

Case Law Update

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Recognition

Thanks to Professor Owen Anderson at
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Mr. Daniel Tavera (OU)

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Accommodation Doctrine

Harrison v. Rosetta Res. Operating

(Tex. App.—El Paso Aug. 8, 2018, no pet.)

Key Holdings: Accommodation doctrine does not require lessees to buy water from surface owners, nor is it negligent for a lessee to reasonably use the surface as contractually allowed.



Arbitration

Ridge Nat. Res. v. Double Eagle Royalty

(Tex. App.—El Paso Aug. 24, 2018, no pet.)

Key Holdings: Arbitration clause required arbitration of contract validity issues. Procedural unconscionability arguments could not be examined by trial court. Substantive unconscionability arguments targeting the arbitration clause could be entertained by the trial court and not the arbitrator.



Contract

URI, Inc. v. Kleberg County
543 S.W.3d 755 (Tex. 2018)

Key Holdings: Context and surrounding facts & circumstances cannot be used to “make the language say what it unambiguously does not say” or “to show that the parties probably meant, or could have meant, something other than what their agreement stated.” Extrinsic evidence may only be used to aid the understanding of an unambiguous contract’s language, not change it or “create ambiguity.”



Corporate

U.S. KingKing v. Precision Energy Services
555 S.W.3d 200 (Tex. App.—Houston [1st Dist.] 2018, no pet.)

Key Holdings: Supplier, Weatherford, attempted to pierce corporate veil and hold Operator, KingKing, parent company liable for operator’s obligations under alter-ego theory. Appellate court concluded that Weatherford did not establish that KingKing and its parent acted with “dishonesty of purpose or intent to deceive.”



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