

Oil and Gas Disputes

Straight Talk in Oil and Gas Disputes

Providing strategic litigation counsel to oil and gas clients is a core practice area for Andrews Kurth.

Throughout decades of representation to the industry, we have remained closely aligned to its diversification and expansion, earning a reputation as a leader in conflict resolution and risk management for oil and gas clients.

Andrews Kurth oil and gas litigators handle the full range of industry-related trials, appeals and arbitrations. Our representative matters include many significant disputes relating to the oil and gas industry. Highlights of our experience include such areas as:

- Exploration and Production Disputes
- Royalty Disputes
- Product and Service Contracts Disputes

Our oil and gas litigation services are strengthened by our litigators' technical and substantive knowledge of the industry and experience in major oil and gas transactions. We counsel a variety of clients, including producers, processors and transporters of oil, gas and liquid hydrocarbons. Representative clients include:

- ConocoPhillips
- Devon Energy Corporation
- EnCana Oil and Gas (USA) Inc.
- Finley Resources Inc.
- Hunt Oil Company
- Maxus Energy Corporation
- Newfield Exploration Company
- Noble Energy, Inc.
- OXY, Inc.

Exploration and Production Disputes

- Oil and gas title disputes
- Drainage claims
- Reasonable development claims
- Lease termination suits
- Suits to enjoin interference with surface access
- Disputes under joint operating agreements
- Disputes under joint exploration and development agreements
- Preferential rights disputes
- Indemnity disputes
- Area of Mutual Interest disputes
- Suits to determine status of payout and vesting of back-in interests
- Pooling disputes
- Claims for well and formation damage resulting from shut-in operations

Oil and Gas Disputes

Royalty Disputes

- Market value royalty claims
- Claims for failure to reasonably market production
- Class action royalty claims
- Claims referring to deduction of post-production costs from the royalty
- Defense of general land office royalty audits

Product and Service Contracts Disputes

- Disputes under gas purchase agreements
- Take or pay suits
- Disputes under gas gathering and processing agreements
- Disputes under drilling contracts
- Application of anti-indemnity statutes

Oil and Gas Arbitrations—Representative Matters

- **Title Defect Arbitration**—Obtained arbitration award for producer in a multimillion-dollar dispute concerning whether a title defect created by the termination of a Term Assignment had been cured by the seller's tender of a farmout agreement covering the acreage.
- **Voting Rights Arbitration under West African JOA**—Obtained unanimous arbitration award for an independent producer in a multimillion-dollar, voting-rights dispute under an operating agreement covering a producing field located offshore West Africa.
- **Reassignment of Federal Leases**—Secured a "take nothing" defense decision for major producer in arbitration relating to client's alleged failure to reassign certain federal leases situated in the Deepwater Region of the Gulf of Mexico.

Oil and Gas Litigation—Representative Matters

- **Implied Covenant**—Obtained decision in the landmark oil and gas case of *Sun Exploration and Production Company v. Jackson* establishing that there is no implied covenant to explore an oil and gas lease in Texas.
- **Surface Access**—Defeated attempt to enjoin major oil company client from drilling Barnett Shale Prospect on Comanche Peak Ranch.
- **Royalty Claims**—Defended independent producer in South Texas litigation for royalty on pooled unit production.
- **Royalty Claim**—Defended a large independent producer in West Texas litigation alleging that the client was responsible for the royalty burdening the client's non-consent working interest in a producing well.
- **Well Damage Claim**—Represented an oil services company in a case involving alleged well damage resulting from downhole operations.
- **Accounting Dispute**—Represented a working interest owner in disputes involving the accounting for mobilization/demobilization expenses as to non-consent owners under an offshore operating agreement.
- **Environmental Indemnity**—Defended seller of producing properties against a claim for environmental indemnity asserted by a remote purchaser.
- **Antitrust Claims**—Defended an energy company against antitrust and other claims relating to the award of a long-term supply contract for heavy crude oil transactions.
- **Delay and Damage Claims Prosecution**—Represented an operator in prosecuting claims against an offshore drilling company over the failure of a mooring line which broke and caused significant delay and damages.
- **Azerbaijan Production Claims**—Defended a producer against claims by suppliers of spare parts and services on an offshore project in Azerbaijan.