



Thomas W. Paterson Partner

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Overview

"Tom Paterson is absolutely one of the best and the brightest in his field. His insight, patience, diplomacy, honesty, intelligence, creativity, candor and diligent professionalism reflect well on him and on me, as my in-house clients have often congratulated me for finding the right lawyer for the job."

— **Janice Hartrick**

"Tom Paterson is smart and creative. From day one, he takes the initiative and drives his cases to success. He provides good judgment, wise counsel and consistently good results."

— **Ray Albrecht**

"I have repeatedly hired Tom Paterson to resolve complex, commercial disputes. He is always prepared. His counsel is strategic. Tom consistently delivers."

— **David Castro**

"As a practicing lawyer for 35 years and the former general counsel of a large public corporation, I have provided legal services and also hired and worked with many lawyers. I retained Tom for a personal legal matter and found him to be an exemplar of the legal profession. Tom is smart, prepared, creative, and responsive. He was dedicated to my best interests. He listened, counselled, and collaborated with me on approach and acceptable outcomes. Tom spotted the relevant issues and efficiently coordinated needed experts to provide the best representation, both in terms of dispute resolutions and costs. He demonstrated integrity, civility, and determination that were foundational to effective advocacy and timely resolution. While I was a client with a very small legal matter, Tom treated me like I was his most important priority"

— **Gayla Thal**

Solving real problems for real people is why I'm a trial lawyer. Solving these problems successfully is why my clients come back again and again. I began working with Janice Hartrick, for example, in 1991, when she was at Seagull Energy. I worked with her and her colleagues on 18 matters. I began working with Ray Albrecht of Enterprise Products in 2004. I worked with him and his colleagues on dozens of matters. David Castro, then the Chief Litigation Counsel for Hess Corporation, hired me in 2011 to work on a matter in the Eagle Ford. We resolved it and since then have resolved disputes in the Utica and the Bakken.

My objective as I work to successfully resolve my clients' disputes is simple: Keep as much money in the client's pocket as possible. There are times when you take a case through trial and appeal; there are times when another deposition or another skirmish isn't worth the cost to the client. That's true whether the client is the plaintiff or the defendant. The best way to meet my objective is to immediately become an expert on the facts and the law. If the matter can be resolved early, without filing it or incurring extensive expenses associated with litigation, I pursue that route. Thinking creatively is critical, as in the time I

resolved a dispute for Dixie Pipeline within two months, from filing to finishing trial. Another example of this is when I resolved a matter in six weeks that had been lingering for more than 30 years. In that case, we told the defendant that its leases would be cancelled if the jury agreed with us on our contract allegations. The defendant promptly settled.

I am well-versed at representing clients on both sides of the docket; my plaintiff clients have enjoyed substantial settlements and judgments while my defendant clients have saved hundreds of millions of dollars.

Most of my cases have involved natural resources—oil and gas, agricultural products or land. That’s a natural for someone who grew up near mining communities in the Southwest and now runs a cattle ranch. I’ve handled cases ranging from antitrust and breach of contract to tortious interference and fraud. My Ph.D. in applied economics and heavy emphasis on empirical research enable me to undertake large, complex cases requiring extensive expert discovery and testimony.

I have been recognized by several leading legal publications for my litigation successes. Most recently, I was ranked by *Chambers U.S.* as a “Recognized Practitioner” in Energy: Natural Resources, Texas. I was also named a “Recommended Lawyer” by *The Legal 500* in Energy Litigation – Oil and Gas.

I’ve told you why I’m a trial lawyer, how I work my cases, and why my clients keep returning. If you have a problem, I’m available to discuss it and candidly assess whether I can help you resolve it. I’ll tell you straight if I can help or refer you to someone else if I can’t. Contact me at (713) 653-7815 or tpaterson@susmangodfrey.com.

Education

- University of Wisconsin, School of Law
 - J.D. *magna cum laude*, 1984, Order of the Coif
- University of Wisconsin, College of Agriculture
 - Ph.D., Agricultural Economics, 1984, Dissertation, “Legal Economic Analyses of Competition in the United States Food System”
 - M.A., Agricultural Economics, 1981, with distinction
- Texas A&M University B.S.
 - Agricultural Economics, 1979, *summa cum laude*

Clerkship

- Judicial Clerk, The Honorable Thomas Gibbs Gee, U.S. Court of Appeals for the Fifth Circuit, 1985 — 1986

Honors and Distinctions

- “Recognized Practitioner – Texas, Energy: Natural Resources”, *Chambers U.S.*, 2017 & 2018
- Recommended Lawyer, Energy Litigation Gas & Oil, *The Legal 500*, (Legal 500), 2017 – [2019](#)
- “Texas Super Lawyer”, *Law & Politics Magazine* (Thomson Reuters), 2004-2019
- Martindale-Hubbell AV Preeminent Rating (Martindale-Hubbell)
- Life Fellow — Texas Bar Foundation

- Fellow — Houston Bar Foundation
- Distinguished Alumni Lecturer in Agricultural Economics, University of Wisconsin
- Quality of Research Discovery Award, American Agricultural Economics Association
- Rudder Award (Outstanding Graduate), Texas A&M University
- Outstanding Conservation Rancher of the Year for Southwestern New Mexico
- New Mexico Tree Farmer of the Year

Articles and Presentations

- *"The Wallow Fire: 30, 000 Acres and 50 Miles of Fence Later,"* UNM Law School (Fall 2011)
- *"The Wallow Fire: Implications of Catastrophic Fire on Management, Use and Enjoyment of Our Natural Resources,"* New Mexico Bar Association, Natural Resources, Energy and Environmental Law Section (Summer 2011 CLE)
- *"What are the Lawyer's Ethical Obligations When Agendas Collide?"* New Mexico Bar Association, Natural Resources, Energy and Environmental Law Section (Winter 2010 CLE)
- *"Professionalism in the Face of Passionate Conflict,"* New Mexico Bar Association, Natural Resources, Energy and Environmental Law Section (Winter 2010 CLE)
- *"New Mexico's Natural Resources and Its Threatened and Endangered Species: When Agendas Collide,"* New Mexico Bar Association, Natural Resources, Energy and Environmental Law Section (Summer 2010 CLE)
- *"Developments in Royalty Class Actions,"* 56th Annual Oil and Gas Law Program, Institute for Energy Law of The Center for American and International Law (formerly The Southwestern Legal Foundation) (2005)
- *"Multidisciplinary Practice-What It Is and What It Might Mean In The Oil Patch,"* 51st Annual Institute on Oil And Gas Law and Taxation, Southwestern Legal Foundation, Ch.9S (2000)
- *"The Effects of Monsanto, Matsushita and Sharp on the Plaintiff's Incentive to Sue,"* 23 Conn. L. Rev. 333 (1991)
- *"The Sunkist Case: A Study in Legal - Economic Analysis"* (1987)
- *"Sherman Section 2 Monopolization for Agricultural Marketing Cooperatives,"* 60 Tulane L. Rev. 955 (1986)
- *"State Sales-Below-Cost Laws: Evidence from the Grocery Trade,"* 62 J. Retailing 166 (1986)
- *"Policies to Promote Competition,"* in The Organization and Performance of the U. S. Food System (1986)

Professional Associations and Memberships

- Admitted to practice in Texas, New Mexico and before the United States Supreme Court, the U.S. Court of Appeals for the Fifth Circuit, and the U.S. District Courts for the Southern District of Texas, the Eastern District of Texas, the Northern District of Texas and the District of New Mexico
- State Bar of Texas
- State Bar of New Mexico
- Natural Resources, Energy, and Environmental Law Section for the State Bar of New Mexico, 2008-present, Chair 2011
- Texas and Houston Bar Associations, 1985 - present

- CLE speaker, Texas and New Mexico
- American Bar Association, 1985 – present
- American Agricultural Economics Association, 1980 – present
- Spur Ranch Cattle Co. LLC, 600 head commercial cow – calf operation on 125,000 acres in New Mexico and Arizona, Member
- Arizona Cattle Growers’ Association, Member
- New Mexico Cattle Growers’ Association, Member

Board and Public Service

- College of Agriculture Development Council, Texas A&M University
- Ministry to Muslims, Vice-Chairman

Notable Representation

Clients, opposing parties and lawyers rank Susman Godfrey among the top-rated law firms providing oil and gas and natural resource litigation services in the country. In 2011, The American Lawyer recognized Susman Godfrey as the “Go To” firm by two Fortune 500 energy companies, both of whom are my clients. Susman Godfrey has repeatedly been recognized as a top-rated firm by in-house counsel for energy companies.

For close to three decades, I have represented E&P companies, gas processors, mid-stream companies and royalty owners in disputes, often against major, integrated companies. A sampling of my work, with opposing parties highlighted, includes the following:

Contract Disputes

My bread-and-butter case is a complex, often multi-party contract dispute that may have joint-venture and fraud allegations. I have extensive experience representing exploration and production companies, gas processors, and pipeline companies in litigation. I represent both plaintiffs and defendants. My most recent experience has focused on disputes arising from the purchase of oil and gas leases (Eagle Ford, Utica and Bakken) or the companies that hold them. More broadly, my experience includes issues relating to the obligation to develop leases, claims of environmental and other damage, audit disputes, disputes over joint accounting procedures under COPAS, drilling disputes, preferential-purchase-right claims, claims arising under gas gathering, processing and gas balancing agreements, rights to seismic and other geologic data, and litigation over farmout and AMI agreements. The lawsuits I have handled have given me substantial experience with issues arising from oil and gas exploration and production and mid-stream operations.

- In 2016, Newfield Production Company hired me in a dispute with Eighty-Eight Oil LLC regarding the prices Eighty-Eight paid Newfield for crude oil it obtained under a crude oil delivery contract. The contract involved deliveries of crude oil in the Bakken region of North Dakota, and the case is proceeding in the United States District Court for the District of North Dakota.
- In April 2015, we secured a summary judgment win for our client EP Energy against plaintiff Fairfield Industries, Inc. on Fairfield’s breach-of-contract claims in a multi-million dollar seismic data licensing dispute. On cross-motions for summary judgment, the 157th District Court in Harris County, Texas ordered that Fairfield take nothing on its claims against EP Energy. The court of appeals affirmed on two of the three issues before it. This case remains on appeal.
- I represented Hess Ohio Resources in a suit brought by a mineral lessor in Jefferson County, Ohio, who claimed that the oil and gas lease he signed in 2008 terminated in 2010. After a bench trial in April 2014, the Court ruled for our client and held that the lease was still in effect and that the lease’s primary

term was equitably tolled since the day that the plaintiff-lessor filed suit. It was a complete victory.

- I represented Hess Ohio Resources in two suits brought by oil and gas lessors with property near St. Clairsville, Ohio. The lessors claimed that their oil and gas leases, which they signed in 2006, had terminated after a five-year primary term. Susman Godfrey was retained in 2013 to persuade the two federal district courts in Ohio to reconsider their rulings that the leases had terminated. Ultimately, the two federal district courts reached different conclusions, so we consolidated both cases for appeal to the Sixth Circuit. In 2014, the Sixth Circuit agreed with our position that the leases had two consecutive five-year primary terms and the leases had not terminated at the end of the first five-year term.
- Between late 2011 and 2013, I represented Hess Corporation in resolving three separate disputes. One involved leasehold interests valued as over \$1 billion in the Eagle Ford Shale in South Texas. Another involved leaseholds with a joint venture partner in the Utica Shale in Ohio. The most recent involved contract and fraud claims relating to a billion dollar sale of leasehold assets in the Bakken Shale of North Dakota.
- During 2011, I represented a mid-stream company in an expedited arbitration against a joint-venture partner on one of its pipelines. The arbitration involved claims that the joint-venture partner breached its fiduciary duties by refusing to agree to increase throughput on the pipeline to return it to its nameplate capacity under the parties' operating agreement. After limited document and oral discovery, the case settled favorably for our client.
- I defended Enterprise against **Marathon's** claims of breach of contract, fraud, and conspiracy concerning the dedication of natural gas processing rights for gas produced from the deepwater Gulf of Mexico. We persuaded the arbitrator to dismiss nearly all of Marathon's claims on summary judgment, including Marathon's \$45 million consequential damages claim and numerous breach of contract and fraud claims. We settled the case on highly favorable terms within days of receiving the arbitrator's summary judgment order and filing our motion to strike Marathon's damages expert.
- In 2010, I successfully represented Apache Corp. in major litigation against **Concho Resources Inc.** regarding the exercise of preferential purchase rights on hundreds of millions of dollars of oil and gas assets in the Permian Basin of West Texas and New Mexico. The dispute arose in connection with the acquisition by an Apache subsidiary of BP America's and BP America Production Company's interest in certain Permian Basin oil and gas assets, and Concho's acquisition of private producer Marbob Energy's interest in those same Permian assets. The case settled on commercial terms favorable to Apache, with Apache securing operating rights and a 60 percent interest in the disputed assets after we filed a motion for summary judgment to establish the legal validity of Apache's exercise of its preferential rights.
- In 2010, I represented Enterprise Products Operating LLC and Mid-America Pipeline Company, LLC as plaintiffs in a lawsuit against Flint Hills Resources, L.P., a subsidiary of **Koch Industries**. The dispute arose in connection with a natural gas liquids storage and purchase agreement between Enterprise and Flint Hills. Enterprise and MAPL built a pipeline as part of the agreement. Flint Hills sent notice of early termination but refused to pay a contractual termination fee of up to \$30 million to Enterprise. Susman Godfrey filed a lawsuit in Harris County, Texas on behalf of Enterprise and MAPL seeking the termination fee and attorneys' fees. The case settled on confidential terms less than a month before trial and after we filed a motion for summary judgment on all issues besides attorneys' fees.
- I represented Jonah Gas Gathering Co. in a declaratory judgment action against **Williams FieldServices** on Williams' claims that Jonah breached an interconnect agreement to deliver gas to a Williams gas processing plant in Wyoming. Williams moved to dismiss that case against Jonah (a Texas resident) based on forum non conveniens. Jonah successfully defeated Williams' motion in the trial court, and subsequently defeated Williams' mandamus petitions in the Fourteenth Court of Appeals and the Texas Supreme Court.
- I represented Enterprise Products Operating L.P. in a dispute with **Sunoco Pipeline** over who was entitled to purchase approximately \$70 million in stock in Dixie Pipeline Company. Five weeks of discovery. A two-day bench trial. The court found for Enterprise on all issues.

- Apache Corp. v. **Virginia Power Energy Marketing, Inc.** and **Dominion Resources, Inc.** During the summer of 2005, Hurricanes Katrina and Rita devastated natural gas production and pipeline infrastructure along the Gulf Coast. Certain natural gas producers could not make gas deliveries and declared force majeure under their NAESB contracts. Apache hired me to represent it when one of its buyers challenged the force majeure declaration. After extensive discovery, the trial court granted Apache's motion for summary judgment. The Court of Appeals affirmed that a producer is not obligated to make deliveries to alternate locations from that specified in the contract.
- In January 1997, I successfully represented Enron Clean Fuels Company in a declaratory judgment action in federal court in the Southern District of Texas. The issue was whether **Chevron** could cancel a 5-year gasoline additives contract. In its counterclaim, Chevron sought \$30 million in actual damages, plus punitive damages. The jury found for Enron on all issues.

Public and Private Royalty Owner Lawsuits

I have represented public and private royalty owners in disputes over the proper royalty they should receive on oil and gas. My experience in this area is extensive.

- From 2014 to 2016, I defended Hess Corporation against Jack Grynberg's claims involving a net profits agreement on oil and gas interests in Mississippi's Tallahala field. The plaintiff filed suit in Colorado federal court, and soon after, a related action was filed against Hess in Mississippi state court. The Colorado court dismissed Grynberg's claims against Hess on procedural grounds. The Mississippi court granted summary judgment on claims against Hess and other claims were settled on terms favorable to Hess.
- In August 2006, settlement checks totaling more than \$18.9 million were sent to more than 4,300 royalty and overriding royalty owners across the United States. Plaintiffs sued ConocoPhillips in 2000 for alleged underpayment of royalty due on natural gas liquids produced from the San Juan Basin of northwestern New Mexico and processed at the New Blanco Plant near Bloomfield, New Mexico. ConocoPhillips agreed to settle the claims for \$29.5 million. The district court approved the settlement and awarded attorneys' fees of \$7 million from the settlement fund. I was co-lead counsel in the class action.
- In November 2005, the trial court approved Oxy USA, Inc.'s settlement to pay \$12 million in a class action lawsuit in which Susman Godfrey was co-lead counsel. The lawsuit was filed on behalf of a class of royalty owners who leased mineral rights to Oxy for the production of carbon dioxide from the Bravo Dome Carbon Dioxide Unit in northeastern New Mexico. The \$12 million settlement, of which \$3.5 million was awarded for attorneys' fees, represents approximately 90 percent of the total amount of actual damages sought by the class. The settlement also required Oxy to pay litigation expenses of up to \$400,000 and settlement administration expenses of up to \$200,000. Finally, Oxy agreed to change how it calculates plaintiffs' royalty on a going-forward basis. This change ties the value of carbon dioxide to the price of oil and is expected to result in a near doubling of the royalty amounts Oxy was paying the class members before the filing of this lawsuit in 2004.
- After years of attempting to negotiate an agreement for the proper payment of royalties to it for CO2 from the Bravo Dome Unit, the New Mexico Commissioner of Public Lands retained me as co-lead counsel to represent it against Oxy USA. In short order, the State and Oxy resolved all disputes. Oxy agreed to pay \$11.8 million in cash and use a new royalty formula that ties CO2 value to the price of oil, eliminates post-production deductions and reduces transportation expenses. Estimated total present value of the settlement was \$28.2 million. The Court awarded \$1.4 million in attorneys' fees.

Industry Consolidation — Realignment — Antitrust

- I represented Enterprise Field Services in a declaratory judgment action over long-term gas gathering agreements in the San Juan Basin of northwestern New Mexico. I also defended Enterprise Field Services in multiple forums against **ConocoPhillips'** allegations of state antitrust and regulatory violations relating to those gas gathering agreements

- I successfully represented American Central Gas Companies in an arbitration in connection with its antitrust claims. During a two-week binding arbitration — less than two months after being ordered to arbitration — we proved that defendants **Union Pacific Resources** and **Duke Energy Field Services** had attempted to monopolize and had monopolized the market for natural gas processing in Panola County, Texas. The arbitrator awarded American Central treble damages. Upon release of the arbitrator's decision, the defendants tried to seal the arbitration order. We opposed. The arbitrator and the federal district judge both refused to seal the arbitration order.
- When **Mesa Petroleum** attempted a hostile acquisition of Unocal Corporation, I helped represent Unocal in an antitrust lawsuit challenging the proposed takeover. Similarly, I helped represent InterNorth in an antitrust action when Coastal challenged its merger with HNG.

Other Representative Cases

- From 2007 until 2010, I represented Hunt Petroleum Corporation executives in connection with a suit by a great-grandson of H.L. Hunt who claimed breaches of fiduciary duty and fraud against the trustees of the trusts that owned Hunt Petroleum Corporation. During the pendency of the case, XTO purchased Hunt Petroleum. This case settled.
- No. 1999-A-002; **Union Pacific Resources Company** and **Union Pacific Fuels, Inc.** v. American Central Eastern Texas Gas Company, Limited Partnership, in the 123rd Judicial District Court of Panola County, Texas. Represented defendants in an action alleging breach of natural gas gathering contract. Settled during preliminary injunction hearing.
- No. 90-039353; **Bonavista Oil & Mining Corporation** v. Black Hawk Oil Company, Torch Energy Associates, Torch Energy Corporation, True Oil Company and Cambria Oil Company; in the 55th Judicial District Court of Harris County, Texas. No. 90-033974; **Cambridge Resources Corporation**, et al. v. Black Hawk Oil Company, Torch Energy Associates, Torch Energy Corporation, True Oil Company and Cambria Oil Company; in the 334th Judicial District Court of Harris County, Texas. Defended True Oil and subsidiaries against claims in these consolidated cases for tortious interference with contract in Honduras, tortious interference with prospective business relationships with the Government of Honduras, and seismic trespass in Honduras. Honduran law governed and most discovery was in Honduras. Plaintiffs claimed damages exceeding \$100 million. The court dismissed the seismic trespass claim and entered partial summary judgment on certain interference claims. The jury verdict was for True Oil on all remaining claims.
- No. 93-025864; Toolpushers Supply Co. v. **Mannesmann Oilfield Tubulars Corporation** and **Metallurgical Consultants, Inc.**; in the 129th Judicial District Court of Harris County, Texas. Represented Toolpushers on its claim concerning defective pipe. Settled.
- No. 97-52887; Black Hills Trucking Company, Inc. v. **Nabors Drilling, USA Inc.**; in the 270th Judicial District Court of Harris County, Texas. Represented Black Hills on its claim for breach of contract and declaratory judgment in connection with indemnification provisions in a Master Services Agreement. Settled.
- C.A. No. H-99-4005; **Burlington Resources Oil and Gas** v. Toolpushers Supply Co.; in the United States District Court for the Southern District of Texas, Houston Division. Defended Toolpushers in action seeking \$6.5 million in damages for alleged breach of warranty concerning casing fittings used in a well in the Gulf of Mexico. The Court granted Toolpushers' motion for summary judgment, finding that the West Cameron well location was adjacent to Louisiana and that, under Louisiana law, limitations had run.
- C.A. No. H-91-0613; Seagull Energy Corporation, Seagull Minerals Corp., and Houston Oil & Minerals Corporation v. **Tenneco Inc., Tenneco Oil Company, and FINA Oil and Chemical Company**; in the United States District Court for the Southern District of Texas, Houston Division. Represented plaintiffs in an action for breach of contract to deliver seismic data in connection with a stock purchase. Settled after discovery closed.
- No. 8052; Neil Bennett, et al. v. Seagull Midcon, Inc. v. MESA Inc.; in the 100th Judicial District Court of

Carson County, Texas. Took over defending Seagull in a mineral owners' action to terminate an oil and gas lease due to alleged nonproduction by Seagull's predecessor. Settled.

- No. 8100; Seagull Midcon Inc. v. J. Pat Cunningham, et al. v. MESA Inc.; in the 100th Judicial District Court of Carson County, Texas. Took over defending Seagull in a mineral owners' action to terminate an oil and gas lease due to alleged nonproduction by Seagull's predecessor. Settled.
- No. 94-40; John M. Shelton, III, et al. v. Seagull Midcon Inc. v. MESA Inc.; in the 69th Judicial District Court of Moore County, Texas. Took over defending Seagull in a mineral owners' action to terminate an oil and gas lease due to alleged nonproduction by Seagull's predecessor. Settled.
- No. 95-06790; **NorAm Gas Transmission Co.**, et al. v. Seagull Mid-South, Inc.; in the 157th Judicial District Court of Harris County, Texas. Took over defending Seagull after fact discovery closed in an action alleging repudiation of contract. Plaintiffs sought damages exceeding \$90,000,000. Settled on confidential terms after filing pretrial order.
- No. 96-62298; Seagull Energy E&P Inc., et al. v. **NorAm Energy Corp. (f/k/a Arkla, Inc.)**; in the 80th Judicial District Court of Harris County, Texas. Represented Seagull in an action alleging breach of indemnification provisions in a stock purchase agreement. Settled after filing pretrial order.
- No. 97-38949; Seagull Mid-South, Inc. v. NorAm Gas Transmission Company, et al.; in the 113th Judicial District Court of Harris County, Texas. Represented Seagull in action for declaratory judgment concerning gas transportation agreements. Settled.
- No. 97-53914; Enserch Exploration, Inc. v. **Reading & Bates Drilling Co.** and Gary J. Junco; in the 11th Judicial District Court of Harris County, Texas. Represented Enserch Exploration in an action for breach of contract over Enserch's right to use a semi-submersible drilling rig. Settlement on confidential terms after a hearing on Enserch Exploration's application for a temporary restraining order.