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Kirkland Counsels Discovery II on \$1B Commitment from Stonepeak

By Claire Poole

(Jan. 7) – Kirkland & Ellis’ Dallas office rang in the new year with news of its representation on a potential \$1 billion infrastructure investment.

The law firm said Monday it counseled Dallas-based Discovery Midstream Partners II and Discovery Midstream Holdings II management on a \$1 billion initial equity commitment from Stonepeak Infrastructure Partners.



Kevin Crews

The team was led by corporate partner Kevin Crews in Dallas.

It included corporate partners Sam Peca in Houston and Alex Rose in Dallas and tax partners David Wheat, who offices in Dallas and Houston, and Lane Morgan in Dallas.

Crews previously represented Discovery Midstream I in various matters, including its sale to TPG Growth in 2017 while he was an associate at Weil, Gotshal & Manges.

“It’s a unique time to invest in the midstream sector right now,” Crews said in an interview with The Texas Lawbook. “There’s good growth in volumes, interesting valuations and structural changes in the market. All of those factors combined are creating an opportunity to put additional capital to work.”

Hunton Andrews Kurth partners Mike O’Leary, Taylor Landry, Tony Eppert and Tom Ford and associates Erin Juvenal and Emily Cabrera represented Stonepeak.

The New York infrastructure-focused private equity firm has \$15 billion under management and is led in part by senior managing director Jack Howell in Houston.

Kirkland’s Dallas office, which opened last summer with attorneys from Weil, Jones Day, Vinson & Elkins

and Winston & Strawn, is up to 35 lawyers, according to a spokeswoman.

Discovery II was founded and is led by Co-CEO’s Drew Chambers and Steven Meisel, CFO Daniel Sailors and COO Cory Jordan, who previously worked together at Discovery Midstream I and Wildcat Midstream Partners.

The four also worked independently at Regency Gas Services, Energy Transfer, TPG and Riverstone Holdings. The group claims to have successfully invested more than \$2 billion in equity into the midstream industry over their careers.

The company plans to target midstream assets within private and public ownership structures at various stages of maturity and across the hydrocarbon value chain, including natural gas, natural gas liquids and crude oil.

Kirkland’s Dallas office also announced the Jan. 4 closing of Canadian Non-Operated Resources’ \$523 million merger of its unit Pipestone Oil Corp. with Blackbird Energy Inc. and related \$231.7 million in equity and debt capital raises. The Texas Lawbook reported on the deal this past fall.

Crews also led that transaction for Canadian Non-Operated Resources, a Calgary-based oil and gas investment fund managed by Grafton Asset Management Inc. His team included corporate partner Benjamin Adelson – who was promoted to partner as of October – and tax partner Lane Morgan.

Vinson & Elkins counseled Canadian Non-Operated Resources investor Riverstone led by a partner out of the firm’s New York office (tax partner David Peck in Dallas and senior associate Allyson Seger in Austin were part of the team). Osler, Hoskin & Harcourt was Canadian counsel to Pipestone and Bennett Jones was Canadian counsel to Blackbird.

The merged entity is called Pipestone Energy Corp. and focused on oil and gas exploration and production in the Montney Shale.