

Energy Group Of The Year: V&E

By **Nadia Dreid**

Law360 (January 17, 2020) -- Vinson & Elkins LLP was “hitting on all cylinders” in 2019, guiding \$72 billion in energy deals to fruition and scoring a victory for Marathon Petroleum in a \$1 billion fight with the Internal Revenue Service, earning the firm a spot among Law360’s 2019 Energy Groups of the Year.

Energy is big business at V&E, with much of the firm’s work touching on the energy practice in one way or another. Of the 21 industries the firm advertises its work in, more than a third are in the energy arena.

“Deeply steeped in the energy industry” is how partner and head of global litigation Jim Thompson puts it. The firm’s heavy Texas presence — it has three offices spread across the Lone Star State — give it a strong base to operate from in the “energy capital of the world.”

The century-old firm now has more than 700 attorneys in 13 offices around the country and the world, from London to Riyadh, and prides itself on being “trusted advisers” in the energy space, the attorney told Law360.

With that trust, he said the firm is able to guide its clients through everything from major mergers to tax disputes to international litigation. And that diversity, Thompson said, is the most impressive thing the firm achieved in 2019.

One big win for the firm came in June, when the firm convinced a jury that D.C.-based utility Washington Gas Light Co. and one of its entities owed V&E client Antero Resources \$96 million for coming up short on its contracted promise to buy a certain amount of West Virginia natural gas.

“If not the largest gas contract at the time it was signed, it was certainly one of the largest when it was executed,” Thompson said. “That was certainly one of the highlights of the year.”

The firm also went head to head with the IRS and came out on top, securing in August a settlement that it described as a “total victory” on behalf of Marathon Petroleum in tax court over \$1 billion in transactions made near the end of the last decade.

Marathon maintained that the transactions to a Dutch subsidiary were stock purchases, but the IRS



disagreed, arguing that they were distributions, which upped the oil giant's partnership income for 2011 by \$56.7 million.

As part of the deal, the IRS acquiesced to Marathon's argument that the \$1 billion in transactions were stock purchases.

On the merger and acquisitions side of things, V&E energy attorneys stayed busy in 2019, closing a total of 55 deals worth more than \$72 billion.

The firm helped guide private natural gas company Covey Park Energy through its \$2.2 billion buy of Comstock Resources and helped Buckeye Partners work through the tax implications of being acquired by IFM Investors in a deal with an enterprise value of \$10.3 billion.

But if it was a banner year, it wasn't because of any one major energy deal that dwarfed the others, according to partner and co-head of the firm's corporate department Keith Fullenweider.

"It was just a year we hit on all cylinders," Fullenweider said. "There were a number of significant renewable energy transactions, some significant consolidating between oil and gas producers, and then we had a fair amount of development activity, where we were helping people build new projects."

When all of those factors combined, it spelled out a busy year for the energy attorneys at V&E, Fullenweider said.

Fullenweider said he believes clients are quick to reach back out to V&E because of the firm's industry knowledge, the diversity of its work in the energy industry and its offices peppered across the world.

"I think we also have a personality as a firm that fits very well with the energy industry," he said. "We try to be solutions-oriented, to see around corners and spot issues and formulate our response to get things done for our clients."

--Editing by Jack Karp.