

Surrounding Circumstances Don't Always Inform Deed Construction

Charles Sartain, in Gray Reed's *Energy & the Law*, continues the discussion "of the Texas Supreme Court's opinion in *Piranha Partners et al. v. Joe B. Neuhoff et al.* determining that an assignment of an overriding royalty in minerals unambiguously conveyed the override in production under an entire lease. The Court concluded that circumstances surrounding the transaction didn't matter."

"Piranha purchased Neuhoff's interest through an oil and gas clearinghouse auction involving 1,200 properties located in 14 states. There was no negotiation between parties and the winning bidders typically acquired interests as-is, where-is, and without warranty of title. To enter its interests at the auction Neuhoff agreed to various provisions."

Read the article.