

Broad Settlement Discharges Mineral Liens

When you prepare, review and/or sign settlement agreements you sometimes pay less attention than you should to the details of those “standard” releases, writes **Charles Sartain** in Gray Reed’s **Energy & the Law** blog.

He explains that *Acme Energy Services, d/b/a Big Dog Drilling v. Staley et al.* provide the lesson: Beware the boilerplate; before signing, consider what you actually are trying to accomplish.

“Lake Hills contracted to provide materials and services on oil and gas leases owned by Heritage. Big Dog and other subcontractors provided work and materials and invoiced Lake Hills,” Sartain explains. “Heritage stopped paying Lake Hills and Lake Hills stopped paying the subs, who then recorded statutory mineral property liens against Heritage, its leases, and the well. Each subcontractor sued Heritage to foreclose and for personal liability.”

He lists the five rules the court considered in the case and discusses the ruling.

Read the article.