We have represented producers, trade associations, pipeline operators, storage and distribution systems, purchasers, drilling contractors, service companies, public utilities, and commercial lenders in a wide range of matters including lease right disputes, environmental compliance, explosions, zoning and local regulations, pipeline and storage area development and operation, contracts and service agreements, energy lending transactions, down-hole issues, mergers and acquisitions, and financing. Lawyers with experience in an array of practice areas including litigation; construction and engineering; energy and utilities; environmental regulation; water rights and water management; finance, land use, planning and zoning; mergers and acquisitions; public policy; tax; real estate; and intellectual property constitute K&L Gates’ oil and gas team.

Our team includes lawyers licensed to practice in the active areas of the Appalachian region, including Pennsylvania, West Virginia, Ohio, and New York. Several of our partners have extensive prior experience in serving with governmental agencies, including the Pennsylvania Department of Environmental Protection (“PaDEP”), the Delaware River Basin Commission (“DRBC”), Susquehanna River Basin Commission (“SRBC”), Ohio River Valley Sanitation Commission (“ORSANCO”), and the U.S. Environmental Protection Agency (“EPA”). These lawyers also have long-standing relationships with many public officials, including Governors, Senators, and Congressmen, and include former members of the Pennsylvania cabinet in legislative affairs.

Several of our partners have extensive prior experience in serving with governmental agencies.

The Marcellus Shale, currently the hottest natural gas play in North America, could contain as much as nearly 490 trillion cubic feet of recoverable natural gas. The opportunities associated with developing a shale play of that magnitude are abundant. Along with these opportunities are numerous concerns such as the technical challenges of drilling, environmental regulation, legal issues such as surface and land use rights, the legislative landscape, and financing alternatives. Our oil and gas team is experienced in all areas of law associated with the development of the Marcellus Shale including:

- Mineral rights/leases
- Water resource challenges
- Regulatory/tax issues
- Public policy
- Leases and permitting
- Surface use agreements
- Mediation and arbitration
- Litigation

1 “An Emerging Giant: Prospects and Economic Impacts of Developing the Marcellus Shale Natural Gas Play.” Timothy Considine, Robert Watson, Rebecca Entler, and Jeffrey Sparks, Pennsylvania State University, July 24, 2009.
We have represented industry interests in a series of key court cases, dealing with such important issues as:

a. state-required minimum royalties affected by postproduction charges,
b. claims of fraudulent inducement to vitiate Marcellus Shale leases,
c. lease contests with respect to implied covenants to develop Marcellus Shale zones,
d. the scope of preemption as to municipal regulation of oil and gas development, and

e. state and federal regulation of natural gas development on public lands where the governmental units do not own or control the mineral rights.

The questions confronted in these cases will set the framework for many future development efforts.

As anticipated, water resource concerns are also a crucial issue in the Northeast. Our firm has counseled a series of producers through regulatory, permitting, and enforcement proceedings involving the SRBC, PaDEP, and New York State Department of Environmental Conservation (“NYSDEC”). New regulatory approaches are rapidly evolving, as agencies such as SRBC, PaDEP and NYSDEC have announced new policy, guidance, administrative, or permitting approaches to shale well drilling and development activities. We have actively assisted in convening industry coalitions (Independent Oil and Gas Association of Pennsylvania (IOGA), and The Pennsylvania Oil & Gas Association (POGAM)) in responding to these regulatory developments.

The Barnett Shale is a natural gas field similar to the Marcellus Shale and stretches over approximately 17 North Texas counties. There has been substantial drilling activity in this field over the last 5 years. It is considered the second largest producing on-shore domestic natural gas field in the U.S. with recoverable reserves estimated at a minimum of 35 trillion cubic feet of gas. Lawyers in our Texas offices have been working alongside many of the largest producers in the Barnett Shale for years. This experience has proven advantageous to our clients investing in and developing the Marcellus Shale.

Our oil and gas team is experienced in all areas of law associated with the development of the Marcellus Shale.
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K&L Gates includes lawyers practicing out of 35 offices located in North America, Europe, Asia and the Middle East, and represents numerous GLOBAL 500, FORTUNE 100, and FTSE 100 corporations, in addition to growth and middle market companies, entrepreneurs, capital market participants and public sector entities. For more information, visit www.klgates.com.

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