

# When is a Contract Provision a Liquidated Damages Clause?

Two recent court of appeals cases address the enforceability of liquidated damages clauses, writes **John McFarland** in the Graves, Dougherty, Hearon & Moody **Oil and Gas Lawyer Blog**.

“A liquidated damages clause is a provision in a contract specifying a dollar amount (‘liquidated damages’) to be paid by a party if the party breaches the contract. Such clauses are common in all types of contracts, particularly in the oil and gas industry,” McFarland explains.

In his post, he discusses some recent cases that address the issue.

**[Read the article.](#)**