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Partner Leads Two Half-Billion-Dollar Energy Deals in Three Weeks

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Michael Byrd was six days into negotiations on a deal for Diamondback Energy on July 17 when he and his team also started reviewing bids for Newfield Exploration Co. on an asset sale with a tight deadline.

That hectic day was just one of many over a three-week period for Byrd, an oil and gas transactional partner in Akin Gump Strauss Hauer & Feld in Houston. From July 11 through July 29, Byrd closed two half-billion-dollar deals—one came to terms following a 30-hour nonstop negotiation session—and worked a total of 230 hours on the two acquisitions. He also put in another 27 hours for other clients during that period.



Michael Byrd

Byrd said he's never worked that intensely on two back-to-back transactions.

"Looking back, it was a lot of fun. I love what I do, and I love negotiation with reasonable business people and lawyers, and it was fun," he said.

On July 18 Diamondback, based in Midland, entered into a definitive purchase agreement to buy leasehold interests in Midland, Glasscock, Reagan and Upton counties in the Permian Basin for \$538 million from Rio Oil and Gas and Bluestem Energy Partners, both portfolio companies of Quantum Energy Partners, and certain other sellers. Then, on July 29, Newfield Exploration, based in The Woodlands, announced a \$588 million purchase and sale agreement for its Granite Wash assets

to Templar Energy LLC of Oklahoma City.

Byrd said he started working on the Diamondback acquisition on July 11 at the request of Seth Molay, an Akin Gump partner in Dallas who does work for Diamondback. Oil and gas counsel Cody Carper and associate Rahul Vashi, both of Houston, worked closely with Byrd on the deal.

The sellers were represented by a team from Locke Lord in Houston including partners Terry Radney, Dale Smith and Mitch Tiras and associate Hunter Summerford.

Marc Dingler, deputy general counsel at Diamondback, said he was on a hiking trip with his daughter on July 11 when the sellers delivered a draft of a purchase agreement. He said Byrd started working on it immediately and had a draft ready by the evening of Sunday, July 13. It went back to the other side on Monday, and then Dingler joined the negotiation team when returned to the office on Tuesday July 15. He said they had a deal by July 18.

"It was pretty amazing to me," Dingler said. "I must say I don't recall ever turning anything so fast."

Byrd said that, with the Diamondback deal done, he and his team turned their focus to the bids on the Newfield asset sale. Over the next 11 days, Byrd and his team, along with Newfield in-house lawyer Jonathan Curth, negotiated with three potential bidders. By Sunday, July 27, a deal team from Templar flew from Oklahoma City to Houston, and the teams sat across a table from 2 p.m. that day until 6 p.m. the next day, when they came to agreement on the terms of the transaction.

Newfield engaged Akin Gump in April to handle the sale, but bids weren't due until July 17.

Curth, senior legal counsel at Newfield, who once worked for Byrd when they both were at Baker & McKenzie in Houston, said

negotiations were grueling.

"We were probably in Akin Gump's conference room for 10 days straight, from 8 a.m. to 4:30 a.m. The night before we did sign, we were up for 30 hours straight," he said.

Curth said Newfield wanted to be able to announce the sale by July 29, and Byrd and his team made it happen.

"It was a rather complicated deal. We had mineral interests ... we just had unique features of the deal—nonsolicitation stuff. We had a whole transition services agreement to work through. The other side had financing to line up, so we had to work with their financing attorneys. There were a half-dozen moving parts," Curth said.

Byrd said Newfield is a client that came with him when he joined Akin Gump in March.

The Akin Gump team assisting Byrd on the Newfield deal includes oil and gas partner William Morris of Houston and associates Carper and Vashi. Others are oil and gas partners Patrick Hurley and Shar Ahmed, both of Houston, and partner-in-charge in Houston Christine LaFollette; oil and gas associates Christopher Centrich, Charles Armbrust and Marcella Burke, all of Houston; tax partner Thomas Weir of Houston, antitrust partner Paul Hewitt of Washington, D.C.; and litigation partner Marty Brimmage and counsel Lacy Lawrence, both of Dallas.

Simpson Thacher & Bartlett of New York City and Oklahoma's Hall Estill represented Templar, which is a First Reserve company.

The Hall Estill team includes shareholders Richard Edmonson, Dan Glover and Kent Gilliland. The Simpson Thacher lawyers are credit partner Robert Rabalais, counsel Matt Einbinder, and associates Erland Modesto and Eddie Bontkowski, all of Houston; and mergers-and-acquisitions partner William Curbow, associates Mike Holick and Yui Hirohashi, all of New York City. 