



2020 PRACTICE GROUP OF THE YEAR

Energy

Kirkland & Ellis LLP facilitated major deals in the energy sector during a tumultuous year for the industry, including helping Parsley Energy Inc. with a \$2.27 billion acquisition and assisting Hilcorp Energy Co. with its \$5.6 billion purchase of BP's business in Alaska, earning the firm a spot among Law360's 2020 Energy Groups of the Year.

The firm helped Parsley take over Energy Peak in October 2019 in a \$2.27 billion deal, including debt, that brought together two complementary Delaware Basin footprints. Kirkland helped with the acquisition during a time when consolidation was becoming increasingly common in the energy industry, according to Douglas E. Bacon, a partner at the firm who handles mergers and acquisitions.

"Consolidation is necessary in the oil and gas industry and there is a general recognition that that is absolutely inevitable and needed in order to create a more investable industry," Bacon said, adding the firm has asset level expertise, expertise in financing and a strong public M&A practice, setting it up well to handle these types of deals. He pointed out that the

firm has expanded its public M&A practice and now has four equity partners who work in that area.

The firm's energy practice is active across the country, with Houston and Dallas acting as the "core markets," according to Bacon. Earlier in the year, there were nearly 300 attorneys in Kirkland's energy practice, a number that now approaches 350, according to the firm. Bacon said the increase occurred because the firm saw opportunity.

"Kirkland has always been opportunistic if people are available," he said, adding that it is always willing to talk with the best. "But fundamentally this has been driven by client demand and our business. We have more people not because we are hiring a bunch of people and hoping the work comes; we are hiring a bunch of people because we are very busy."

John D. Pitts, a partner at the firm who handles complex transactions, helped lead a team of Kirkland

" We have more people not because we are hiring a bunch of people and hoping the work comes; we are hiring a bunch of people because we are very busy."

“ This is definitely a practice that is on the same page and working for a single result, which is to be the best practice in the country and, more broadly, in the world.”

attorneys advising Hilcorp Energy in its 2019 acquisition of BP’s Alaska business for \$5.6 billion in a deal that was cemented during a precarious time for the industry. The deal closed this past summer.

“It was transformational for both parties. Hilcorp doubled its production in Alaska. And BP was able to completely exit Alaska operations at the end of the day,” Pitts said. “At the end of the day, Hilcorp ends up as the second largest producer in the state of Alaska.”

He says the firm works to change with the industry. Consolidations will likely continue at a high rate, private equity is looking for attractively valued investments, and there is “a lot of opportunity in the infrastructure space,” Pitts said.

Bacon said the firm also wants to help the conventional energy industry change.

“Kirkland, given its size, given the people that we have, and given the areas of expertise that we have across the firm focused on energy and infrastructure is perfectly positioned to accompany this industry as it is changing radically right now and help be leaders in that transformation,” he said.

In June, the firm helped Chesapeake Energy Corp. and its affiliates file for Chapter 11 bankruptcy in its plan to cut \$7 billion in debt from its balance sheet.

Kirkland also helped Brookfield Super-Core Infrastructure Partners, an affiliate of Brookfield Asset Management Inc., reach a deal in October 2019 to inject \$2 billion into Dominion Energy Inc.’s Cove Point gas liquefaction facility in Maryland. In return for its investment, Brookfield received a 25% noncontrolling interest in Cove Point.

Bacon said the deal was of a type that is becoming increasingly common involving “highly coordinated transactions between our M&A practice and our finance practice.” The firm could access financing markets that made the deal “more attractive for Brookfield” with that coordinated approach, Bacon said.

Bacon said seamless communication is a core part of the firm.

“Kirkland is the most collaborative environment I have practiced in, bar none,” Bacon said. “This is definitely a practice that is on the same page and working for a single result, which is to be the best practice in the country and, more broadly, in the world.”

REPRINTED WITH PERMISSION FROM THE DECEMBER 2, 2020 EDITION OF LAW360 © 2020 PORTFOLIO MEDIA INC. ALL RIGHTS RESERVED. FURTHER DUPLICATION WITHOUT PERMISSION IS PROHIBITED.

WWW.LAW360.COM