Energy and Environmental Law Practice Group expands reach



By Brian Cox

Between them, veteran Louisiana attorneys John Pearce and Scott O'Connor have nearly 75 years of experience in the field of oil and gas law — their firm literally has thousands.

The pair of Gordon Arata attorneys have counseled clients through every upswing and downturn in the industry spanning the last four decades – from boom to bust and back again. Over the course of their careers, they have formed startups, litigated disputes, negotiated consolidations, agreements, joint ventures, and navigated bankruptcies and dissolutions.

"As the energy industry phases through its highs and lows," explains Pearce, "people try to make money during the highs by doing deals and drilling. When things go south, people often must resort to litigation to resolve their problems. That's the big picture of the industry for lawyers. We are bankruptcy and litigation lawyers in some cycles, more contract and deal oriented in others and, of course, often both."

"When times are good, you'll see investment capital flowing in and smaller companies forming," echoes O'Connor, chair of the firm's Oil & Gas Section in New Orleans. "You'll see asset spinoffs or prolongation of the productive life of some properties. When commodity prices turn the other direction, you'll see more consolidation, you'll see bankruptcies and lawsuits. So, you really do go through the range of cycles."

One thing that has kept both O'Connor and Pearce engaged in energy law over the years is the sheer complexity of the



work, which requires that an attorney possess a broad range of knowledge in a host of areas of practice.

Pearce gives a brief and admittedly incomplete rundown: Oil and gas attorneys must know how to write and interpret contracts. They must be experienced in transactions, but also must be able to use that knowledge to effectively litigate contractual disputes. They need to be intimately familiar with real estate law that may date back prior to the birth of the country to determine whether an entity even has the right to drill on someone's property. They must know family and succession as well as regulatory and bankruptcy law.

"Energy law is focused on a commodity," explains Pearce, a New Orleans native who is a veritable historian in the field of energy law, "but the relevant legal issues can be complex and require knowledge and application of a very broad range of laws and regulations - our job is to sort that out and make it simple for our clients and we're good at it. We have decades of experience."

Pearce is one of the founders of what was originally called the Primerus Business Law Institute's (PBLI) Oil and Gas Practice Group. The name was changed a number of years ago to the Energy and Environmental Law Practice Group to better reflect the scope of its focus, which Pearce says is now broader than ever.

The Energy and Environmental Law practice group focuses on the topics of oil and natural gas law and practice, as well as alternative energy sources such as carbon capture, solar, wind and hydroelectric.

Pearce is the immediate past chairman of the PBLI practice group, which O'Connor now chairs. Several years ago, the Primerus International Practice Committee (IPC) formed its Oil and Gas/Energy Practice Group. Beginning in September, 2021, the PBLI and IPC energy and environmental practice groups have jointly presented a series of one hour Zoom conferences covering a wide range of energy and environmental related topics. This collaboration in large measure was initiated and organized by José María Lujambio, co-chair of the IPC's energy practice group

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(and a partner and energy practice director of Cacheaux, Cavazos & Newton, a Primerus member in Mexico).

All three of these attorneys seek to raise the profile of the energy and environmental practice among Primerus members and heighten awareness that energy law is far more widespread within Primerus than many may realize.

"A lot of people have a myopic view of energy law practice and think of it as something geographically limited and controlled by local regulations, laws and jurisprudence," says Pearce. "We hope to foster a broader understanding of the variety of topics which are communal and international."

"The collaboration between the PBLI and IPC energy practice groups has and continues to afford us a platform to offer our members proficient speakers on a variety of opportune topics," says Lujambio.

"The timing to fulfill this goal is fitting as the group's reach expands to include alternative energy sources," says O'Connor.

As an example of the practice group's potential geographical interaction, O'Connor and Pearce point to the first-ever offshore wind lease sale in the Gulf of Mexico, which happened at the end of August, and to offshore wind projects off the Eastern U.S. coast. Additional synergies are found in development of wind farms throughout the western United States and in Europe. Common legal issues pervade alternative energy initiatives worldwide and development of appropriate legal approaches and solutions are a beneficial shared membership opportunity.

O'Connor expects that much of the capital for developing alternative energy opportunities will come from established energy companies intent on expanding their capabilities beyond oil and gas. What is more, he adds, much of the infrastructure currently in place for the oil and gas industry is transferable to needs in developing and transporting renewable energy. One such example is existing pipeline right-of-way corridors for transmission of alternative energy.

"All of these things to me signify that now is a good time to continue to strengthen the shared value of these practice groups for our members and to broaden their scope," O'Connor concludes.

Pearce adds, "Many Primerus firms perform energy or environmental related work, but they don't have specific, internal energy and environmental practice groups. However, some of them have a lot more energy and environmental work – or the prospect of more – than they realize and can measurably benefit through collaboration with their Primerus colleagues though active participation in the Primerus Energy and Environmental Practice Groups." Primerus law firms in the New Mexico and Arizona, for example, have participated in some of the joint conferences to gather and share insight on dealing with conflicts and litigation over water rights.

Another recent joint conference featured timely discussions of the impact of the Ukrainian war on natural gas economics.

Conservation is another area where Pearce says there should be broad interest.

"One of the major aspects of energy practice is conservation," he says. "Most oil and gas producing states have very sophisticated conservation laws and regulations. Conservation is conservation whether it applies to water, hydrocarbons, nuclear, solar, wind, or hydrogen."

In addition to seeing an array of synergies in the industry, O'Connor also is finding an increased level of interest from younger lawyers considering working in the energy sector.

"There is an interest in developing these alternative energy sources that are viewed as more environmentally friendly and more sustainable and I think that piques interest at a generational level that we haven't seen in a while," he says. "You do see increasing interest among entry level and young practitioners wanting to get involved with solar, wind, and geothermal."

"It's an increased level of interest that I think will translate into more people getting into not only the legal practice space, but they're going to be thinking about how they can tap into these opportunities for a profession," adds Pearce, who envisions one of the practice group's goals to be informing young Primerus lawyers about opportunities in the field.

"I think we are in a cycle where a whole new generation of interest is cropping up," he says.

More information on the Energy and Environmental Practice Group can be found at <u>https://www.primerus.com/practice-</u> group/energy-and-environmental-law-practice-group.



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