measuring approximately 100 miles in aggregate, and three new pumping stations. The project spans Ascension, St. Charles, St. James and St. John the Baptist parishes in Louisiana and will provide local refineries with pipeline access to domestically produced crude oil. The latest issue has involved contesting \$20+ million in liens asserted by the pipeline owner in four parishes.
- 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.
- Represented an oil and gas company in a claim by a private landowner alleging environmental contamination, erosion and land loss spanning some 8,500 acres pursuant to oil and gas operations in St. Mary Parish dating back nearly a century.
- 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.

- 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.
- 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.
- 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.
- 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.

Transactions, Intellectual Property and Regulatory Compliance

- Special committee of a public energy company board of directors in connection with \$150 million asset sale.
- Represented an oil and gas company in the \$89 million sale of substantially all of its assets.
- Represented a private oil and gas company in the sale of \$27 million of securities to a private equity fund.
- Oil and gas service company in connection with the restructuring of its outstanding debt with a \$75 million credit facility and private equity investment of \$50 million.
- Represented a public oil and gas company in connection with its \$50 million debt recapitalization.
- 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.
- Represented energy industry client in closing \$45 million in senior secured financing on its behalf in order to refinance existing debt, fund the acquisition of additional offshore mineral leases, and fund the acquisition of a plugging and abandonment company. The loan followed a failed \$100 million bond offering that closed but did not fund in the wake of the collapse of the high-yield bond market in 2014.
- Filed a series of patent applications for the world's first system that enables an operator to generate mini-lateral boreholes in controlled directions many hundreds of feet, obviating the need for the current "perf-and-frac" systems that are so prevalent (and controversial) and exponentially increasing the formation face.
- Represented an upstream company after the U.S. Bureau of Safety and Environmental Enforcement (BSEE) levied a significant civil penalty against the company for alleged unsafe practices relating to work performed on a heliport on an offshore platform. The matter has been appealed to the Interior Board of Land Appeals and BSEE rescinded the civil penalty.