

Texas Case Offers Three Lessons for Contract Drafters

The Texas Supreme Court recently heard oral argument in *Barrow-Shaver Res. Co v. Carrizo Oil & Gas, Inc.*, on the interpretation of a farmout agreement providing that an assignment could not be made “without the express written consent,” according to **a post** on the website of Porter Hedges.

“The issue—whether the provision means consent can be withheld arbitrarily or only reasonably,” the post states. “Regardless how the Texas Supreme Court rules, there are three lessons in *Barrow-Shaver* for contract drafters: (1) be precise in contractual language; (2) address the use of non-final drafts in interpretation disputes; and (3) consider other provisions that may be impacted by the implied reasonableness issue.”

The post offers some pointers on each of those three points.

Read the article.