

Energy Group Of The Year: Gibson Dunn

By Evan Weinberger



Law360, New York (January 21, 2015, 1:42 PM ET) -- Gibson Dunn's energy group was at the center of key developments in 2014, including Chevron Corp.'s win in a suit over its environmental record in Ecuador and the Williams Cos. Inc.'s \$50 billion merger with its pipeline unit, landing a spot among Law360's Energy Groups of the Year.

The single most important factor in Gibson Dunn's energy group's success in 2014 has been the quality of lawyers that the approximately 70-member group carries and the culture at the firm, according to Steven Talley, a partner in Gibson Dunn's Denver office.

"We're taught from the instant you come through the door that it's one firm, and you're supposed to find the best person at the firm to help your client with whatever your issue is," he said in a telephone interview with Law360. "That teamwork is reflected across the deals that you see and the litigation, and nothing is a better example than the Chevron case."

The Chevron case was a March decision by U.S. District Judge Lewis A. Kaplan in federal district court in Manhattan finding that an unprecedented \$9.5 billion Amazon pollution judgment against the oil giant was the product of an "egregious fraud" by attorney Steven Donziger and his Ecuadorean clients.

The landmark decision prohibited enforcement of the judgment in the United States and divested Donziger and the so-called Lago Agrio plaintiffs of any interest in the underlying Ecuadorean litigation.

The judgment, which clocked in at \$19 billion before being affirmed and cut in half in 2013 by Ecuador's highest court, addressed allegations that Chevron predecessor Texaco Inc. had destroyed natural resources and left indigenous residents stricken with cancer and disease by dumping crude oil in the Amazon rainforest decades ago.

Largely adopting Chevron's narrative that cast Donziger as a scheming criminal who manipulated the Ecuadorean judicial system through bribery and fraud, Judge Kaplan granted a limited injunction declaring the award invalid under the Racketeer Influenced and Corrupt Organizations Act after a broader, worldwide anti-enforcement order was overturned by the Second Circuit in 2012.

Along with the big win for Chevron, Gibson Dunn successfully represented Energy Future Holdings Corp., the energy utility company formerly known as TXU Corp., in a series of cases, including litigation launched by environmental campaign group the Sierra Club.

But it was not just litigation where Gibson Dunn made its mark in 2014. The energy group had a hand in some of the largest and most important transactions of the year.

That's a credit to the "A-plus transactional lawyers" in the practice group, said Peter Hanlon, one of its co-chairmen.

"What we are is a group of blue-chip lawyers who know energy inside out but also have the broader vision of a cutting-edge M&A and finance practice as well," Hanlon said in a telephone interview.

The most notable among the deals was the Williams Cos.' plan to merge its master limited partnership with company-controlled Access Midstream Partners LP, forming a midstream giant. The approximately \$50 billion deal, which had been in the works beginning in June after the Williams Cos. agreed to pay \$6 billion to buy out Global Infrastructure Partners' stake in Access Midstream, was announced in October.

Williams already owns interests in or operates 15,000 miles of interstate gas pipelines, 1,000 miles of natural transportation pipelines and more than 10,000 miles of oil and gas gathering pipelines, as well as processing facilities for natural gas, natural gas liquids and other petroleum products. Full control of Access Midstream gave Williams additional infrastructure that extends into major shale plays such as Marcellus, Utica and Eagle Ford.

The Williams-Access Midstream deal was the second largest in the oil and gas sector in 2014.

But Gibson Dunn's transactional attorneys do not just focus on one area. They have a versatility that has led them to be among the top groups in solar, wind and other renewable energy deals, as well as the oil and gas and utilities sectors, Hanlon said.

"Our solar and wind people can do projects of any sort and just happen to be world-class experts in the solar and wind space. But they can also handle a project involving a fertilizer plant, conventional power plant or virtually any other type of infra project," he said.

And that should serve them well in 2015 as falling oil prices and fluctuations in renewables should see an increase in deal-making.

"Usually, when things are going up rapidly or declining rapidly is when you see a lot of deals either because people are excited about buying, or people feel the need to sell. I guess we will have to see how rapidly that plays out," Talley said.

--Additional reporting by Keith Goldberg and Andrew Scurria. Editing by Christine Chun.