

Energy Group Of The Year: Vinson & Elkins

By Michael Phillis

Law360 (February 7, 2019, 3:27 PM EST) -- Vinson & Elkins LLP represented Energy Transfer Partners in its acquisition by Energy Transfer Equity in a deal valued at about \$60 billion and helped Plains All American Pipeline LP get a major securities suit thrown out by a Texas federal judge, grabbing a spot on Law 360's Energy Groups of the Year.

The firm handled more than \$140 billion in energy industry M&A deals in North America, advising on 67 deals during the 12-month period starting on Oct. 1, 2017, making it the top firm by volume and value, according to data supplied by Mergermarket. In addition to those deals, Vinson & Elkins worked on litigation that produced wins for clients in a series of pipeline-related disputes.

Keith Fullenweider, head of the firm's corporate department, said going forward the firm is focused on sustaining its performance.

"Our strategy starts with the premise that we have the largest and most successful M&A, finance and capital markets practices across the energy industry and have for some number of years," Fullenweider said. "Our strategy is to maintain that position."

In August, it was announced that Vinson & Elkins advised Energy Transfer Partners LP in one of the biggest deals of 2018. Energy Transfer Equity took over its master limited partnership, ETP, in the roughly \$60 billion deal, including debt. The move was part of a rush of consolidations in the energy industry.

"A transaction of that size involves a great deal of due diligence, tax advice and finance advice. You are putting together two very large — related — but two very large businesses," Fullenweider said, adding that it involves experts in debt, regulatory, risk and a slew of other concerns that require a "full-firm effort."

The firm also helped TPG Pace Energy Holdings Corp., a special purpose acquisition co., or SPAC, acquire oil and gas assets within EnerVest Ltd.'s South Texas division for \$2.66 billion. That move created Magnolia Oil & Gas Corp., a development that was announced in March.

"The transaction went on for about six months and crossed all practice areas in the firm," Fullenweider said, adding that there were roughly 75 people involved in the deal.



Vinson & Elkins also worked on behalf of RSP on its acquisition by Concho Resources in a transaction valued at \$9.5 billion. Fullenweider called it "a pretty special deal." That deal, which was announced in March, made Concho the biggest unconventional shale producer in the basin.

"That transaction took place at a time when stock prices were not particularly healthy, so it was an environment in which completing an all-stock transaction was difficult," he said.

In the renewable space, Vinson & Elkins also helped an entity managed by Goldman Sachs Asset Management LP in an approximately \$350 million acquisition of a portfolio of energy projects from Marina Energy LLC, which is a subsidiary of South Jersey Industries Inc.

"We think renewable and clean tech work will be an increasing percentage of our focus," Fullenweider said.

Jim Thompson, head of Vinson & Elkins' global litigation department, said that with shale development maturing and oil prices remaining somewhat depressed, lawsuits by disappointed investors and royalty owner disputes against operators are increasing in frequency.

"We have definitely seen a steady uptick in energy litigation when you consider that phrase broadly," Thompson said.

And under the Trump administration, which is less focused on robust enforcement, citizens and advocacy groups have stepped into that role by filing lawsuits challenging permits and regulatory actions, Thompson said.

Vinson & Elkins handled several challenges to pipeline activity, including one brought by Delaware Riverkeeper Network. In July, a D.C. Circuit panel rejected the environmental group's contention that the Federal Energy Regulatory Commission improperly favors industry and that the agency's practice of issuing tolling orders that delay decisions on requests to revisit pipeline approvals was unlawful. The court rejected arguments that FERC was "structurally biased." Vinson & Elkins represented intervenor PennEast.

"It is kind of an incredible part of our firm," Thompson said, praising its "culture of collaboration that allows us to staff these things appropriately with the right talent, the right team, to get the best result for our client."

The firm also successfully defended Plains All American Pipeline LP in securities litigation in which investors were seeking roughly \$1.5 billion, according to the firm. That case involved a 2015 pipeline leak in California that investors said depressed stock prices.

According to Fullenweider, the firm has a close relationship with the industry it serves.

"We put our clients first, we really think about things from their perspective. And we produce super high-quality work but in a way that starts with the client, understanding where the client is coming from, and I think that is why we have been able to retain this great position," he said.

--Additional reporting by Darcy Reddan and Chelsea Naso. Editing by Nicole Bleier.
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