

# The Energy Law Advisor

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## Industry News

Dear IEL Advisory Board Members:

This edition of *The Energy Law Advisor* is dedicated to oilfield service companies and related topics. The articles in this issue have been prepared by Oilfield Services Practice Committee members. We invite all Advisory Board members to prepare and submit oilfield services related articles for upcoming issues. The Oilfield Services Practice Committee is continuing to grow – if you would like to participate in our activities, please let Lilly Hogarth at the IEL ([lhogarth@cailaw.org](mailto:lhogarth@cailaw.org)) know.

Also, please remember that the IEL is presenting the **2nd Oilfield Services Law Conference** on October 15, 2012, in Houston, at the Hilton Post Oak. The first conference last year was a great success, and we invite you to join us in Houston for another interesting day this year. A link to the program details and registration is below. Please help us make the 2nd Oilfield Services Law Conference a success, and do not hesitate to contact either of us with any ideas, thoughts, or general comments you have to improve the Oilfield Services Practice Committee or any of its future activities.

Regards,

William Jacobson (Committee Chair) and Aaron Ball (Committee Vice Chair)



Paula Galhardo

### ***Brazilian Court Determined the Suspension of Chevron and Transocean***

Submitted by: Paula Galhardo

On July 31, 2012 the Regional Federal Court (TRF) 2nd Region, in a decision rendered by a majority of votes, granted an injunction and set a deadline of 30 days for Chevron Brazil Upstream Frade Ltda. and the driller Transocean Brazil Ltda. to suspend petroleum drilling and transportation operations in Brazil. The injunction was requested by a class action filed by the Brazilian Federal Public Attorney's Office (FPAO).

**Get the full story.**

***Strong Job Forecast for Oilfield Services Lawyers***

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Submitted by: Linda Katz, Pye Legal Group



Linda Katz

The oil field services sector is one of the hottest segments of the U.S. legal market today and many companies are expanding their in-house capacity by adding positions at the counsel, senior counsel and associate general counsel level. In addition, positions for compliance professionals and contract managers for which a J.D. credential is often preferred, are some of the fastest growing in the sector. Job growth is being driven by domestic exploration and production, international offshore drilling and the enhanced regulatory environment courtesy of the Foreign Corrupt Practices Act (FCPA) and UK Anti-Bribery Act.

**Get the full story.**

*IEL News*

**Continuing our introduction of new IEL Executive Committee members:**



Curtis Frasier

**Curtis R. Frasier**  
Executive Vice President & General Counsel  
Shell Oil Company

Curtis Frasier is the Executive Vice President & General Counsel of Shell Oil Company in the USA and Royal Dutch Shell's Upstream businesses throughout the Americas.

Since joining Shell Oil Company in 1982, Curtis has held a number of positions within Shell's Legal Organization in Houston, London and The Hague, including serving as Secretary to the Royal Dutch Shell Committee of Managing Directors and the joint Conference of the Boards of Royal Dutch Petroleum and The Shell Transport and Trading Company and later as General Counsel of Shell's global Exploration & Production business.

Curtis has also led a number of business units within Shell, serving as a Vice President of Tejas Gas Corporation, Sr. Vice President of Coral Energy, President of Shell Midstream Enterprises and President of Shell US Gas & Power. He has also served as a Director of Shell Oil Company, Shell Petroleum Inc. and Enterprise Products Partners LP.

Outside of Shell, Curtis is currently a member of the Law Committee of the American Petroleum Institute, an Executive Committee member of the Institute for Energy Law, a Member of the Board of Trustees of The Center for American and International Law, and a Member of the Board of Directors of the ASU Global Institute of Sustainability.

Curtis received his BA from Arizona State University in 1977 and his Juris Doctor from the University of Tulsa in 1982.

**Jason Klein**  
Deputy General Counsel  
BG Group plc

Jason is Deputy General Counsel of BG Group plc. He is responsible for legal support of BG's activities across the Americas, Europe and global energy marketing and shipping. Since joining BG in 2003, Jason has had assignments in Houston, Oman and Australia. Jason graduated from the University of Texas School of Law in 2000 and was an associate with Vinson & Elkins prior to joining BG.



Jason Klein



Harry Sullivan

**Harry W. Sullivan, Jr.**

Senior Counsel  
ConocoPhillips

Harry W. Sullivan, Jr. is Senior Counsel in the International E&P Legal Group of ConocoPhillips. He has a J.D. degree from Louisiana State University School of Law and an LL.M. degree from Southern Methodist University's School of Law. He is licensed to practice law in the states of Louisiana and Texas and before the Supreme Court of the United States; and is Board Certified in Oil, Gas and Mineral Law in Texas. He is also admitted as a Solicitor in England and Wales. His experience includes negotiating and working in more than 25 different countries, including specifically: Algeria, Australia, Azerbaijan, China, Egypt, Georgia, Indonesia, Kazakhstan, Kuwait, Malaysia, Mozambique, Myanmar, Nigeria, Oman, Pakistan, Qatar, Russia, Saudi Arabia, Turkey, the UAE and the U.S. Additionally, he has taught oil and gas law at Texas Wesleyan School of Law, SMU's Cox School of Business and Dallas' El Centro College; business law at the University of Texas at Arlington; and various subjects at numerous seminars and short courses.

**Richard C. Vint**  
Chief Attorney  
Exxon Mobil Corporation

Richard C. Vint is currently a Chief Attorney for the Exxon Mobil Corporation Law Department, and responsible for managing the delivery of legal services to the Exploration and Upstream Ventures organizations. Mr. Vint obtained his Bachelor of Science degree in Geology and Juris Doctor of Law from the University of Arkansas. Previous work experience include positions with Halliburton Company as Chief Attorney for the Middle East and Former Soviet Union Regions, and as Managing Senior Counsel for Halliburton Company Europe, Africa and Former Soviet Union Regions. Mr. Vint's previous project work experience includes the negotiation of major upstream investment activity in Indonesia, Iraq, Qatar and Russia, and related project financing transactional work.



Richard Vint

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To submit an industry news item for the next issue, contact Brit Brown at [bbrown@bmpllp.com](mailto:bbrown@bmpllp.com) and [lhogarth@cailaw.org](mailto:lhogarth@cailaw.org).

## Members in the News



Derek Anchondo

Adams and Reese is pleased to announce that energy and oil and gas attorney Derek José Anchondo has joined the firm's Houston office as Special Counsel and as a member of the Special Business Services practice group. [Read more.](#)

### Participate in the IEL Advisory Board LinkedIn Group

Share your thoughts on current issues and developments in the field with other members of the Advisory Board in our new members-only [IEL Advisory Board LinkedIn group](#). If you are not already a member of LinkedIn, [click here](#) for directions on how to join.

### Visit the Advisory Board Members website

To visit the members website, [click here](#) and enter the password that was sent to you recently by email (If you need the email sent to you again, please email [lhogarth@cailaw.org](mailto:lhogarth@cailaw.org)). Here you will find current information about the Institute, the Advisory Board and the members themselves, including member photo rosters, committee descriptions and rosters, and a calendar of upcoming events. Here you can also access our new members-only online forum on LinkedIn, our bimonthly newsletter *The Energy Law Advisor*, our *Online Articles Index*, our other publications, and a description of Sponsorship Opportunities at upcoming programs.

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Submit your member announcements for the next issue, with a photo if possible, to [lhogarth@cailaw.org](mailto:lhogarth@cailaw.org).

## Calendar of Events

### **International Oil & Gas Law, Contracts, and Negotiations - Upstream**

September 24-28  
Houston, Texas

### **5th Annual Young Energy Professionals General Counsel Forum ([Register online](#))**

September 25, 2012  
Houston, Texas

### **International Oil & Gas Law, Contracts, and Negotiations - Midstream**

October 1-5  
Houston, Texas

**2nd Oilfield Services Law Conference**

October 15, 2012  
Houston, Texas

**Oil & Gas Law Short Course**

October 22-26, 2012  
Houston, Texas

**11th Annual Energy Litigation Conference**

November 15, 2012  
Houston, Texas

**Midstream Oil & Gas Law Conference ([Register online](#))**

December 7, 2012  
Houston, Texas

**64th Annual Oil & Gas Law Conference**

February 21-22, 2013  
Houston, Texas

**Texas Mineral Titles Course**

April 5, 2013  
Houston, Texas

**Institute for Natural Resources Law Teachers**

May 29-31, 2013  
Flagstaff, Arizona

**4th Law of Shale Plays Conference**

June 6-7  
Fort Worth, Texas

**4th IEL-SEERIL International Oil & Gas Law Conference**

July 1-2, 2013  
London, United Kingdom

**International Oil & Gas Law, Contracts, and Negotiations - Upstream**

September 23-27, 2013  
Houston, Texas

**International Oil & Gas Law, Contracts, and Negotiations - Midstream**

September 30 - October 4, 2013  
Houston, Texas

**Oil & Gas Law Short Course**

October 21-25, 2013  
Westminster, Colorado

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# The Energy Law Advisor

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## **Brazilian Court Determined the Suspension of Chevron and Transocean**

Submitted by: Paula Galhardo

*Companies are accused of spills of crude oil off coast of Rio de Janeiro, Brazil. Both companies have 30 days to suspend their petroleum drilling and transportation operations in Brazil.*

On July 31, 2012 the Regional Federal Court (TRF) 2nd Region, in a decision rendered by a majority of votes, granted an injunction and set a deadline of 30 days for Chevron Brazil Upstream Frade Ltda. and the driller Transocean Brazil Ltda. to suspend petroleum drilling and transportation operations in Brazil. The injunction was requested by a class action filed by the Brazilian Federal Public Attorney's Office (FPAO).

Chevron and Transocean are both accused of causing crude oil spills in the Frade Field, Campos Basin, located off the northern coast of Rio de Janeiro, in November 2011 and March 2012. According to the complaint of the FPAO, the environmental damages occurred due to poor drilling operations. The FPAO stated that the incapacity of the companies to identify the source of the leaks and stop them, demonstrates that the companies are unable at the present time to operate the wells in an environmentally safe manner.

The TRF approved the immediate cessation of all drilling and transportation of petroleum activities for the two companies. The noncompliance with the Court decision will generate a daily fine of R\$ 500 million (approximately US\$245 million) for each company. The first instance denied the injunction, and because of that, the FPAO appealed to the 2nd Region of the TRF, where it was granted.

According to the Court, the suspension of the activities of Chevron and Transocean will remain until the completion of the administrative proceedings brought by FPAO, the National Agency of Petroleum, Natural Gas and Biofuels (ANP) and the Brazilian Institute of Environment and Natural Resources (IBAMA).

During the voting process of the injunction, the reporting judge stated that the agencies (ANP and IBAMA) need to rethink strategies for risk assessment and prevention of environmental accidents in the fields of oil exploration offshore, requiring companies to establish measures to avoid or minimize environmental degradation.

The order does not have an immediate impact on Chevron's project in Brazil, as it only operates offshore. However, Chevron said that it will appeal the court's decision. Nonetheless, the injunction ruins the company's plans to resume its activities in the Frade Field, where its production was 60,000 barrels per day when the first accident occurred. Chevron has operated in the Frade Field since 1997 as a producer of oil and gas. It also participates as a partner in other fields, but without performing the oil extraction. Until the first accident, in 2011, Chevron was responsible for 3.6% of oil production and 1% of natural gas production in Brazil.

Transocean, on the other hand, has not informed specifically if it will appeal the decision, however, the Switzerland based company stated that it will use every legal measure to continue its activities in Brazil. Transocean currently operates ten (10) drilling rigs in the country, including seven for Petrobras.

In addition to the July 31, 2012 decision, in the beginning of the year Brazilian authorities banned Chevron from any new drilling or water-injection activities at working wells in Brazil.

Later on, federal prosecutors filed criminal charges against 17 Chevron and Transocean executives with a maximum penalty of 31 years in prison for environmental crimes, misleading ANP and not providing accurate information after the accident.

In April, as a result of the environmental damages caused by the two oil spills, a Brazilian prosecutor filed a \$11 billion law suit against Chevron and Transocean.

Currently the Brazilian Court must decide if the cases will go trial and if Chevron and Transocean must face the slow and complex Brazilian legal system.

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## **Strong Job Forecast for Oilfield Services Lawyers**

Submitted by: Linda Katz, Pye Legal Group

The oil field services sector is one of the hottest segments of the U.S. legal market today and many companies are expanding their in-house capacity by adding positions at the counsel, senior counsel and associate general counsel level. In addition, positions for compliance professionals and contract managers for which a J.D. credential is often preferred, are some of the fastest growing in the sector. Job growth is being driven by domestic exploration and production, international offshore drilling and the enhanced regulatory environment courtesy of the Foreign Corrupt Practices Act (FCPA) and UK Anti-Bribery Act.

As recently reported by the Associated Press, the Marcellus Shale will soon be the most productive natural gas field in the U.S. Combined with other active shale plays in South Texas and the Western states, there is a strong demand for transactional lawyers to negotiate agreements for purchase and sale, confidentiality, master services, and licenses as well as to provide legal support for intellectual property, corporate matters and FCPA compliance.

Offshore drilling and construction of LNG terminals in West Africa and Australia have created a demand for international lawyers. Experience with sales and purchase agreements, joint ventures, working with sovereign entities, and FCPA and UK Anti-Bribery Act compliance are essential skills for these positions. Some also require advanced experience with engineering, procurement and construction (EPC) agreements.

If there is a prevailing trend in the experience required for oil field services lawyers, it is knowledge of the FCPA and the recently enacted UK Anti-Bribery Act. These regulations have spawned a growth of positions for compliance professionals at all levels from Chief Compliance Officer (CCO) to Director, Manager and Coordinator. A law degree is typically required for Director and CCO levels. The compliance team interacts with management and employees throughout the company to manage compliance and ethics matters, including planning, policy development and implementation, conducting investigations, developing and delivering training and performing due diligence on third-parties.

Another position tangential to the practice of law for which a law degree is often preferred is Contracts Manager. Typical responsibilities include negotiating complex agreements, ensuring legal terms and conditions and all other elements of the company's policies for contracting are met, coordinating approvals and preparing amendments and assignments.

Salaries for in-house energy lawyers fall into broad ranges based on many factors including skills required for a particular job, industry sector and company size. The relative scarcity of lawyers with on-point experience coupled with high demand in areas such as EPC and compliance have resulted in a much more competitive market in oil field services. In addition to base salary, compensation packages typically include target bonuses based on individual, business unit and company performance, equity grants for lawyers in publicly traded companies. Unlike the past few years, in 2012 companies are including sign-on bonuses and other benefits to attract top talent away from competitors.

Based on the volume of current job orders, the forecast in the oilfield services for lawyers through the end of 2012 sector is strong.

*Linda Katz is a recruiter with Pye Legal Group, a full-service legal search firm that combines the capabilities of a national firm with the personal attention of a boutique. Pye specializes in searches for energy companies, and routinely handles searches in all practice areas for permanent and contract lawyers, paralegals, and other legal professionals, including compliance managers and contracts managers.*

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