

Energy

Overview

Our energy clients rely on us to provide a considerable depth and breadth of services. From the most routine to the most complex transactions, projects, controversies and regulatory issues, our clients trust us to provide timely and practical legal representation that adds value. Our attorneys understand the energy business, not just energy law. We approach each matter in the context of its materiality to our client, we deploy the appropriate legal resources to protect our clients' interests and achieve its business objectives practically and efficiently and we never lose sight of the bottom line.

We represent clients in diverse segments of the energy industry, including:

EXPLORATION & PRODUCTION

Munsch Hardt attorneys have significant experience in all aspects of hydrocarbon exploration and production. Our transactional attorneys have negotiated and drafted geoscientific data licenses, mineral leases, surface use agreements, farm-in and farm-out agreements, joint operating agreements, joint exploration and development agreements, onshore and offshore drilling contracts, master service agreements and contracts for the engineering, procurement and/or construction of production facilities, pipelines and processing plants. We have helped clients acquire or divest mineral interests, leases, wells and gathering systems through purchase-and-sale transactions and mergers. We also have helped clients raise the funds they need to develop their assets or maintain their operations during lean times through asset sales, debt restructuring, finance transactions and equity offerings. We provide counsel on compliance with federal and state regulations pertaining to fair competition, public integrity, immigration, employment, well spacing and permitting, environmental quality, land use and workplace safety.

Our Energy Litigation attorneys have helped clients resolve class action royalty lawsuits, lease termination disputes, title disputes, subsurface trespass claims, surface owner conflicts, acreage dedication disputes, joint accounting conflicts, condemnation proceedings, engineering and construction claims arising from defects and from cost overruns, natural gas measurement and allocation controversies, disputes arising from deliveries of contaminated or off-spec product, conflicts pertaining to joint operations, insurance coverage and indemnity claims and serious personal injury claims arising from toxic exposures, blowouts and accidents occurring at well sites, processing plants and refineries. We thoroughly believe that the courthouse doors should never be closed to our clients because of excessive litigation costs; therefore, we work to find flexible fee arrangements that assure our interests remain aligned and the cost of litigation does not outweigh the value of the dispute. Using available procedural rules and discovery techniques, we effectively posture cases for early settlement on the most favorable terms when a reasonable settlement is possible and consistent with the client's business objectives; however, we are seasoned courtroom veterans who know how to get results in arbitrations, bench trials, jury trials and appeals when settlement is not the client's objective or when reasonable terms cannot be reached.

GATHERING & PROCESSING

Munsch Hardt attorneys have considerable experience in advising our clients with respect to the gathering, compressing, dehydrating, treating, conditioning, processing and marketing of natural gas and crude oil. With the wide variance in composition of natural gas, depending on the field, the formation and the reservoir from which it is produced, a myriad of different issues can arise in this sector of the energy industry.

Our attorneys advise clients in both transactional matters related to the gathering and processing of natural gas and crude oil, including the acquisition and sale of gas gathering systems; gas fractionation; processing and treatment plants and storage facilities; take or pay contracts; processing master service agreements and similar contractual matters; as well as contracts for the engineering, procurement and/or construction of gathering and processing facilities.

Our Energy Litigation attorneys have helped clients resolve disputes with Engineering Procurement and Construction (EPC) contractors related to the construction and placement into service of all types of gas gathering and processing facilities, between power plant operators and processing companies related to gas quality and content, related to the measurement and analysis of natural gas and crude oil and the resulting under/over payment of proceeds and pipeline damage issues. We also have assisted our clients with respect to construction defects, antitrust and unfair competition issues, insurance disputes, employment litigation, OSHA investigations, regulatory enforcement actions and debt collection and insolvency matters and proceedings.

OILFIELD SERVICES

Munsch Hardt regularly represents participants in the oilfield services industry. Whether the goal is expansion through an acquisition, promotion of a new technology, managing a specialized workforce or navigating the complexities that arise from regulatory investigations and lawsuits, we help our oilfield services clients and their investors achieve their business objectives effectively and efficiently. We deliver a broad variety of transactional, regulatory and dispute resolution services to companies providing the capital, infrastructure, equipment, intellectual property, skilled personnel and services needed by the oil and gas exploration and production industry. Our clients range from small start-up enterprises to large regional providers serving local or regional markets. The Firm also represents financial institutions, a variety of private funds and other capital providers investing in oilfield services companies.

REFINING & MARKETING

Munsch Hardt attorneys works closely with oil and gas refiners, petrochemical companies, investors and lenders to downstream participants around the world. From environmental and regulatory concerns to a full spectrum of transactional and corporate advice, our attorneys have a detailed understanding of the market conditions that affect the refining and sale of refined oil and gas products.

Our attorneys have significant experience in mergers, acquisitions, joint ventures, financings and investments in the refining and petrochemicals sector. We also advise downstream clients with respect to controversies arising from their operations and interactions with counterparties to their operations.

RENEWABLE & ALTERNATIVE ENERGY

Munsch Hardt's Energy practice group leverages its considerable experience in renewable energy – geothermal, nuclear, solar and wind – to provide clients with valuable market knowledge and experience. The Firm represents clients engaged in innovative and challenging alternative energy matters involving solar, wind, energy storage, fuel cells, geothermal, smart grid applications, biofuels, biomass, waste-to-energy and other state-of-the-art technologies. We offer a full spectrum of legal advice and services to our renewable energy clients, including:

- Acquisitions and financings
- Project development
- Project financing
- Regulatory issues advice and counseling
- Tax equity transactions
- Technology licensing
- Environmental permits, wildlife impact and land use advice

- Purchase and sale of environmental attributes, including renewable energy credits

TRANSPORTATION, STORAGE & TERMINALLING

Munsch Hardt attorneys have considerable experience in construction and related contracts, environmental regulation, joint venture development, master limited partnerships (MLP), mergers and acquisitions, public and private placements of debt and equity securities, private equity investments, operating and maintenance agreements, project development, project finance, and taxation matters related to the transportation, storage and terminalling of oil and gas hydrocarbons and by-products, including chemicals and natural gas liquids (NGL).

Our controversy attorneys have been involved in disputes related to gas gathering systems (including compressors); gas fractionation, processing and treatment plants; NGL, condensate and crude oil gathering and transportation (rail, truck and pipeline) facilities; condensate splitters, NGL, condensate and crude oil terminals and docks; storage facilities; and liquefied natural gas (LNG) export and import terminals.

We also have assisted our clients in employment matters (including immigration issues), OSHA investigations, maritime personal injury matters, environmental litigation and insurance litigation. Clients range from private companies owning pipeline gathering systems, storage facilities and/or truck and rail transportation assets, to large public companies and MLP providing the full spectrum of transportation, storage and terminalling facilities and services.

Our clients include private individuals, private equity funds, joint ventures, master limited partnerships, closely-held entities and publicly-traded entities based in the U.S. and abroad. For smaller clients, we often substitute for an in-house legal department, providing legal representation in every aspect of the clients' operations. For larger clients that typically handle operational matters in-house, including several Fortune 500 companies, we handle more complex mergers and acquisitions, financing and debt restructuring transactions, immigration and employment issues, regulatory compliance and enforcement matters, arbitration and litigation.

Clients quickly discover we speak their language and team well with their internal staff. Our attorneys have dedicated their careers to serving the energy industry, with several of our senior shareholders having served in-house for many years with major energy companies. We understand geoscientists, engineers, land men, IT professionals, risk managers, EHS professionals, accountants, traders and asset managers, because we've worked with them on a daily basis, side-by-side. Our clients benefit from lean, tailored teams led by senior attorneys with deep experience managing every phase of a particular matter, which ensures that initial scoping, strategy development and implementation is seamless and cost-effective. Our controversy attorneys use their substantial experience to thoroughly assess the case on the front end, establish realistic plans and budgets and execute those plans efficiently and effectively.

In order to provide this broad range of experience, the Energy industry team draws upon the experience of the Firm's attorneys, across all of our offices, in the following practice groups:

- Admiralty & Maritime
- Finance
- Corporate & Securities
- Immigration
- Labor & Employment
- Real Estate
- Bankruptcy, Restructuring & Insolvency
- Construction
- Environmental
- Information Technology
- Litigation
- Tax

Experience

Energy Fund Formation

Represented a private investor in the formation and offering of securities in a \$20 MM drilling fund formed to acquire prospects and drill for oil in the Barnett Shale. The engagement involved the preparation of all company documents (both general partner and limited partnership), the private placement memorandum, subscription documents and the placement agent agreement with an independent investment bank based in New York. Additional documentation included all acquisition documents for the oil and gas leases.

Energy Litigation

A suit by a power plant claiming more than \$7 MM in damages alleging that gas delivered to the plant did not meet gas quality specifications. We prevailed summary judgment and obtained a take nothing judgment for client based on the contractual bar against consequential damages and other issues. The case was affirmed by the court of appeals, but was reversed in part and remanded by the Texas Supreme Court. On remand the force majeure issues were affirmed for our client, but the court of appeals held that the power plant could proceed with claims for replacement power. On a further appeal to the Texas Supreme Court the latter finding was reversed and the case was remanded a second time. On the second remand to the court of appeals the trial court judgment in favor of our client was affirmed.

Merger and Acquisition

Represented the general partner of a publicly traded, limited partnership involved in the storage of hydrocarbons and related chemicals to an oilfield services company, in the sale of all membership interest of the general partner and the contribution of additional assets by the oilfield services company to the limited partnership in exchange for newly-issued common units of the limited partnership.

Energy Litigation

Betsy Mecom v. Kerr-McGee Oil & Gas Onshore, L.P. (Anadarko Petroleum Corporation) (49th District Court of Zapata County, Texas). Representing the operator on a claim for underpayment of royalties on the Mecom Ranch. The claim involves lease interpretation issues and interpretation of a Compression Agreement executed in 1985 related to the sale of royalty gas taken in-kind. Plaintiffs claim a gas marketing provision found later in the lease modifies the market value royalty provision. There are at least three Texas Supreme Court cases on point in opposition to their argument, but the trial court in Zapata County granted summary judgment in Plaintiff's favor on the legal issue. The case was tried to verdict but the jury rejected Plaintiff's \$11.8 MM damage model and only awarded \$2.3 MM in damages. On appeal, the case was reversed and rendered in favor of Kerr-McGee with plaintiffs taking nothing.

Contaminated Gas

Represented a major gas marketing company in a suit by a power plant claiming over \$7 MM in damages alleging that gas delivered to the plant did not meet gas quality specifications. We obtained summary judgment for our client based on the contractual bar against consequential damages and other issues. After five appellate opinions, including two by the Texas Supreme Court, the trial court judgment in favor of our client was affirmed.

Employment Litigation

Successfully represented an oilfield services company in an Fair Standard Labor Act (FLSA) suit against the Department of Labor (DOL). The DOL investigated the company for wrongly misclassifying its employees as independent contractors, and ordered it to pay more than \$6.2 MM in fines and back pay. We appealed on behalf of the client and obtained a judgment dismissing the agency's enforcement action and validating the company's business model and use of independent contractors. We then filed a claim to recover attorneys' fees under the Equal Access to Justice Act (EAJA). The federal district court awarded our client's fees, but ruled they were capped by the EAJA at \$600,000. We successfully appealed, and obtained an opinion from the Fifth Circuit that an enhanced fee recovery was appropriate "as a sanction for the government's bad faith."

Practice Leaders



Todd Frank

Houston

713.222.4079

tfrank@munsch.com

Related People

Cameron Asby
Jason Barnes
James Bettis
John Cornwell
Mark Deaton
Lindsey Duff
Todd Frank
Anne-Alise "Ali" Hinckley
Stephen Huschka
James Jaksa
Sunil Jamal
Mary Koks
Kristy Le
Weston Light

Melanie Madden
D. Mitchell McFarland
Brie Miller
Daniel Pipitone
Justin Ratley
Dr. Chad Ray
David Roth
Carrie Schadle
Richard Schwartz
Clifton Squibb
Marc Taubenfeld
Fred Wahrlich
W. Phillip Whitcomb

Related Practices

Bankruptcy, Restructuring & Insolvency
Corporate & Securities
Finance
Immigration
Intellectual Property
Labor & Employment
Real Estate
Tax
Litigation
Environmental

Newsroom

In The News: Munsch Hardt Launches Sports + Entertainment Practice

In The News: Houston Texans' Former Associate General Counsel Joins Local Law Firm to Launch New Sports Practice

In The News: Houston Texans Associate GC Jumps to Munsch Hardt

Speech: Lithium Mining

Press Release: Clifton Squibb Joins Munsch Hardt's Energy Practice as Shareholder

Speech: Enforcing Contractual Risk Shifting as an Additional Insured: The Good, The Bad, The Disastrous

Press Release: Munsch Hardt Secures Significant Energy Litigation Win for West Texas Landowners

Press Release: Munsch Hardt Named Among Top Energy Law Firms in Houston

Press Release: Win Secured for West Texas Landowners in Energy Litigation Case

In The News: Midland Jury Rejects FLSA Overtime Claim Against Oilfield Services Co.

In The News: Overtime Pay Collective Action Fails to Overcome Federal Exemption

Press Release: Munsch Hardt Wins Fair Labor Standards Act Case for Oil and Gas Client Flowco in Jury Trial

In The News: 5th Circ. Won't Budge From Ch. 15 Power Price Suit Remand

In The News: Fifth Circuit: Bankruptcy Court Cannot Decide Validity of ERCOT, PUC Pricing During Winter Storm Uri

In The News: 5th Circ. Remands Just Energy Ch. 15 Suit Over Power Prices

In The News: Bankruptcy Judge 'Conditionally Approves' Brazos Disclosure Agreement After Intense Hearing

In The News: Brazos Gets Nod On Ch. 11 Plan Docs With ERCOT Deal

In The News: Brazos Electric Bankruptcy Heads to Finish Line

In The News: Brazos Wants To Set Trial Date On ERCOT \$1.9B Ch. 11 Claim

In The News: Brazos Trial Over \$1.9B ERCOT Bill Paused For Mediation

In The News: CEO: Brazos in Great Shape Until Crippling Uri Bills

In The News: Brazos Execs Knew Electric Prices Would Soar Even Before Winter Storm Uri Hit

In The News: Brazos Bankruptcy Trial: Ex-ERCOT CEO Knew 'Financial Storm Was Brewing' After Winter Storm Uri

In The News: Brazos Calls ERCOT Billing Unreasonable In Ch. 11 Trial

In The News: Texas Bankruptcy Trial Begins Over \$2 Billion Energy Bill After 2021 Winter Storm

Press Release: Munsch Hardt Ranks Among Nation's Top Firms in 2021 "Best Law Firms" List by U.S. News - Best Lawyers®

In The News: Munsch Hardt in Law360: Oil & Gas Bankruptcies May Drag As Secured Debt Swells

Speech: Internal Investigations and Ethics in Emergencies

Article: Sexual & Gender Discrimination in the Oilfield

In The News: Energy Industry Bankruptcies Will Accelerate in Coming Months: A Q&A With Munsch Hardt's John D. Cornwell

In The News: 2020 Oil & Gas Bankruptcy Trends: Midyear Report

Press Release: Munsch Hardt Welcomes Back Corporate Finance Attorney Walter Buchanan

Press Release: Munsch Hardt Adds Corporate, Energy Shareholder in Houston

Oral Argument: Edwards, et al v. 4JLJ, L.L.C., et al; Case No 19-40553

In The News: Texas Justices Told Emails Can't Support Breach Claims

Press Release: Munsch Hardt Adds Seasoned Investment Management Partner in Dallas, Litigation Associates in Houston

Speech: When Financing Goes Bad: Doing Deals and Litigating Cases When Bankruptcy, Workouts, or Ability to Pay for Environmental Liabilities is at Issue

In The News: Munsch Hardt Adds Former Shell Tax Advisor, 2 Energy Attys

Press Release: Munsch Hardt's Growing Houston Office Adds Two Energy Litigation Shareholders, One Tax Shareholder

Press Release: Munsch Hardt Attorney Closes Two Middle-Market Transactions, Signs Up a Third in Less Than 30 Days

In The News: Law360 Covers Addition of Craig Harris in Dallas Office

Press Release: Experienced Trial Lawyer Craig Harris Joins Munsch Hardt's Growing Litigation Practice

Press Release: Munsch Hardt Launches Blog, Brings Attention to the Latest in Immigration Law

Speech: All Good Things Must End: Decommissioning Oil and Gas Facilities

Article: Dealing in Distressed Energy Assets

Speech: 2016 Employment Law Update

In The News: Munsch Hardt Snags Norton Rose Bankruptcy Pro In Houston

In The News: Firm Finance: Texas Firms Powering Through Energy Slump

Speech: Risk Shifting in the Oil Patch

Article: Regulations cause offshore companies to examine independent contractor status

In The News: Employer wins fight with feds on worker classification

In The News: Government to Pay \$1.5 MM in Attorney Fees in FLSA Suit

In The News: DOL Settles Oil Field Service Co.'s Bad Faith Case For \$1.5 MM

Press Release: Twelve Munsch Hardt Attorneys Recognized as 2015 Texas Super Lawyers

In The News: Appeals court finds 'government overreach' in DOL's handling of Eagle Ford case

In The News: Appeals court says Labor Department acted in bad faith in contractor case

Article: The Domestic Oil & Gas Industry's Current Debt Problem – A New Chapter of an Old Book

In The News: Texas Justices Say Court Misread Gas Contract Ruling

In The News: Munsch Hardt attorney already making a difference with labor-law ruling

In The News: Latest labor law case has big impact on energy sector

In The News: Judge chews out Labor Department over its handling of wage case

In The News: DOL Dinged \$600K For Oil Field Service Co.'s Atty Fees

In The News: Munsch Hardt Poaches Two Attorneys From Houston's Old Guard

Press Release: Munsch Hardt Expands Energy and Maritime Practice Through Addition of Attorney in Houston Office

In The News: Dallas Law Firm Moves Into New Houston Digs

In The News: Reservoir Exploration Files for Chapter 11 with Plan

Speech: Employment in the Energy Sector, Key Terms in Employment Agreements and Workplace Policies

Article: The Right Time to know Rules: What the Energy Sector Needs To Know

Article: Premiums and Risk Management in the post-Macondo Era

Article: Anti-Corruption Measures

Speech: VP On A Forklift: Wage & Hour Regulations