

Energy Group Of The Year: Gibson Dunn

By Michael Phillis

Law360 (February 1, 2019, 3:35 PM EST) -- Gibson Dunn & Crutcher LLP last year represented Concho Resources Inc. in its \$9.5 billion bid to buy another Permian Basin driller and facilitated Williams Cos. Ltd.'s \$10.5 billion acquisition of Williams Partners LP, earning it a spot on Law360's Energy Groups of the Year.

The firm also helped its long-term client Berkshire Hathaway Energy Co. and its subsidiaries in a slew of corporate transactions, some of which were deals in the renewable energy space. The firm handles a range of complex financial transactions and litigation.

Michael Darden, the firm's oil and gas co-chair, said Gibson Dunn sees opportunity in the oil and gas space.

"The oil and gas industry is here to stay," Darden said. "There is a shift and movement towards different types of fuels, whether it is renewables [or other sources], but oil and gas are going to be in the mix for the foreseeable future, and there is a lot of activity in the oil and gas space and there is a lot of money, particular private equity money, being plowed into the oil and gas space. So, the firm just felt it was high time for them to get in that area and we've done it fairly aggressively."

Gibson Dunn has 57 energy attorneys, roughly equivalent to the number it had last year, according to the firm. In 2017, the firm opened a Houston office, which had seven attorneys that year. Currently, there are 22 lawyers in the office, the firm said.

"Opening the Houston office is part of a broader strategy to increase the firm's presence in the energy space and particularly in Houston, the oil and gas part of our energy space," Darden said.

And on the power side, Gibson Dunn in May brought on four attorneys from Kirkland & Ellis LLP who have handled significant merger and acquisition deals in the utility space.



In March, Gibson Dunn helped Concho Resources secure a deal where it agreed to buy RSP Permian Inc. in an all-stock deal worth \$9.5 billion. That transaction gave Concho approximately 640,000 acres of drilling properties in the basin, adding 92,000 net acres from RSP.

"For Concho it is part of an integrated scheme, and that is to become — and this accomplished it — the largest pure play Permian company," Darden said, adding that the large presence allowed them to take advantage of scale to develop the resources more efficiently.

Darden said 27 lawyers located in eight offices worked to make the deal possible.

Gibson Dunn energy and infrastructure Co-chair Peter Hanlon said the firm's lawyers have a long relationship with Berkshire Hathaway Energy Co. that dates to the early 1990s. Hanlon said that work has included helping BHE acquire regulated utilities, natural gas pipeline companies and many other entities that have helped BHE amass more than \$90 billion in total assets, the firm said. And in 2012, BHE Renewables was formed, which is one of the largest owners of independent power projects in the country, according to Hanlon.

"Starting in 2012, BHE Renewables has been very active in the space of acquiring wind and solar power projects principally in the United States. And as an ancillary, related business, they have been very active in the so-called tax equity space where a project is being built and owned by a company that can't use the tax benefits as efficiently as BHE, so we have been doing a lot of tax equity projects for them," Hanlon said.

Over the last year, the firm has represented BHE in a series of tax deals and acquisitions. For example, it helped subsidiary MidAmerican Energy issue \$700 million in "green bonds" in a public offering in February. And it helped BHE acquire or invest in "more than a dozen separate solar and wind power projects" with a cumulative value of more than \$2 billion, according to the firm. This work involved multiple closings over the year.

"We have been very active buying projects and making tax equity investments," Hanlon said.

Gibson Dunn worked to help Williams Cos. Ltd. in May acquire all the outstanding common stock units of Williams Partners LP, in a unit-for-stock deal worth \$10.5 billion.

"It called for both tax expertise as well as a host of skills that we possess internally," Hanlon said. "Like so many of these deals, it was a cross-office effort."

On the litigation side, Gibson Dunn represented Bayou Bridge Pipeline LLC before the Fifth Circuit, receiving a win from a split panel that vacated a lower court's injunction that blocked the 162-mile crude oil pipeline in Louisiana. And the firm has been counsel for Dakota Access LLC, which has faced a barrage of suits aimed at halting the Dakota Access Pipeline. It is now in operation.

Darden said clients like Concho are cornerstones of the Houston office's work, adding that the firm focuses on ensuring clients come back when they need more services.

"We don't have anybody at Gibson Dunn that is not a great lawyer," Darden said. "But what distinguishes us is our culture about client service. We will do what the client needs us to do when they need it done as quickly as they need it done. And we will put the people on it that need to be on it to get it done."

--Editing by Nicole Bleier.