Hydraulic Fracture Related Damage Claim: Federal Court Addresses Application of Consent and Release Agreement

A U.S. District Court recently addressed issues associated with a producing vertical well's claim for damages related to another company's subsequent installation of a horizontal well, reports **Walter G. Wright** for **Mitchell, Williams, Selig, Gates & Woodyard**.

Specifically, the court addressed whether various damage claims were waived by the execution of a consent and release agreement.

Wright explains that the defendant cited the second paragraph in the agreement in support of its assertion for the waiver of most damages. In contrast, the plaintiff cited the last sentence of the first paragraph for the proposition that it was not restricted in its ability to "seek relief."

The court found the agreement to be ambiguous because of this inconsistency and contradiction and found that the terms should be construed against the defendant, who drafted the agreement.

Read the article.

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