

# Michael P. Pearson

Partner, Houston

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## Biography

With more than 43 years in practice, Michael P. Pearson has experienced first-hand the boom-bust cycle of the energy industry at least five different times since the 1970s and its impact on oil and gas producers, pipeline and midstream companies, energy commodity marketing and trading companies, and their lenders and capital providers. The breadth and depth of Mike's experience gives him a nuanced and sophisticated understanding of the energy industry, which provides great value to his clients.

Mike served as Chair of Jackson Walker's Energy practice group for more than 30 years. He will be an Adjunct Professor of Law at The University of Texas School of Law during Fall 2022.

## Practice Experience

### Acquisitions and Dispositions

- Represented three privately owned, affiliated oil and gas producers owned by funds sponsored by a large private equity firm in the sale of the producers' producing oil and gas properties and undeveloped oil and gas leases in the "Stack" area of Northwest Oklahoma to a newly formed portfolio company of a New York-based private equity firm in a transaction valued at approximately \$625 million.
- Represented several affiliated companies, together with numerous individuals and entities who participated with such companies in the joint development of oil and gas properties, in the sale to a newly formed portfolio company of a New York-based private equity firm of oil and gas assets in the "Delaware Basin" and "Shelf" areas of New Mexico, in transactions structured as (i) sales of the equity interests of special purpose entities formed by the owners of the affiliated companies to hold the "Delaware Basin" and "Shelf" area assets of such companies for purposes of the sale and (ii) sales by the participant entities of their interests in such "Delaware Basin" and "Shelf" area assets, in transactions valued in the aggregate at approximately \$400 million.
- Represented a publicly traded oil and gas producer in its ±\$300 million acquisition of all of the capital stock of a privately held holding company which, through subsidiaries, owned oil and gas properties and facilities on the Texas and Louisiana Gulf Coasts.



### Practice Areas

- Energy

### Experience

- Acquisitions & Dispositions
- Energy Commodities & Derivatives
- Energy Finance
- Pipeline & Midstream
- Shale & Unconventional Resources
- Upstream Oil & Gas

### Education

B.A., *with high honors*, University of Texas at Austin, 1975

- Plan II Honors Program-
- Member of Phi Beta Kappa
- Member of Phi Kappa Phi

J.D., University of Texas School of Law, 1978

- Associate Editor, *Texas Law Review*

### Bar Admissions

Texas, 1978

- Represented a private equity sponsored midstream company in the  $\pm$ \$200 million acquisition of a limited partnership that owned and operated multiple gas processing and fractionation plants, gas gathering systems, and a natural gas liquids pipeline in East Texas.
- Represented a privately held oil and gas producer in its  $\pm$ \$720 million purchase of all of the oil and gas assets of a private equity sponsored oil and gas company.
- Represented a subsidiary of a private investor funded holding company in its  $\pm$ \$50 million sale to the U.S. subsidiary of a Mexican oil and gas company of producing and undeveloped oil and gas assets in Colorado, New Mexico, Oklahoma, and Texas.
- Represented a non-U.S. investor as the stalking horse bidder in the purchase, under Bankruptcy Code Section 363, of North Dakota oil and gas assets from a Chapter 11 debtor.
- Represented a private equity sponsored pipeline in its  $\pm$ \$300 million acquisition of a jurisdictional pipeline system in West Texas, including obtaining FERC abandonment of the pipeline system so that it could be used for non-jurisdictional gas gathering.

#### **Energy Finance and Capital Raising Transactions**

- Represented multiple subsidiaries of a privately owned holding company as the borrowers/swap counterparties in two secured prepaid swap financing transactions with the trading arm of a large financial institution in transactions involving aggregate advances to the borrower in excess of \$90 million.
- Represented a subsidiary of a privately owned holding company as the borrower in a \$1.5 billion revolving credit facility and a second lien term loan involving aggregate credit availability of more than \$250 million, secured by oil and gas assets in Colorado and North Dakota.
- Represented the mezzanine finance subsidiary of a publicly traded midstream and commodity trading company in its purchase of volumetric production payments from multiple oil and gas producers.
- Represented a publicly traded oil and gas producer in its +\$100 million sale to multiple funds sponsored by a private equity firm of a limited term net profits interest in oil and gas production from federal oil and gas leases on the Outer Continental Shelf.
- Represented a publicly traded oil and gas producer in sales to over twenty (20) private equity firms and hedge funds of dollar denominated production payments in oil and gas production from federal oil and gas leases on the Outer Continental Shelf, valued in excess of \$1 billion.

#### **Upstream Oil and Gas Matters**

- Represented a U.S. special purpose entity owned by a foreign investor in a +\$40 million vertical well salt dome drilling program in Texas.
- Represented a private equity backed oil and gas producer in a “drillco” joint development agreement with another oil and gas producer for a 60 well drilling program in the Permian Basin of West Texas involving drilling cost commitments of +\$100 million.
- Represented an independent oil and gas producer in its +\$45 million sale to a private equity-sponsored oil and gas company of undivided interests in undeveloped oil and gas leases in the Eaglebine and Woodbine Shale areas of Central Texas, including commitments by the parties to participate in drilling operations and the creation of an area of mutual interest for future acquisitions.
- Represented a publicly traded oil and gas producer in its sales of +\$400 million in limited term net profits interests in oil and gas production from federal oil and gas leases on the Outer Continental Shelf to a major drilling contractor and other offshore oilfield service providers in lieu of payments for services in cash.

- Represented an individual investor in a structured transaction for the development of a large South Texas Ranch, including the formation of multiple special purpose entities (SPEs) to own oil and gas fee interests and royalty interests in the ranch, the transfer of such oil and gas fee interests and existing non-participating royalty interests into the appropriate SPEs, and the negotiation with other family members of multiple oil and gas leases, term non-participating royalty interests, surface use agreements, produced water injection agreements, and other related documents, in a transaction initially valued in excess of \$100 million.
- Represented a privately owned oil and gas producer in negotiations with an Asian, government-controlled oil company concerning a +\$1 billion lease acquisition and joint development program in the Permian Basin of West Texas, New Mexico, and the Oklahoma Panhandle.

### **Midstream Matters**

- Represented a publicly traded midstream company in the restructuring of a gas gathering and processing agreement with a producer to reduce the producer's minimum annual gas volume commitment and its exposure to deficiency payments.
- Represented a publicly traded midstream company in a +\$100 million long term, firm, "deliver or pay" gas transportation and blending transaction with the pipeline affiliate of a gas utility to provide gas transportation access to high CO2 residue gas from several Permian Basin gas processing plants.
- Represented a publicly traded oil and gas producer in a transaction with a private equity fund to monetize certain oil export and gas gathering pipelines in the deepwater Gulf of Mexico through the +\$75 million sale of the pipeline assets to a special purpose entity and the producer's execution of gas gathering and oil export agreements with the SPE.
- Represented a publicly traded pipeline company in a transaction with an independent oil and gas producer to monetize and further develop the producer's existing gas gathering systems in East Texas, including the sale to a special purpose entity owned by the producer and the pipeline of the producer's gathering assets and the execution by the producer of a gas gathering agreement and pipeline operating agreement with the SPE.
- Represented a special purpose entity owned by an independent oil and gas producer and an intrastate pipeline company in connection with a gas gathering agreement with the producer covering dedicated acreage in the Haynesville Shale Field in Louisiana.

### **Recognition & Accolades**

- The Best Lawyers in America (Woodward/White Inc.), 2005-2022
  - Lawyer of the Year – Houston, Natural Resources Law, 2021
  - Natural Resources Law, 2005-2022
  - Oil and Gas Law, 2010-2022
- Lawdragon 500 Leading Environmental & Energy Lawyers – Energy Law, 2021
- Who's Who Legal: Texas, Energy, 2016, 2019-2020
- Super Lawyer, Super Lawyers by Thomson Reuters, 2007-2019
- "Top Lawyer" in Best of Houstonia, Houstonia Magazine, 2018
- Who's Who in Energy, Houston Business Journal, 2012-2015
- AV Rated – Ethical Standards and Legal Ability, Martindale-Hubbell
- World's Leading Energy & Natural Resource Lawyers, Legal Media Group, 2008, 2010, 2013, 2015

- Lawdragon Magazine
  - Lawdragon Top 3000, 2010
  - 500 Top Deal Makers in America, 2007
  - 500 Best Lawyers in America, 2005

## Publications & Speeches

### Publications

- [“Covenants Running with the Land,”](#) 48 St. Mary's Law Journal 727-785 (2017)

### Speeches

- "A Primer on Marketing Hydrocarbons," 44th Annual Ernest E. Smith Oil, Gas and Mineral Law Institute, The University of Texas School of Law Continuing Legal Education, 2018
- "Covenants Running with the Land," 34th Annual Advanced Oil, Gas and Energy Resources Law Course, State Bar of Texas, September 2016
- "[Gas Royalty Calculation 2015: An Update](#)," 33rd Annual Advanced Oil, Gas, and Energy Resources Law Course, State Bar of Texas, 2015
- "[Selected Drafting Issues in Midstream Contracts](#)," 14th Annual Gas and Power Institute, The University of Texas 2015
- "[A Primer on Production Payments](#)," 28th Annual Advanced Oil, Gas and Energy Resources Law Course, State Bar of Texas 2010
- "[Uses of Net Profits Interests in Financing Oil and Gas Transactions](#)," 34th Annual Ernest E. Smith Oil, Gas and Mineral Law Institute, The University of Texas, 2008
- "Gas Royalty Calculation 2005 - An Update," Volume 30 of the Section Report of the Oil, Gas and Energy Resources Law Section, State Bar of Texas, 2006
- "OCS Lease Conveyancing Issues - An Update," Volume 26 of the Section Report of the Oil, Gas and Energy Resources Law Section, State Bar of Texas, 2002
- "Selected Issues in Deep Water Gulf of Mexico Operations," 49th Annual Institute on Oil and Gas Law and Taxation, presented by Southwestern Legal Foundation (now the Center for American and International Studies), 1998

## Community Involvement

- State Bar of Texas - Oil, Gas, and Energy Resources Law Section, Past Chair
- Houston Bar Association - Oil, Gas and Mineral Law Section
- American Bar Association - Sections on Environment, Energy, and Resources and Business Law
- American Bar Association - Exploration and Production Subcommittee, Past Vice Chair