

# 2014 ENERGY

YEAR IN REVIEW



**Akin Gump**  
STRAUSS HAUER & FELD LLP

## ACCOLADES

### > Chambers USA

#### ENERGY AND NATURAL RESOURCES: NATIONWIDE

- Energy: Oil and Gas (Transactional), Band 4  
**What the team is known for:** The oil and gas team is active in the upstream, midstream and downstream sectors of the industry. Involved in acquisition and divestitures, M&A and corporate counseling in relation to areas such as oil and gas exploration and development, pipelines, petrochemicals and LNG.
- Energy: Electricity (Regulatory & Litigation), Band 4  
*"Really good insight into the inner working of FERC and a good knowledge of technical regulatory matters."*

#### PROJECTS: NATIONWIDE

- Projects: Renewable and Alternative Energy: Nationwide, Band 2  
*"They are very knowledgeable and experienced in this area, they know the market and they know what is financeable and what is not financeable."*  
*"They took on full ownership of all the details and they worked around the clock, lots of personal sacrifice, and they did it happily and with good cheer."*

#### CAPITAL MARKETS: TEXAS

- Capital Markets: Debt and Equity, Band 4  
**What the team is known for:** Maintains a strong presence in the Houston energy market and is well versed in debt and equity transactions within the oil and gas sector and related industries.

### > Chambers Europe

#### ENERGY AND NATURAL RESOURCES

- Energy and Natural Resources: Russia, Band 1  
**What the team is known for:** Internationally recognized as a leading team for oil and gas matters. The broad energy practice advises on transactions, disputes, tax and regulatory issues. Works closely with the London office on large transactions.

### > Chambers UK

#### ENERGY AND NATURAL RESOURCES

- Oil & Gas, Band 3
- Power, Band 3  
**What the team is known for:** Active in the oil and gas and power sectors, advising on a wide range of issues including developing and financing power projects, regulatory matters and litigation.

### > Chambers Global

- Middle East-Wide Projects, Band 4  
**What the team is known for:** Notable in upstream and downstream oil and gas and utilities projects, with a particular focus on matters involving LNG. Also active in major infrastructure and real estate development projects.

## *Dear Clients and Friends,*

2014 was a year that brought significant growth and change to the halls of Akin Gump Strauss Hauer & Feld LLP. We saw the expansion of our international footprint with the addition of world-class practitioners to our London and Hong Kong offices and the opening of a new office in Frankfurt. We also further expanded in the United Arab Emirates by opening an office in Dubai, which is a significant location in one of the leading energy centers of the world.

Our Houston office also welcomed recognized oil and gas partner Michael Byrd, who joined Akin Gump in March, along with counsel Cody Carper and associate Rahul Vashi. The addition of these attorneys further solidified our stature as a go-to firm in the oil and gas sector.

We are always most proud of the work we do with our clients, and 2014 was no exception to the volume and value of our clients' deals, which exceeded 100 deals, or \$100 billion of transactions.

We also said goodbye to our co-founder, Ambassador Robert S. Strauss, who passed away in March. From our start as a two-man firm in Dallas, Texas, to the 20-office, 850-lawyer international law firm Akin Gump was at the time of his passing, Mr. Strauss led with vision, integrity and a spirit of entrepreneurialism, which are still the hallmarks of our firm. During his career, Mr. Strauss served as the chairman of the Democratic National Committee; President Jimmy Carter's Cabinet as special trade representative and negotiated the landmark Tokyo round of the GATT; the president's special envoy to the Middle East peace negotiations that produced the Camp David accords; advisor to presidents of both parties; and the United States' last ambassador to the Soviet Union and first ambassador to the Russian Federation.

We are proud to continue the legacy that Ambassador Strauss founded and dedicate this edition of the *Energy Year in Review* to our founder, mentor and friend.

– *The Energy Team*

## MERGERS AND ACQUISITIONS

### **Blackhawk Midstream LLC**

- \$190 million sale of equity interests in entities that own midstream pipeline assets

### **Capital Product Partners**

- \$312 million acquisition of five container and product vessels from Capital Maritime & Trading Corp.

### **The Carlyle Group**

- €400 million acquisition of shares in Hestya Energy B.V., the owner of the Wilhelmshaven refinery and storage terminal in Germany. Hestya concurrently made an offer to acquire all of the shares of public company HES-Beheer, whose core activity is stevedoring. The funding by Carlyle of Hestya is an important component of the acquisition by Hestya of HES-Beheer

### **CC Energy Oilfield Services**

- establishment of a joint venture with Viking Energy Oilfield Services for the provision of oil field services (including drilling services, well testing services and related services) in various Middle East countries, including Bahrain, Egypt, Jordan, Kuwait, Lebanon, Oman, Palestine, Qatar, Saudi Arabia, United Arab Emirates and Yemen

### **Chariot Oil & Gas**

- farmout of interests in the Rabat Deep offshore exploration permits in Morocco to Woodside Energy and related joint venture between Chariot Oil & Gas and Woodside Energy

### **Diamondback Energy, Inc.**

- \$292.5 million acquisition of leasehold interests in the Permian Basin
- \$523.3 million acquisition of additional leasehold interests in the Midland Basin

### **El Paso Pipeline Partners, L.P.**

- \$2 billion acquisition of pipeline assets from Kinder Morgan, Inc.

### **FirstEnergy Corp. Subsidiaries**

- \$395 million sale of 11 hydroelectric stations in Virginia (with a combined output capacity of 527 MW) to Harbor Hydro Holdings, LLC, a subsidiary of LS Power Equity Partners II

### **Fortum**

- divestiture of Grangemouth CHP Limited (GCHPL) to INEOS

### **Genesis Energy, L.P.**

- \$157 million acquisition of M/T American Phoenix from Mid Ocean Tanker Company

### **Goodrich Petroleum Company, LLC**

- \$61 million sale of East Texas oil and gas properties to Samson Lone Star, LLC

### **Gulfport Energy Corporation**

- \$185 million acquisition of oil and gas properties in the Utica Shale

### **Hannon Armstrong Sustainable Infrastructure Capital, Inc.**

- \$107 million portfolio of more than 60 assets consisting of land and payments from land leases underlying wind and solar projects

### **HKN Holdings, Ltd.**

- \$75 million purchase of an interest in the Sarsang Production Sharing Contract in Kurdistan, Iraq, from a third party
- \$100 million equity investment in the company by Kerogen, a Chinese private equity firm

### **IG Seismic Services**

- represented the independent directors on defense of a hostile \$312.5 million cash bid by the management team. The deal marks the first time that the U.K. Takeover Panel has shared jurisdiction with the Cyprus Securities and Exchange Commission on a takeover offer. The offer was for a Cypriot company with operations in Russia and global depository receipts listed on the London Stock Exchange

### **The Laclede Group**

- \$1.6 billion acquisition of Alabama Gas Corporation (Alagasco), a subsidiary of Energen

### **OA O LUKOIL**

- \$250 million acquisition of a 30 percent interest in the Etinde project in Cameroon from Bowleven Plc
- investment in a Nigerian project with Chevron Corp.

### **Mammoth Energy Partners LP**

- roll-up of 10 oilfield service companies into a newly formed master limited partnership

### **Marlin Midstream Partners, LP**

- \$8 million purchase of the East New Mexico Transloading Facility from sponsor NuDevco Midstream Development, LLC

### **Newfield Exploration Company**

- \$588.5 million sale of its Granite Wash assets to Oklahoma City-based Templar Energy, LLC (operating through Le Norman Operating, LLC)
- farmout and participation agreement covering more than 8,000 acres in the Eagle Ford Shale

### **OneRoof Energy Group, Inc.**

- initial public offering/reverse merger transaction pursuant to which OneRoof Energy, Inc., a national residential solar company, became a wholly owned subsidiary of a publicly traded company

### **Private Equity Funds**

- \$32.1 million purchase of units in a privately held oil and gas exploration company

## MERGERS AND ACQUISITIONS, continued

### Sanchez Energy Corporation

- \$639 million acquisition of operated leasehold interests in the Eagle Ford trend of South Texas from wholly owned subsidiaries of Royal Dutch Shell plc

### Sea Dragon Energy

- farmout of interests in a concession agreement onshore Egypt to IPR Energy Resources and related joint venture between Sea Dragon Energy and IPR Energy Resources

### SK E&S Co., Ltd. of South Korea

- \$360 million shale "cash and carry" joint venture with Continental Resources, Inc.

### Temasek Holdings

- equity investment into a Riverstone Private Equity vehicle for the purchase of shares in Fieldwood Energy

### Vallourec

- \$2 million purchase of certain patents and RFID technology from Houston-based Axon Energy Group for use in connection with Vallourec's tubular solutions, primarily serving the energy markets (oil and gas, powergen)

### Western Gas Partners, L.P.

- \$1.5 billion acquisition of Nuevo Midstream, LLC

### Wexford Capital LP

- \$188.5 million sale of oil field service companies
- \$83 million acquisition of hydraulic fracturing sand mine companies

### Conflicts Committee of Exterran Partners, L.P.

- \$360 million acquisition of compression assets

### Conflicts Committee of Mid-Con Energy Partners, LP

- \$41 million acquisition of producing properties

### Conflicts Committee of MPLX LP

- \$310 million acquisition of joint venture interests
- \$800 million acquisition of joint venture interests

### Conflicts Committee of Rose Rock Midstream, L.P.

- \$300 million acquisition of SemGroup Corporation's remaining one-third interest in SemCrude Pipeline, LLC

### Conflicts Committee of Southcross Energy Partners LP

- \$450 million acquisition of gathering and processing assets in connection with Southcross Energy LLC's merger with TexStar Midstream Services, LP

**Conflicts Committee of Summit Midstream Partners LP**

- \$305 million acquisition of gathering and processing assets

**Conflicts Committee of Valero Energy Partners LP**

- \$154 million acquisition of crude pipeline and logistics assets

**Financial Advisor to Board of Directors of QR Energy, LP**

- \$7.8 billion merger with Breitburn Energy Partners LP

**Financial Advisor to the Special Conflicts Committee of Atlas Pipeline Partners L.P.**

- \$7.7 billion sale to Targa Resources Corp

**Financial Advisor to Conflicts Committee of Access Midstream Partners LP**

- \$6 billion merger with Williams Partners LP

**Financial Advisor to Conflicts Committee of Western Refining Logistics, LP**

- \$360 million acquisition of a wholesale business

**Securities counsel to Baker Hughes**

- \$34.6 billion sale to Halliburton

**Special Committee of Independent Directors of the Board of Directors of Midcoast Energy Partners, L.P.**

- \$350 million acquisition of a joint venture interest

**Leading Independent U.S. E&P Company**

- \$60 million sale of 10,000 undeveloped oil and gas leasehold net acres in Brazos and Burleson counties, Texas
- \$70 million acquisition of oil and gas assets in East Texas

**Large Asian Conglomerate**

- \$350 million acquisition of oil and gas properties from a large, independent U.S. oil and gas company

**International Oil Company**

- sale of 47 percent interest in Malaysian Refining Co. SDN BHD to Petroliaam Nasional Bhd (Petronas) for approximately \$635 million





# CAPITAL MARKETS

## **American Transmission Systems, Incorporated**

- \$400 million Rule 144A/Reg S offering of 5 percent senior notes due 2044

## **Cimarex Energy Corporation**

- \$750 million Rule 144A/Reg S offering of 4.375 percent senior notes due 2024

## **Diamondback Energy, Inc.**

- \$450 million registered exchange offer of 7.625 percent senior notes due 2021
- \$500 million public offering of 5.8 million shares of common stock
- \$149 million public offering of 2.3 million shares of common stock by a selling stockholder
- \$216 million public offering of 3.5 million shares of common stock
- \$207 million public offering of 2.3 million shares of common stock by selling stockholders
- \$217 million public offering of 2.9 million shares of common stock by selling stockholders

## **EOG Resources, Inc.**

- \$500 million public offering of 2.45 percent senior notes due 2020

## **EP Energy Corporation**

- \$704 million initial public offering of 35.2 million common units

## **FirstEnergy Solutions Corp.**

- \$879 million reofferings of floating-and fixed-rate, tax-exempt pollution control refunding bonds for its subsidiaries, FirstEnergy Generation LLC and FirstEnergy Nuclear Generation LLC

## **FirstEnergy Transmission**

- \$1 billion Rule 144A/Reg S offering of 4.35 percent senior notes due 2025 (\$600 million) and 5.45 percent senior notes due 2025 (\$400 million)

## **Genesis Energy, L.P.**

- \$350 million Rule 144A/Reg S offering of 5.75 percent senior notes due 2021
- \$233 million public offering of 4.6 million common units

## **Gulfport Energy Corporation**

- \$300 million Rule 144A/Reg S offering of 7.75 percent senior notes due 2020

## **The Laclede Group, Inc.**

- \$144 million public offering of equity units (initially consisting of corporate units)
- \$625 million public offering of floating-rate senior notes due 2017 (\$250 million), 2.55 percent senior notes due 2019 (\$125 million) and 4.7 percent senior notes due 2044 (\$250 million)
- \$479 million public offering of common stock

## CAPITAL MARKETS, continued

### **Laredo Petroleum, Inc.**

- \$450 million Rule 144A/Reg S offering of 5.625 percent senior notes due 2022

### **Memorial Production Partners LP**

- \$500 million Rule 144A/Reg S offering of 6.875 percent senior notes due 2022
- \$333 million public offering of common units
- \$222 million public offering of common units

### **Memorial Resource Development Corp.**

- \$935 million initial public offering of common stock
- \$600 million Rule 144A/Reg S offering of 5.875 percent senior notes due 2022
- \$789 million public offering of 34,322,080 shares of common stock by certain selling stockholders

### **Metropolitan Edison Company**

- \$250 million Rule 144A/Reg S offering of 4 percent senior notes due 2025

### **Pennsylvania Electric Company**

- \$200 million Rule 144A/Reg S offering of 4.15 percent senior notes due 2025

### **Potomac Edison Company**

- \$200 million private placement of 4.44 percent first mortgage bonds due 2044

### **Sanchez Energy Corporation**

- \$850 million in aggregate principal amount of 6.125 percent senior notes due 2023
- \$203 million public offering of common stock
- \$300 million Rule 144A/Reg S tack-on offering of senior notes due 2023

### **Trans-Allegheny Interstate Line Company LLC**

- \$550 million Rule 144A/Reg S offering of 3.85 percent senior notes due 2025

### **Viper Energy Partners LP**

- \$110 million follow-on public offering of common units

# LENDING

## **Alabama Gas Corporation**

- borrower in a new \$150 million syndicated revolving credit facility

## **Ares Capital Corporation**

- administrative agent and lender under a \$75 million credit facility for a privately held sand company

## **Diamondback O&G, LLC**

- borrower in an amendment to its senior secured credit facility that, among other things, increased the maximum credit amount to \$2 billion and set the borrowing base at \$750 million with a company-elected commitment amount of \$500 million

## **FirstEnergy Corp.**

- borrower in a new \$1 billion variable rate term loan agreement
- borrower, together with its utility subsidiaries, in an amendment to a revolving credit facility that, among other things, increased the borrowing base from \$2.5 billion to \$3.5 billion and extended the facility maturity date to March 2019
- borrower in an extension to a \$200 million variable-rate, term loan agreement for an additional year to December 2016

## **FirstEnergy Transmission, LLC, American Transmission System, Incorporated and Trans-Allegheny Interstate Line Company, LLC**

- borrowers in an amendment to a \$1 billion revolving credit facility that, among other things, increased each borrower's sublimit and extended the facility maturity date to March 2019

## **FirstEnergy Solutions Corp. and Allegheny Energy Supply Co. LLC**

- borrowers in an amendment to a revolving credit facility that, among other things, decreased the borrowing base from \$2.5 billion to \$1.5 billion and extended the facility maturity date to March 2019

## **Genesis Energy, L.P.**

- borrower under a \$1 billion credit facility

## **GSO and Och-Ziff**

- administrative lenders under a \$450 million second lien term loan facility for a privately held oil and gas exploration and development company

## **Gulfport Energy Corporation**

- borrower in an amendment to its senior secured credit facility that, among other things, increased its borrowing base from \$275 million to \$450 million and increased its letter of credit sublimit from \$70 million to \$125 million

## **Laclede Gas Company**

- borrower in an amendment and extension to a \$450 million syndicated revolving credit facility

## LENDING, continued

### Laclede Group, Inc.

- borrower in an amendment and extension to a \$150 million syndicated revolving credit facility

### Main Street Capital Corporation

- lender under a \$25 million secured term loan agreement
- lender under a \$10 million secured term loan agreement
- lender under a \$12.5 million secured loan agreement

### Mammoth Energy Partners LP

- borrower in a \$170 million senior secured revolving credit facility

### Memorial Production Partners LP

- borrower in an amendment to a credit agreement that, among other things, increased the borrowing base from \$920 million to \$1.44 billion

### Memorial Resource Development Corp.

- borrower in a \$2 billion senior secured revolving credit facility

### Ohio Edison Company

- borrower in an extension of a \$14.2 million letter of credit and reimbursement agreement

### Sanchez Energy Corporation

- borrower under a \$1.5 billion senior secured revolving credit facility

## FINANCIAL RESTRUCTURING

### Edison Mission Energy

- official committee of unsecured creditors in chapter 11 of an owner and operator of 40 unregulated coal, natural gas and wind power plants in the U.S. and Turkey
- \$2.84 billion bankruptcy sale to NRG Energy

### James River Coal

- official committee of unsecured creditors in the chapter 11 of a miner and seller of coal with six operating subsidiaries located throughout the U.S.

### USEC Inc.

- noteholders in the chapter 11 of a producer of enriched uranium for nuclear power plants

## PROJECT FINANCE

### Constellation New Energy

- Development and construction of a 47 MW wood burning combined heat and power facility in Albany, Georgia. The project, when constructed, will be one of the largest biomass facilities in the United States and will provide 47 MW of power to Georgia Power and enough steam to Procter & Gamble to run its paper products manufacturing facility in Albany.

### Everstream Capital

- Formation of a partnership with a major private equity company for the development of a series of solar energy projects located in Japan. The partnership will serve as the holding company for as many as 20 planned solar energy projects being developed by a joint venture between the partnership and Japanese solar energy development companies.

### Mars Inc.

- Agreement with Sumitomo Corporation of America on a new 200 MW Mesquite Creek Wind Farm. With an annual output of more than 800,000 MW-hours, the wind farm will generate energy representing 24 percent of Mars' total worldwide factory and office carbon footprint. The Mesquite Creek Wind Farm was jointly developed by Sumitomo and BNB Renewable Energy. The Lamesa, Texas, project is a critical factor in Mars meeting its goal of reducing fossil fuel energy and greenhouse gas emissions by 25 percent by 2015 and completely by 2040. The transaction is a first-of-a-kind hybrid offtake arrangement, in which the parties were able to allocate market and regulatory risk in a manner that accommodated and balanced the parties' risk tolerance and commercial objectives.

### Pacifico Energy

- Development, construction and financing of the 32 MW Kumanan solar photovoltaic power project in Japan. Equity financing was provided by GE Energy Financial Services, and 11 billion Japanese yen debt financing was provided by Bank of Tokyo-Mitsubishi and closed on June 9, 2014.

### SunPower

- Development, engineering, procurement and construction of the 70 MW Salvador Solar Project in Diego Almagro, Region Atacama, Chile, for its clients Total S.A. and Etrion Corporation.
- Development and financing of the 108 MW Quinto Solar Energy Project in Merced County, California, including negotiation of, and advice on, various project documents and \$457 million financing, including \$377 million in construction, term and letter of credit financing.

### Tennenbaum Capital Partners and Deutsche Bank

- \$60 million financing for Kawa Solar Holdings

### True Green Capital

- \$130 million of senior-and holding-company-level credit facilities with KeyBank National and Investec Bank. The credit facilities are secured by a number of solar projects across the northeastern United States.

## ENERGY REGULATION, MARKETS AND ENFORCEMENT MATTERS

### PUBLIC SERVICE COMMISSION OF WISCONSIN

Akin Gump represented the Public Service Commission of Wisconsin (the Commission), which contested the allocation of costs for System Support Resource (SSR) generators under the Midcontinent Independent System Operator, Inc. (MISO) tariff. The Commission sought to protect Wisconsin ratepayers from paying a disproportionate share of the costs under the then-existing tariff.

The Federal Energy Regulatory Commission (FERC) decided that SSR costs should be paid by the load-serving entities (LSEs) that require the generator for reliability. FERC directed MISO to remove a unique provision from its tariff that required pro rata allocation of costs among LSEs in one transmission company's footprint. On rehearing, and on its initial order in certain related dockets, FERC reaffirmed its decision finding pro rata allocation unjust and unreasonable. FERC directed MISO to develop an alternative method of cost allocation that would assign SSR costs directly to the LSEs that require the SSR unit for reliability. MISO's response is due in April 2015.

FERC's order on rehearing reaffirmed the central importance of cost-causation in wholesale ratemaking, despite influential countervailing state and local interests.

### INNOVARI

Akin Gump continued to represent Innovari, Inc. on regulatory issues arising from Innovari's provision of innovative, turnkey Advanced Demand-Side Management (ADSM) technology, which provides generation-quality demand response services which can be fully integrated into the power grid. Among other things, Akin Gump has assisted Innovari, and its utility customers worldwide, in developing a flexible regulatory framework for ADSM that benefits all interested parties: customers, utilities and regulators.

### EASTERN BAND OF CHEROKEES

Akin Gump represented the Eastern Band of Cherokees in settling a dispute with Duke Energy regarding the shared boundary between the tribe's lands and one of Duke's hydroelectric projects.

## ENERGY LITIGATION

### SANCHEZ ENERGY DIRECTORS

Akin Gump represented Sanchez Energy directors Antonio R. Sanchez III and A.R. Sanchez Jr. in a shareholder derivative suit. The plaintiff claimed that a proxy statement filed in April 2013, requesting shareholder approval of an amendment, contained materially false statements. Seeking to nullify the vote, which approved the amendment, the plaintiff requested a declaratory judgment indicating that the shareholder vote was invalid. Akin Gump filed a motion to dismiss, which was granted on August 8, 2014. Among other rulings in favor of our clients, the Texas federal court in Houston found nothing disputing that the directors acted with a valid exercise of business judgment.

### ***CONSTELLATION ENERGY PARTNERS ET AL. V. STEPHEN R. BRUNNER, ET AL.***

On March 31, 2014, a settlement was announced in *Constellation Energy Partners et al. v. Stephen R. Brunner, et al.*, resulting in all parties obtaining their goals and allowing our client's transaction to proceed.

Akin Gump represented defendants A.R. Sanchez Jr. and Antonio Sanchez III in this suit filed in 2013 in the Court of Chancery of the State of Delaware by Constellation Energy Partners Management, LLC (CEPM), Gary M. Pittman and John R. Collins against Constellation Energy Partners, LLC (CEP), certain of its officers and managers, which included our clients Sanchez Oil & Gas, Inc. (SOG) and Sanchez Energy Partners I, L.P. (SEP I). Disputing the terms of CEP's closing on August 9, 2013, of the purchase of oil and gas properties from SEP I and the issuance of CEP units to SEP I, the plaintiffs asserted damages of at least \$21.6 million, claiming that the issuance of certain of CEP's units to SEP I in connection with the acquisition was not permitted under CEP's operating agreement, and that our clients were improperly elected as Class A managers of CEP's Board of Managers in conjunction with the transaction. This case involved the important interplay under Delaware LLC law between a contractual duty of good faith and the waiver of all other fiduciary duties.

Akin Gump defended our clients against allegations of tortious interference with the CEP Operating Agreement, as well as allegations of aiding and abetting asserted breaches of the contractual duty of good faith in negotiating and structuring the transaction. The plaintiffs sought the rescission of the transaction, the reappointment of the previous Class A managers and the determination that the plaintiffs had the sole voting power for CEP's Class A units. Akin Gump successfully structured a complicated settlement that ultimately resulted in all parties obtaining their goals out of the deal and allowed the CEP-Sanchez transaction to move forward to the benefit of all involved.

### VALLOUREC

On August 5, 2014, the 5th Circuit affirmed dismissal of a case against our client French pipe maker Vallourec filed by a pipe supplier alleging tortious interference with the contract. In 2011, the pipe supplier Special Industries Inc. (SII) filed claims against our client and a Saudi Arabian global investment company, Zamil Group Holding Company, asserting various business torts against both defendants related to the development and acquisition of a heat treating facility in Saudi Arabia. On March 29, 2013, following nine months of jurisdictional discovery, which spanned three continents

## ENERGY LITIGATION, continued

and involved complex issues on the French blocking statute and European Union attorney-client privilege, the district court granted our motions to dismiss based on lack of jurisdiction. SII appealed the decision, arguing that personal jurisdiction existed over Vallourec under an alter-ego theory. Following extensive briefing and oral argument, the 5th Circuit held that there was insufficient evidence of alter ego and affirmed the district court's dismissal for lack of personal jurisdiction. The 5th Circuit also refused to assert general jurisdiction over a foreign parent corporation (Vallourec) premised on marketing a unified corporate structure with domestic subsidiaries used to meet client needs. This is an important jurisdictional decision for the client and impacts how it organizes and promotes its U.S. subsidiaries.

### SANCHEZ ENERGY

On November 25, 2014, Akin Gump achieved a complete victory for its clients Sanchez Energy directors Antonio R. Sanchez III and A.R. Sanchez Jr., *In re Sanchez Energy Derivative Litigation*, in the Court of Chancery of the State of Delaware. Three derivative actions were filed against Sanchez Energy and its officers and directors, attacking a \$100 million purchase of oil and gas assets in the Tuscaloosa Marine Shale (TMS) by Sanchez Energy. Plaintiffs alleged claims for breach of fiduciary duty, aiding and abetting breaches of fiduciary duty, and unjust enrichment.

The defendants filed and then argued a motion to dismiss in August 2014, which Vice Chancellor Glasscock granted, dismissing the case in its entirety. The vice chancellor held that the plaintiffs failed to adequately plead that the friendships and business relationships that our clients had with the independent directors somehow caused them to lose their independence. Additionally, the court determined that the plaintiffs failed to adequately plead that either Sanchez was controlling stockholders with undue influence over the Sanchez Energy board.

Finally, the court determined that the plaintiffs failed to demonstrate that the TMS deal was unfair. This was an important win for our client that serves to further legitimize a key addition to its oil and gas portfolio and allows it to move forward with drilling in the TMS.

This case has recently been appealed to the Delaware Supreme Court.

### LIBERTY SILVER

Akin Gump is representing Liberty Silver, a mine exploration company, in a putative securities fraud class action brought by lead plaintiff Todd Stanaford, in the Southern District of Florida. This case raises issues under the Supreme Court's decision in *Janus Capital Group, Inc. v. First Derivative Trader* since most of the alleged misstatements were issued by third parties, not the company. The case further raised issues under the Supreme Court's recent decision in *Halliburton Co. v. Erica P. John Fund, Inc.*, with defendants likely testing the strength of plaintiff's assertions of market efficiency in invoking the fraud-on-the-market presumption of reliance. The plaintiffs and the Liberty Silver defendants have reached a tentative settlement, pending approval by the court.



## LOTHIAN OIL

Akin Gump represented Lothian Oil, Inc. in a hotly contested bankruptcy case before two federal appeals courts and achieved crucial decisions in both.

Unhappy with the results of a Texas bankruptcy plan of reorganization for Lothian Oil, Inc., a minority group of equity interest holders led by Israel G. Grossman filed two separate New York state court lawsuits alleging more than 15 causes of action against current and former officers, directors and others, and sought to collect more than \$100 million in damages, along with other claims. These claims violated the Texas bankruptcy's plan injunction, and, when Grossman's group refused to cease the lawsuits, resulted in a bankruptcy court sanction in excess of \$600,000.

The monetary sanctions were reversed on appeal by the U.S. District Court for the Western District of Texas, which found that one of the New York lawsuits did not violate the plan injunction. On May 8, 2013, in the case *Anti-Lothian Bankruptcy Fraud Committee, et al. v. Lothian Oil Inc.*, the 5th Circuit Court of Appeals upheld the bankruptcy court's contempt findings and sanctions against Mr. Grossman's group "in all respects."

In the case *Lothian Oil, et al. v. Israel G. Grossman, et al.*, the 2d Circuit issued a related ruling and upheld a New York bankruptcy court's sanctions and bench warrant to secure the post-contempt judgment deposition of Mr. Grossman.

On January 13, 2014, the U.S. Supreme Court refused to grant certiorari thereby letting stand the favorable rulings by the 2d and 5th Circuit Courts of Appeal.

## MIDSTATE ENVIRONMENTAL SERVICES

On February 20, 2014, we secured a reversal of a \$1.4 million default judgment initially imposed on our client Midstate Environmental Services. Texas' 10th Court of Appeals (Waco) held that defects in the plaintiff's service of a citation on the defendant and return of service precluded the trial court from entering default judgment. The court also granted total relief unanimously on multiple grounds, on one of which it expressly refused to follow a contrary decision by the Austin Court of Appeals.

## JASPER DRILLING PRIVATE

Akin Gump represented Singaporean drilling contractor Jasper Drilling Private in a significant \$90 million English litigation case relating to an oil exploration project offshore Guinea. The case involved highly complex technical issues concerning drilling operations before the Technology and Construction Court in London. On May 16, 2014, the firm's international disputes group closed the settlement of the dispute with Scottish project manager AGR Well Management Ltd.

## ACCOLADES

The following energy attorneys were ranked as leaders in their respective fields by *Chambers & Partners* in 2014:



**Dino Barajas**  
Los Angeles-Century City



**Natalia Baratiants**  
Moscow



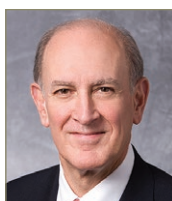
**Rick Burdick**  
Washington, D.C.



**Michael Byrd**  
Houston



**Chip Cannon**  
Washington, D.C.



**Doug Glass**  
Houston



**John Goodgame**  
Houston



**Marc Hammerson**  
London



**Suedeem Kelly**  
Washington, D.C.



**Christine LaFollette**  
Houston



**John LaMaster**  
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**Cynthia Marlette**  
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**Justin Williams**  
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