



2016 Practice Group of the Year

Energy

Kirkland & Ellis LLP's relatively new energy practice offered a strong example of the firm's all-weather capabilities in 2016, scooping up a formidable market share of energy restructuring work and pivoting nimbly into blockbuster private equity deals, moves that earned it a place among *Law360's* Practice Groups of the Year.

The Houston-based practice that was launched with five attorneys in mid-2014 headed into 2017 with about 100 attorneys in Houston and about 400 firmwide that work with the energy practice on a daily basis. The growth has been propelled by a hungry group of attorneys putting together monstrous deals for affiliates of The Blackstone Group, Alta Resources Development LLC, Warburg Pincus, SandRidge Energy, Talen Energy, Energy Future Holdings Corp. and others.

"We've had this stratospheric growth, and it's been extremely gratifying," energy partner Will Bos said.

Bos said the strategy for the new energy practice at Kirkland was to recruit partners with a proven track record, but still young enough in their careers to get excited about creating something new.

He said the first day he showed up at the new office, someone

was standing on his desk stringing telephone and network cables. The floor lacked carpet, and crews continued to build the office around the attorneys as they made their first deals.

"We all felt like we had a strong, talented group," Bos said. "And everyone was at a point in their careers where they had a lot of experience, but were still very motivated and excited about working hard and building the practice."

There was a sense of uncertainty back then about whether the nascent practice would be a success, he said, a feeling echoed by partner Andrew Calder.

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"You never really know if clients are going to hire you until you test the proposition," Calder said.

The only way they could be successful, Calder said, was to focus on perfection.

"We had to make sure that when we got an opportunity for a new client that we made the most of it," he said. "And that we were absolutely perfect."

That feeling still guides the practice group, Calder said, adding that they never take for granted that work will keep coming. They're still relentless in the pursuit of perfection and on the hunt for the next deal as soon as one closes.

"It's an incredibly hungry office, no matter how many deals we do," he said.

Among those deals in 2016, Kirkland guided Sithe Global Power in a \$1.2 billion sale of assets to Aboitiz Power.

The firm helped affiliates of The Blackstone Group and ArcLight in buying four midwest power plants for \$2.17 billion. It advised in the formation of Jetta Permian LP, a partnership between a Jetta Operating Unit and funds managed by Blackstone Energy Partners.

Kirkland also helped Talen Energy on a merger with a Riverstone Holdings unit, a transaction that had an enterprise value of \$5.2 billion, and guided Energy Future Holdings on an agreement with NextEra Energy for a newly formed NextEra subsidiary to acquire EFH and some of its subsidiaries. That transaction had an enterprise value of \$18.4 billion.

The Kirkland team also helped a special committee of Trina Solar during a \$1.1 billion merger agreement with Fortune Solar Holdings and Red Viburnum and guided Blackstone Tactical Opportunities in a \$1 billion investment in Targa Resources stock.

Putting those healthy energy deals together, with a focus on private equity, was the sort of work the partners had in mind when they started the practice, Bos said. But the energy market downturn in the fall of 2014 put the young practice's flexibility immediately to the test.

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Drawing on Kirkland's strength as an all-weather firm, Bos said they paired the new energy practice with the firm's acclaimed restructuring practice, fashioning a formidable platform to handle the downturn.

"We quickly pivoted, took the majority of the market share in large restructurings in the oil and gas space," Bos said. "And then as we moved through 2016 into the fourth quarter, when private equity started to stir, we just pivoted back to doing those deals."

During 2016, the firm handled restructuring work for SandRidge Energy Inc., Energy Future Holdings Corp., Midstates Petroleum, Penn Virginia, Sabine Oil & Gas Corp., Southcross Holdings and others.

Kirkland also represented GSO Capital Partners, a lender in the Chapter 11 restructuring of Warren Resources; noteholders in the Alpha Natural Resources bankruptcy; bondholders in the Swift Energy restructuring; and unsecured creditors in the Arch Coal Chapter 11. The firm is showing that it's keeping

up the deals momentum in the new year, coming out of the gate in 2017 with a complex, \$2.3 billion joint venture deal that pairs up Blackstone energy funds and Sanchez Energy Corp. to buy Texas shale assets from Anadarko Petroleum Corp.

Those big deals leave no doubt about the growing practice's capabilities, but Calder said he finds his satisfaction in seeing a steady churn of deals on a day-to-day basis, which he says reflects a strong, grassroots business. With as many deals as the practice put together in 2016, it means that every partner contributed, he said.

"Personally, I just feel privileged to be part of the group," Calder said. "It's a great group and it's a very exciting place to be working right now."

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