

49TH ANNUAL ERNEST E. SMITH

Oil, Gas and Mineral Law Institute

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Houston, TX

Available via Live Webcast



UT LAW CLE



OIL, GAS & ENERGY RESOURCES LAW
SECTION OF THE STATE BAR OF TEXAS

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ERNEST E. SMITH OIL, GAS AND MINERAL LAW INSTITUTE

Devon v. Sheppard:

Is Royalty Owed on Gross Proceeds or
Gross Proceeds Plus?



UT LAW CLE



OIL, GAS & ENERGY RESOURCES LAW
SECTION OF THE STATE BAR OF TEXAS



Charles (Skip) Watson
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CAUSE NO. 12-12-22,501

MICHAEL A. SHEPPARD, CONSTANCE S. KIRK, JENNIFER S. BADGER, FRANK B. SHEPPARD, JAMES K. CRAIN, CHRISTOPHER M. CRAIN, JAMES K. CRAIN, III, PATRICK G. CRAIN AND SHIRLEY R. CRAIN,

Plaintiffs

v.

GEOSOUTHERN DEWITT PROPERTIES, LLC, PETROHAWK PROPERTIES LP, GEOSOUTHERN ENERGY CORPORATION, AND PETROHAWK ENERGY CORPORATION,

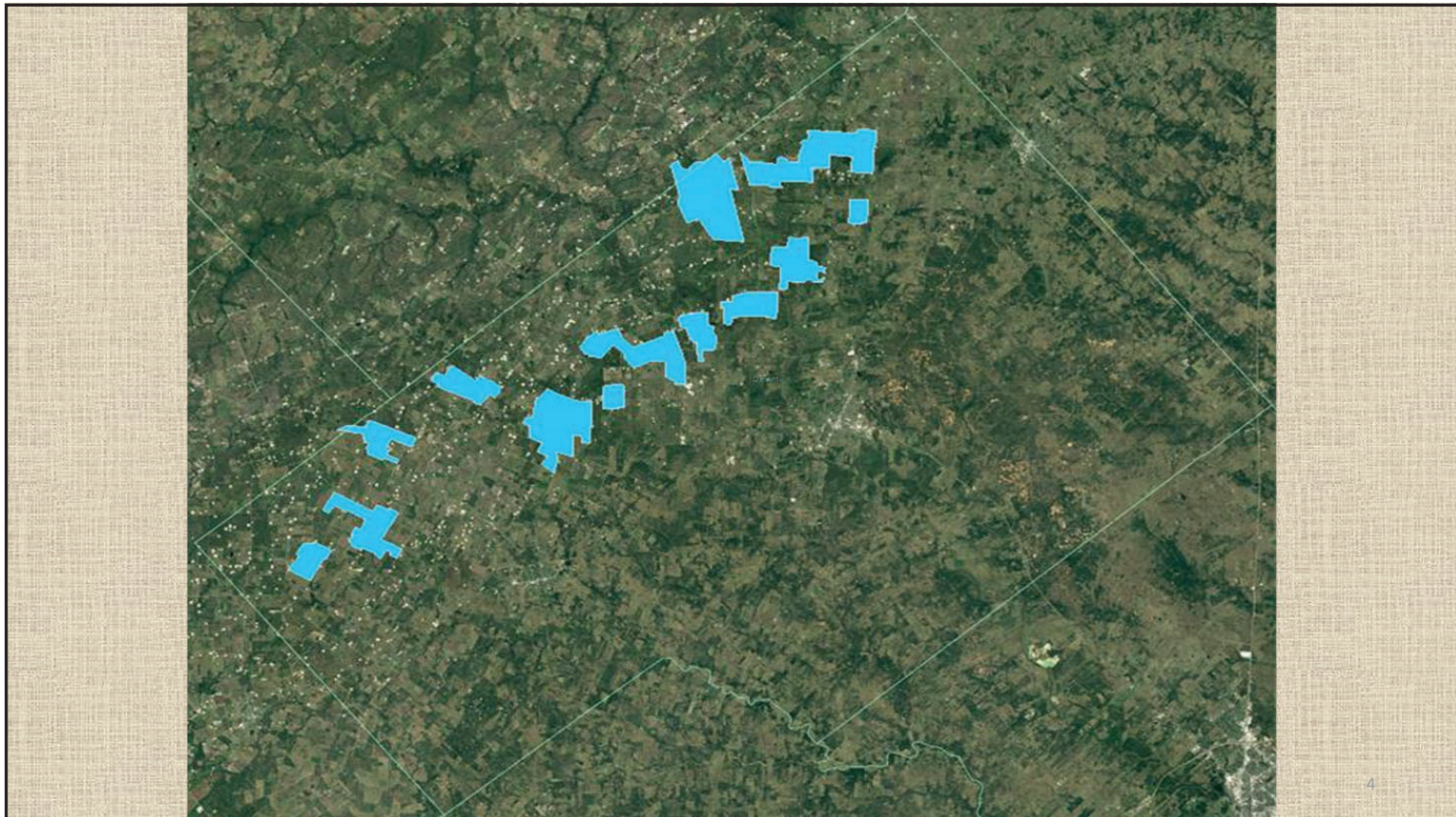
Defendants

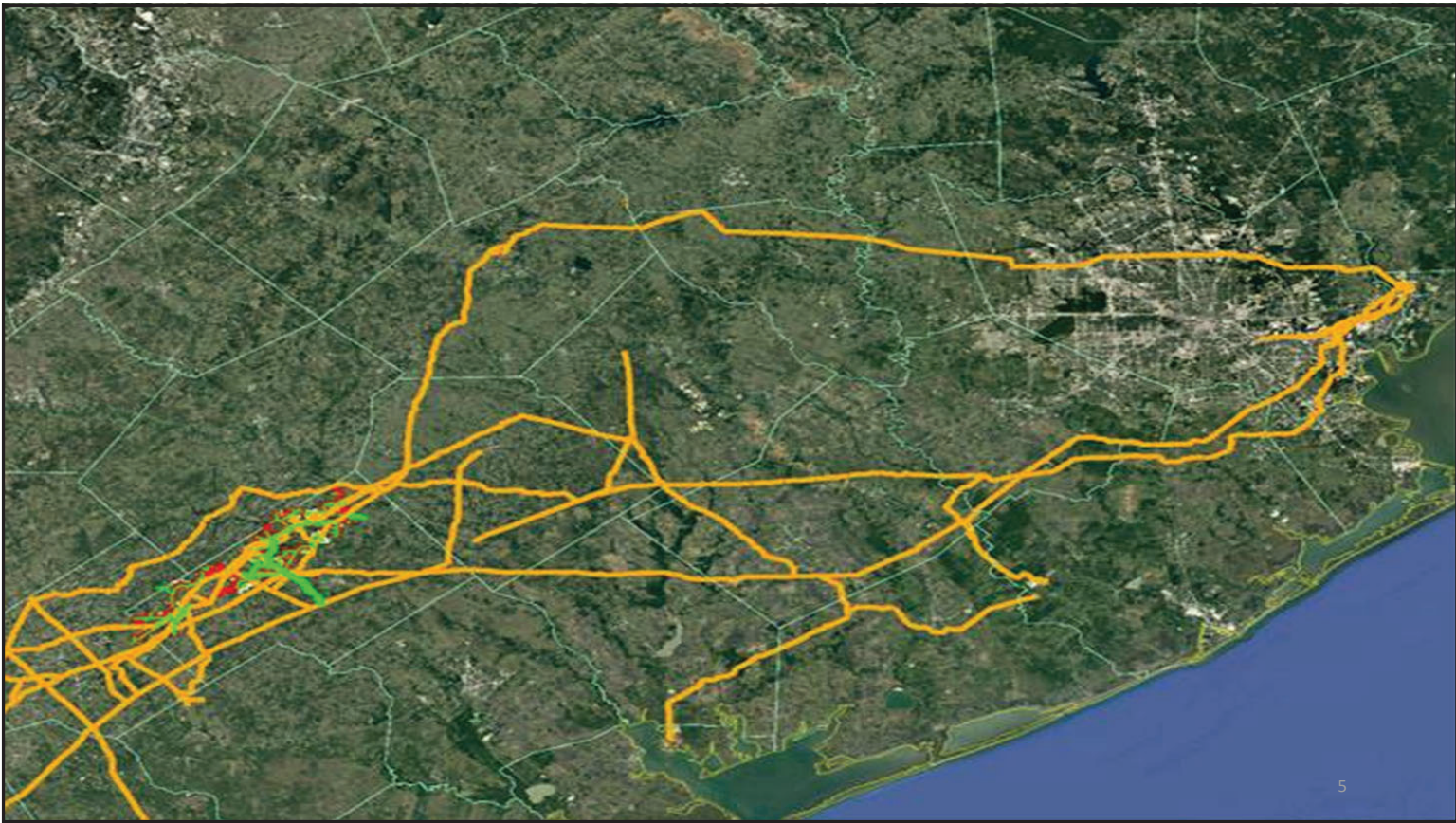
IN THE DISTRICT COURT

OF DEWITT COUNTY, TEXAS

24th JUDICIAL DISTRICT

PLAINTIFFS' ORIGINAL PETITION





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Case Background

1. Dispute Centers Around Unique Language in O&G Lease
2. Add To Gross Proceeds Language - If Ds' dispositions, contracts, or sales include reduction or charge → add reduction/charge to GP before calculating Ps' Royalty

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"*Devon v. Sheppard*: Is Royalty Owed on Gross Proceeds or Gross Proceeds Plus?"