

How to Score a Contract from the Red Zone

Charles Sartain, writing in Gray Reed & McGraw's Energy and the Law blog, uses a football metaphor to describe how a negotiating party could fail to score an enforceable contract while near the end of the negotiation process.

He describes a case involving the sale of a 2,232-acre Texas ranch and the sale of an oil and gas lease on the property. A broker agreed to sell the tract even though he didn't have a brokerage agreement, and time was of the essence. During the process, the broker and the seller made offers and counteroffers about the commission and other benefits to the broker.

The appellate court found that a counteroffer operates as a rejection of the original offer, thus no agreement was reached.

Read the article.