

Texas Supreme Court Acts on Two Significant Oil and Gas Cases

“The Texas Supreme Court denied a petition in one case and granted a petition in the other, both dealing with provisions in oil and gas leases,” reports John McFarland in ***Oil and Gas Lawyer Blog***.

“The Court denied Chesapeake’s petition in Chesapeake v. Bell, construing an express drainage offset clause in Bell’s lease. The San Antonio Court of Appeals’ decision in favor of Bell stands – for now. The case goes back to the trial court for trial on the merits.”

“The Supreme Court granted Endeavor Energy’s petition for review in Endeavor Energy Resources v. Energen Resources, No. 18-1187, dealing with a continuous drilling provision in a lease retained acreage clause.”

“Endeavor owned an oil and gas lease on 11,303 acres of land in Howard County from John Thomas Quinn. The retained acreage clause allowed the lessee to retain all acreage after the primary term as long as no more than 150 days elapse between the completion of one well and the commencement of the next well. Endeavor drilled 12 wells, but then waited 300 days to spud the next well. Quinn then leased the acreage not earned by Endeavor’s 12 wells to Energen. This suit ensued.”

Read the full article.