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Bracewell LLP is a leading law and government relations firm serving the oil and gas, power, financial services, technology and public finance industries throughout the world.

Our industry focus enables us to maintain cutting-edge experience and in-depth knowledge of the commercial, legal and regulatory challenges faced by our clients so that we can provide the most effective legal solutions to facilitate transactions and resolve disputes.

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## AUSTIN T. LEE, ASSOCIATE—BUSINESS AND REGULATORY SERVICES GROUP

Austin Lee is an associate in the Business and Regulatory Services Group based out of Bracewell's Houston office. He practices in a broad range of matters related to the oil and gas industry, including acquisition and divestiture of properties, operations, and financing. Austin earned his J.D. in 2009 from The University of Texas School of Law, where he was the Chief Financial Officer of the *Texas Journal of Oil, Gas and Energy Law*, and graduated from The University of Texas at Austin in 2004 with both an M.P.A. and a B.A.

### Please provide an overview of what, substantively, your practice area entails.

My practice focuses on transactional oil and gas matters and involves representing clients in the acquisition and divestiture of oil and gas properties, salt water disposal properties, storage facilities, platforms, and other facilities. I also assist clients with all aspects of oil and gas operations, from production through sales, including the negotiation and analysis of joint operating agreements; unit and unit operating agreements; joint development agreements, lease and wellbore trades, farmouts and other joint venture arrangements; leases; seismic data licenses and data trades, gathering and transportation arrangements; processing, production handling, and similar marketing agreements. In the finance area, I represent a variety of lenders and borrowers with respect to financing issues involving oil and gas properties, with a particular focus on assessing title to the properties being offered as collateral under the particular financing arrangement and the various contractual mechanisms used to protect that collateral.

### What types of clients do you represent?

My clients include primarily upstream and midstream oil and gas companies of all sizes including "majors," "independents," and private equity backed portfolio companies. Additionally I represent private equity funds, hedge funds, and other financial sponsors of upstream oil and gas companies with respect to matters concerning the companies they own interests in. Some of the clients I have represented and/or continue to represent include SWEPI LP (a unit of Royal Dutch Shell plc), Newfield Exploration Company, Kinder Morgan, Baker Hughes, and Covey Park Energy.

### What types of deals and/or cases do you work on?

Most of the projects I work on include either asset or entity level transactions whereby my client is either purchasing or selling oil and gas properties or entering into an arrangement with a partner to jointly own and develop oil and gas properties. These sometimes take the form of a sale of properties directly for cash or are structured as a sale of properties in exchange for services (commonly called "drill to earn" structures such as a farmout agreement or a joint venture). I also represent clients on oil and gas leases and due diligence efforts. Some examples include: (i) Representation of SWEPI LP in the \$1.9 billion acquisition of approximately 618,000 net acres in the Permian Basin (2012) and (ii) Administering a program of lease trades, wellbore trades and lease and wellbore divestments with respect to wells proposed to a client under force-pooling statutes in Oklahoma and North Dakota (2014–Ongoing).

### How did you decide to practice in your area?

Prior to attending law school I worked as a "landman" in the East Texas Oilfields where I got to see first-hand the role that oil and gas attorneys play in establishing relationships, assessing risk, and drafting documents that allow multiple parties to buy and sell properties or agree on parameters to develop a prospect. The combination of trading, negotiation, and jumping into a transaction to understand the logistical aspects of what will be needed to develop a set of assets is what makes this area so interesting, and my experience as a landman was a great chance to get exposure to these aspects of the upstream practice. Once in law school I was able to confirm the desire to practice in this area through various oil and gas law classes as well as working at Bracewell through the summer clerkship program.

### **What is a typical day or week like in your practice area?**

In my practice there really is no set schedule or typical week. If there is a “typical” characteristic of the workflow in my practice, it involves sending or receiving drafts of the documents to or from the other side and synthesizing the comments made by opposing counsel. We then organize and summarize the impact of those comments and discuss them with our client in order to determine how to mark up the document to reflect our client’s position with respect to the points in question. Additionally, in many cases we will attend in-person meetings for negotiations regarding the deals we are working on or visit a client’s or counterparty’s office to perform on-site due diligence.

### **What is the best thing about your practice area?**

The subject matter and the clients that we serve are second to none. I really enjoy working through the intricacies and unique legal issues that oil and gas law presents. Additionally, our industry has created some unique transactional structures and I enjoy understanding how those structures work to deliver the economic returns that our clients anticipate. Also, the people who I get to work with in this area (both on the client side and at Bracewell) are a big reason I enjoy practicing oil and gas law at Bracewell. The firm has a great list of clients that are both sophisticated and entrepreneurial. This allows me the chance to work on a variety of transactions and work with clients that are willing to let me and the team I am on create new transactional structures to facilitate the types of deals that they want to do.

### **What is the most challenging aspect of your practice area?**

The most challenging aspect of my practice is creating and documenting deal structures that must account for the impact of constantly changing technology (e.g., horizontal drilling) and complex financing and investment structures that have evolved within the oil and gas industry. Since much of existing oil and gas law was developed during a time of vertical wells and older technology, we advise our clients in the context of a dated legal framework. Additionally, there are constantly new forms of investment vehicles that participate in these transactions. Crafting documents and structuring transactions to assess and allocate the risks presented by these issues provides the most challenging, but also the most enjoyable, aspect of working in this practice area.

### **What training, classes, experience, or skills development would you recommend to someone hoping to enter your practice area?**

While classes and CLE programs on oil and gas law, contracts, corporate structures, and taxation, are always helpful,

practicing as a transactional oil and gas attorney will require combining a command of these legal principals with an understanding of the business you are serving. I always recommend that oil and gas practitioners try to attend courses put on by the industry (such as through trade groups, investment banks, engineering firms, etc.) and that they try to learn as much about what actually happens in one of these projects as possible. It is important to understand the logistics involved in the development and operation of the projects that you draft documents for. This allows for a better understanding of the logistics of oil and gas development projects—through either reading or educational courses—and will make you a more complete practitioner.

### **What misconceptions exist about your practice area? What do you wish you had known before joining your practice area?**

I think that the main misconception that exists about my practice area, and transactional practice in general, is that it is an entirely collaborative effort with the other side. A lot of people who are new to transactional work don’t appreciate the dynamic that transactional lawyers trade in risk allocation and what that requires in the way of fighting to make sure that your client’s interests are covered in the documents you draft. While there is definitely a collaborative aspect to bringing the parties to a transaction together, the overriding concern that we have as transactional attorneys is protecting our client’s interests and making sure that the assumptions our clients have made in modeling their transaction are given effect in the deal documentation. That said, the combination of having to be both collaborative while at the same time protecting your side’s interest is what makes deal work fun and interesting.

### **What is unique about your practice area at your firm?**

The transactional oil and gas practice at Bracewell is unique in that it is a core line of business for the firm. Where many of the firms within BigLaw have oil and gas as an ancillary practice, Bracewell’s focus on energy has meant that my practice gets to be in the center of many of the firm’s business decisions and initiatives. Additionally, in the last seven years, the firm has continued to bring in talent at all levels of the energy value chain (e.g. midstream, downstream, international upstream, environmental, oil and gas tax, private equity expertise, etc.) and thus we have become a much more complete team to service any needs that energy clients have. This has allowed the firm to get better clients and has provided us the opportunity to work on some of the most cutting edge projects seen in our industry.

**What activities do you enjoy when you are not in the office, and how do you make time for them?**

Outside of the office I enjoy spending time with my family, football, hunting, fishing, and fitness. I have found that the best way to make time for the things that I like to do outside of work is to be as organized as possible and not be afraid to take my work with me when I leave the office. Thinking ahead about what your clients and colleagues will need

and when they will need it can allow you more flexibility to enjoy time out of the office while still effectively and timely addressing work responsibilities. Additionally, while it is not always possible to work from outside the office, we have a great technology platform that allows me to stay in touch from almost anywhere and I utilize that technology frequently when I need to attend a family event in the evenings or go out of town.

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