

K&L Gates Oil and Gas Practice

Upstream and Midstream A&D and Operations

K&L Gates has for decades represented clients in the oil and gas industry. Our lawyers have experience in matters covering the full spectrum of operational and corporate issues related to the exploration, production, transportation, storage and processing of oil, gas, and other petroleum products and related power generation. We have represented asset and entity buyers and sellers, producers, trade associations, pipeline operators, storage and distribution systems, product purchasers, drilling contractors, service companies, public utilities, and commercial lenders in oil and gas related matters.

While K&L Gates attorneys have an impressive track record of closing large transactions in the oil and gas industry, our experience begins at the operational level. Our lawyers have gained an in-depth understanding of the oil and gas business from assisting clients in negotiations covering everything from leasing and drilling to marketing, processing, transportation and storage. It is this base of detailed operational knowledge and experience that separates K&L Gates from other national and global firms.

Our understanding of the operations and business of oil and gas makes K&L Gates uniquely effective when it comes to handling A&D, corporate and financing transactions for clients in the oil and gas industry. K&L Gates oil and gas attorneys have handled billions

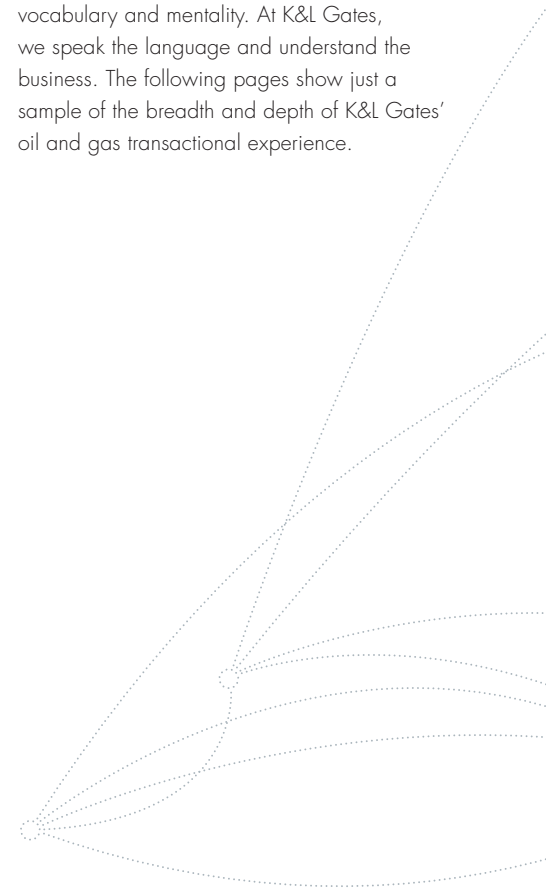
of dollars in A&D transactions, ranging from the straightforward to the innovative and complex. These seven-, eight- and nine-figure deals have dealt with assets and operations in every significant petroleum producing region in the United States and Canada, including: Alabama, Arkansas, California, Colorado, Kansas, Louisiana, Michigan, Mississippi, New Mexico, North Dakota, Oklahoma, Pennsylvania, Texas, Utah, Wyoming, the Gulf of Mexico, and Alberta.

We have also represented both lenders and borrowers in reserve-based financing arrangements, both syndicated loans and one-bank financings. We have been primary lender's counsel in a deal that grew over ten years from a few million dollars to hundreds

of millions. Such representation required our attorneys to develop efficient and accurate methods to verify title on hundreds of new wells drilled over the course of the relationship. Such long-term relationships are possible only if lender's counsel can develop a working relationship with the borrower that the latter perceives as a positive to its growing exploration and production business.

The oil and gas industry has a unique vocabulary and mentality. At K&L Gates, we speak the language and understand the business. The following pages show just a sample of the breadth and depth of K&L Gates' oil and gas transactional experience.

K&L Gates has for decades represented clients in the oil and gas industry.



Mergers, Acquisitions, and Corporate Transactions

- Represented a Dallas-based independent energy company in the acquisition of \$590 million of offshore Louisiana petroleum production and exploration properties in state and federal waters.
- Represented a Dallas-based private equity firm in the sale of the general partner of a publicly traded master limited partnership that provides midstream natural gas services in a \$600-million transaction.
- Represented a large international industrial company in the analysis, structuring, and \$515 million disposition of a petroleum subsidiary.
- Represented a Toronto Stock Exchange-listed, Canadian independent oil and gas E&P company in connection with its acquisition of a U.S.-based owner of non-operated oil and gas assets in Texas, Oklahoma, Kansas, and Colorado.
- Represented a private E&P company in the divestiture of the company through a stock sale for in excess of \$100 million.
- Advised a mid-continent-based oil field services company in connection with the \$330-million sale of 93% of its equity interests to a Toronto Stock Exchange-listed Canadian oil field services company.
- Represented a Texas-based independent oil and gas E&P company in the \$100-million acquisition of producing gas units in the East Texas field and related financing.
- Represented a private equity fund seller of midstream gas gathering and transmission company in a \$355-million transaction.
- Assisted a Houston-based independent energy company in the acquisition of a publicly held company through a cash-out merger, and the subsequent roll-up of that corporation and operating subsidiaries into a second tier petroleum subsidiary.
- Represented Texas-based independent oil and gas companies in the acquisition by farmout and lease and subsequent sale of proved producing and undeveloped properties.
- Advised a Fort Worth-based independent oil and gas E&P company in connection with evaluation of and bidding for oil fields in Ecuador.
- Represented a Texas-based independent energy company in the acquisition of Colorado and Wyoming natural gas production and midstream assets for \$86 million.
- Represented a Calgary-based independent energy company in the acquisition of \$81 million of Alberta petroleum production and exploration assets.
- Represented a Calgary-based independent energy company in the acquisition of an Alberta partnership with petroleum production and exploration assets in a multi-step, tax-advantaged transaction for \$182 million.
- Represented a Texas-based independent energy company in the divestiture of Mississippi and Alabama petroleum producing assets for \$250 million.
- Represented a Dallas-based independent energy company in the divestiture of California petroleum producing assets for \$30 million.
- Represented a Texas-based independent energy company in the divestiture of \$35 million of petroleum producing assets in Utah and Wyoming.
- Represented a Dallas-based independent energy company in the acquisition of Oklahoma petroleum producing assets for \$108 million.
- Assisted in the formation of partnerships to serve as platforms for private equity funded acquisitions of gas producing properties and pipelines.
- Represented a start-up company in multiple acquisitions of underutilized gas pipelines from large midstream companies.



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Operational Matters

- Represented a Dallas-based independent E&P company in connection with syndication and operation of a multi-well drilling program in Oklahoma.
- Represented a major natural gas company with respect to issues associated with the leasing of natural gas storage areas.
- Represented an interstate pipeline corporation in relation to natural gas storage leases.
- Represented client in connection with multiple acquisitions of large mineral lease tracts, fee mineral interests and overriding royalty interests in the Fayetteville Shale play in Northwestern Arkansas.
- Represented a Texas-based independent in the leasing of properties in the Permian Basin and the drafting and negotiation of subsequent participation agreements with industry partners for the development of such properties.
- Represented a natural gas processor in Michigan in the upgrading of its facilities, including negotiating the related construction contracts and long-term sales and processing agreements with Michigan's largest utility and hundreds of natural gas producers.
- Represented a farmer in a multi-well farmout/participation agreement for development of several state water Louisiana leases.
- Represented a platform owner/producer in \$54-million removal of an offshore producing platform and wells toppled by Hurricane Rita, including negotiation of related dive boat, lift boat, and well control service contracts.
- Represented a Wyoming petroleum producer in the purchase of a gathering system and several common carrier pipelines supporting its production.
- Represented producers in the negotiation of various drilling and joint development contracts both onshore and offshore.
- Represented producers in connection with swaps, collars, and other physical and financial hedging arrangements for petroleum production.
- Represented producers in the negotiation of various petroleum product marketing agreements.
- Represented producers and processors in various percent-of-proceeds and volume fee-based processing contracts.
- Represented numerous mineral owners and residential developers in connection with leasing oil, gas, and other minerals.
- Represented the owner in connection with the construction and sale of the first gas-fired electric generation facility built in California in more than 20 years.
- Represented numerous companies in dealing with landowners or royalty holders in resolving various non-litigated disputes over royalty payment issues, land use matters, and leasing transactions.

Equity and Debt Financing

- Represented a New York-based investment fund in connection with its \$37-million investment in senior subordinated debt of a NASDAQ listed independent oil and gas E&P company.
- Represented an established management team in obtaining funding from a private equity firm to establish a platform company for the acquisition of gas pipelines.
- Represented a Dallas-based independent oil and gas E&P company in connection with a \$23-million private placement of its securities.
- Advised a management team in connection with the formation of a new oil field services company and a \$60-million private equity investment in the new company from an investment advisory firm.
- Advised a New York-based hedge fund in connection with its investment of \$38 million in senior subordinated secured notes of a publicly held oil and gas company.
- Represented a municipality as project counsel and financing counsel for the city's acquisition of a one-third interest in the Beluga River natural gas field, representing an approximately 20-year supply of gas for power generation. This project was the first time that a municipal entity purchased a significant production interest in a large natural gas field.
- Represented senior secured lenders in an out-of-court reorganization of a multi-company financing in which one of the key elements was the interpretation/revision of a gathering agreement among affiliated parties for gas in southeastern Kansas.
- Counsel for the lender in a financing transaction for the acquisition of gathering systems.
- Counsel for the lenders in a project finance transaction for the construction and operation of a 4 BCF equivalent of liquefied natural gas storage facility.
- Represented numerous financial institutions in connection with reserve-based loans secured by oil and gas production in multiple jurisdictions.
- Represented a Detroit-based multi-national automaker in the financing of a cogeneration facility in New York.
- Assisted a Houston-based independent energy company in the acquisition of a publicly held company which it rolled into its petroleum subsidiary, including the consolidation of the existing bank financing for this subsidiary into a \$100-million secured bank facility and a \$30-million bridge loan for the financing of the cash-out merger.
- Acted as lead counsel in a \$125-million financing of four 38,000 dwt double-hull product tankers for use in the United States coastwise trade.

K&L Gates oil and gas attorneys also work seamlessly with the firm's professionals in environmental and regulatory compliance, securities matters, land use, litigation, utilities and power generation, and other issues encountered by oil and gas clients.

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To learn more about our global law firm and our Oil and Gas practice, visit www.klgates.com or contact:

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