

Energy MVP: Latham's Michael P. Darden

By Derek Hawkins



Michael P. Darden
Latham & Watkins LLP

Law360, New York (November 30, 2012, 7:40 PM ET) -- Latham & Watkins LLP's Michael P. Darden helped Plains Exploration & Production Co. secure \$5.5 billion worth of deepwater oil and natural gas assets from BP PLC among stiff competition and on a tight deadline, earning him a spot among Law360's Energy MVPs.

An industry veteran who co-chairs Latham's oil and gas team, Darden advised on more than \$10 billion in high-stakes transactions this year involving several major energy companies, including those pushing the envelope in unconventional development.

A combination of legal and business experience in oil and gas, well-earned trust within the industry, and a wealth of knowledgeable colleagues to turn to at Latham gave Darden the leverage to complete complex deals quickly and efficiently.

Working on a compressed timeframe, Darden and a team of Latham lawyers advised Plains in its acquisition of a set of oil-producing properties from BP in the Gulf of Mexico, effectively doubling Plains' crude production. BP was selling the properties, which were producing some 60,000 barrels of oil a day, under the ambitious divestiture program it opened following the Deepwater Horizon oil spill.

"It was a competitive situation," Darden said. "It was an all-hands-on-deck drill for several weeks."

With more than 10 lawyers working on the final details of the transaction, the companies signed the deal in the early hours of the Saturday before Labor Day, Darden said.

For Darden, the Plains-BP deal exemplified the approach he's taken to leading the oil and gas team since

he took on the role in 2011. His priority, he said, has been identifying lawyers throughout the firm's 31 offices around the world with expertise and skills to tackle transactions from all fronts.

"There's always an urgency to get deals knocked out as quickly as possible — that's the nature of the business now," he said. "Even though you may be moving down the road a bit, there's still the possibility that things could go in favor of other people."

Darden also represented Japanese conglomerate Sumitomo Corp. in securing a 30 percent stake in two key Texas shale plays from Devon Energy Corp. for \$1.4 billion.

Darden said Sumitomo had turned to him last year to work on a smaller deal between the companies that fizzled out before discussions were complete. But the companies continued to look for other opportunities, eventually settling on Sumitomo buying a minority stake in Devon's Permian Basin project.

Darden and his team worked opposite a lawyer for Devon he said he'd known for years, preparing the deal document in a mere 30 days, followed by another month of due diligence before closing in August.

"That's lightening speed," Darden said. "It was intense, with long days and lots of nights, and big teams on each side."

"It's not that big of a community of people who do these deals and do them well," he added. "Therefore you tend to run into some lawyers again and again across the table. There's a level of knowing that you're both going to represent your clients' interest strongly, but that you're going to get the deal done, that gives me confidence."

The transaction, part of an ongoing plan to invest in Texas oil fields, was largest of its type in the Permian Basin and put Sumitomo near the top of Japanese acreage holders in the U.S.

In another deal that drew on a range of expertise from Latham, Darden advised Red Leaf Resources in a joint venture with Total E&P USA Inc. in a project to tap oil shale leases with a Red Leaf technology that allows for more environmentally friendly oil extraction. The \$450 million deal involved an asset sale, a securities offering and a joint venture, as well as an intellectual property licensing agreement, Darden said.

Darden also advised Helis Oil & Gas Co. LLC, one of several sellers in QEP Resources Inc.'s purchase of shale plays in the Bakken and Three Forks shales, for \$1.4 billion. Helis operated 90 percent of the North Dakota-based properties, which hold an estimated 125 million barrels of oil equivalent.

Darden, who helped found the firm's Houston office in 2010, said he owes a significant part of his success to the platform Latham has provided him to expand his work — as well as to the the oil and gas industry practice, which has nearly tripled on his watch.

"The best way to position yourself for more deals is to do a really good job on the deal you're working on," Darden said. "Our way of trying to capture that is to always develop our existing relationships with clients."

"As a lawyer, you're only as good as your reputation," he said.

--Editing by Elizabeth Bowen.