

A Twist in Oil Patch Arbitration

Delegating a \$12 million arbitration to accountants rather than lawyers in *Apache v. YPF SA* was the right call, writes Charles Sartain in the Gray Reed **Energy & the Law** blog. The problem was in the procedures and protections for a party believing the accountants got it wrong.

Sartain provides background: “Apache sold its entire business in Argentina to YPF for \$700 million. The Sale and Purchase Agreement allowed for adjustments to the consideration based on a variety of factors. The parties traded accounting statements, and a dispute arose over a ‘Lock Box Working Capital’ amount and ‘Leakage.’ YPF contended that Apache owed \$12 million.”

The parties submitted the dispute to KPMG, which found that Apache owned \$98. million. Apache challenged the finding.

Read the article.