

TEXAS LAWYER

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DEALMAKER of the WEEK

JAPAN in the Shale Hunt

Baker Botts partner Mike Bengtson of Austin had a big year in the shale sector in 2011. A deal the corporate and mergers-and-acquisitions lawyer negotiated for Hunt Oil Co. with Marubeni Corp. that closed on Dec. 28, 2011, was no exception.



Mike Bengtson

On Jan. 6, Marubeni, a Japanese company, announced that Marubeni Eagle Ford Limited Partnership, a U.S. subsidiary, entered into an agreement with Dallas-based Hunt Oil to acquire 35 percent of Hunt's working interest in an Eagle Ford shale oil and gas play covering about 52,000 acres of oil and gas leases in Texas. The agreement calls for several hundred wells to be drilled over the next five to 10 years, with a total development cost of \$1.3 billion, including Marubeni's acquisition costs, the company wrote in a statement.

Also as part of the deal, Hunt Oil and Marubeni agreed to jointly make more acquisitions in the Eagle Ford shale oil and gas area.

Bengtson says Hunt Oil sold about a third of its Eagle Ford acreage to Marubeni and the two companies agreed to "jointly develop their interests now and to jointly acquire additional interests in the future."

The Marubeni deal isn't the first Bengtson has done for Hunt Oil. He says the company has been a client since 2004.

Mark Gunnin, senior vice president and general

counsel for Hunt Oil, says Bengtson is "very business-minded and service-oriented [and] very practical."

Gunnin notes that the deal was "fairly complex," but moved along very quickly. He says the lawyers started working on the term sheet in October, and they had signed documents before the end of the year.

Gunnin says two other in-house lawyers at Hunt Oil worked on the deal: Michael Monroe, vice president and assistant general counsel; and Curtis Riddle, senior counsel.

In addition to Bengtson, the Baker Botts team includes oil and gas partner Denmon Sigler and associates Katie Baehl and Ryan McKnight, all of Houston; tax partner Stephen Marcus of Dallas and senior associate James Chenoweth of Houston; and environmental partner Aileen Hooks of Austin.

Lawyers from Pillsbury Winthrop Shaw Pittman, including Houston partner John Mauel and senior associate Jay Stiffler, represented Marubeni in the deal.

Mauel says Marubeni is a longstanding client of Pillsbury, and the firm represented the Japanese company in a previous investment in the Niobrara Shale Oil project in Colorado, Kansas, Nebraska and Wyoming.

Marubeni writes in the press release that it now has a total of 72,000 shale acres and is the largest shale acreage holder among Japanese businesses.

Yuichi Kono, senior counsel at Marubeni, worked on the deal on the in-house side.

— BRENDA SAPINO JEFFREYS