



FROM THE PRESIDENT Michele Smith, MehaffyWeber, PC, Beaumont

Fall is in the air...the leaves are changing and the temperature is dropping. Football is in full swing. A lot is going on at TADC too!



<u>ANNUAL MEETING</u>: New York was a great host for the last big meeting of the TADC year. We had a wonderful turn out, incredible speakers and many fun hours in the hospitality suite. Thank you to David Chamberlain and Keith O'Connell for planning a CLE program that was simply amazing. Fresh, innovative and timely topics. The program received some of the highest marks ever. Thanks again David and Keith!



The highlight of the meeting was the awards luncheon and the passing of the gavel to Milton Colia.



Milton is already hard at work and will be an incredible leader for the next year. Good luck Milton!

This year, so many people went above and beyond in working on behalf of TADC. A few received special acknowledgment at the awards luncheon.

The <u>President's Award</u> seeks to recognize meritorious service by a member or members of the Association whose leadership and continuing dedication during the year has resulted in raising standards and achieving goals representing the ideas and objectives of the TADC.

This year President's Award winners were:

K.B. Battaligini of Strong Pipkin, Bissell & Ledyard for his service as Legislative Vice President, his many years of service on the board and the countless number of presentations at TADC programs he has made. If TADC does something, K.B. is there to support it.



Bruce Williams of Cotton Bledsoe Tighe & Dawson was also recognized for his role in the *Nabors* case, his service on the Nominating Committee, his presentations at three seminars in the past 6 months and for his commitment to the TADC mission.



The <u>Founders Award</u> seeks to recognize an individual whose service to and for the Association has earned favorable attention for the organization and affected positive changes for the Association. The award seeks to recognize those who have gone "above and beyond" the call of duty to further the goals of the Association.

The Founders' Award winners were:

Greg Curry with Thompson Knight received the honor this year. Greg has been a board member in some capacity for the last 20 years and has served as DRI State Representative for the last five years. Before, during and after his service as President of TADC, Greg has promoted protection of the civil justice system and has supported TADC in countless ways.



Roger Hughes with Adams Graham has chaired the TADC Amicus Committee for several years and was a member of the committee before that. This committee performs some of the most important work the TADC does and Roger leads it beautifully. Roger is also a frequent TADC speaker and he served on the Nominating Committee this year.



This year TADC presented the first Young Lawyers' award. Young Lawyer Committee Chair, Trey Sandoval, presented the award to Elizabeth O'Connell with O'Connell & Avery for her outstanding service on the Young Lawyers' Committee in her first year. Elizabeth was instrumental in drafting the first young lawyers' survey and has zealously recruited several new members to TADC. She also planned and hosted a wildly successful Young Lawyers' happy hour.



Congratulations K.B., Bruce, Greg, Roger and Elizabeth! Well done and well deserved. You make us proud.

YOUNG LAWYERS: This group of outstanding members continues to amaze. Young lawyers organized happy hours throughout the state to connect with other young lawyers in their area and in other organizations. The happy hours have been very popular and very fun. Happy hours have been held in San Antonio, Houston, Austin and Fort Worth and will

be held in Dallas, El Paso and Amarillo.

PROGRAMS: We had a great turnout at the <u>Commercial Litigation</u> seminar held in Houston October 1. Tom Ganucheau and Sam Houston assembled an incredible group of speakers with interesting topics. Several sponsors helped make a happy hour after the seminar possible. Thank you sponsors!

(PICS)

The year rounds out with the TADC/OADC Red River Showdown seminar in Frisco, Texas October 8-9. This is a great joint program and Jerry Fazio has taken the lead again in getting it together and assembling an all-star program.

The inaugural <u>Construction Litigation seminar</u> chaired by Doug Rees will take place in Dallas October 29. This is another example of fine local programming offered in an area other than insurance defense. Please consider attending.

Our Programs Committee chaired by Pam Madere and Bud Grossman has done an OUTSTANDING job in bringing programs to our members across the state. We hope you were able to attend one.

SPONSORS: Thank you to the Sponsors listed below. They have supported many of our programs and extra events this year. We are fortunate to have such a loyal team!



SOCIAL MEDIA: Follow us on Twitter, Linked In and Facebook. Our Facebook page has great pictures from all the TADC events. Take a peek.

Also, visit our website. It is updated and strengthened constantly. This month, we have added a link to an incredible video shown at our annual meeting by the Texas Lawyers' Assistance Program. It is under the tab "Take Care of Yourself." I encourage each of you to view this fascinating and inspiring message of hope and to take care of yourself.

MEMBERSHIP. Members are the life blood of any organization, TADC is no different. In these challenging economic times, we are pleased to report a net gain of members for the year. If you know of lawyers in your community who are not TADC members please consider making them TADC members. The group has a lot to offer and we want the best of the best in our organization.

Please welcome these new members:

Mr. Phil Sellers, Philip A. Sellers, Attorney at Law, Houston, Recruited by Mark Courtois Mr. Tom King, Law Office of I. T. King, Austin Mr. David Wayne Chant, Brown Dean Wiseman Proctor Hart & Howell LLP, Fort Worth, **Recruited by Greg Binns** Mr. Timothy Davis, Chamblee Ryan Kershaw & Anderson, P. C., Dallas, Recruited by Jarad Kent Mr. Matthew Brower, Owen & Fazio, Dallas, Recruited by Jerry Fazio Mr. Mark D. Standridge, Jarmie & Associates, Las Cruces, NM Mr. William I. Gardner, Macdonald Devin, P.C., Dallas, Recruited by Clayton Devin Mr. Jason M. Jung, Macdonald Devin, P.C., Dallas, Recruited by Clayton Devin Mr. Bradley H. Bartlett, Mounce Green Myers Safi Paxson & Galatzan, El Paso, Recruited by Carl H. Green Mr. Christopher D. Knudsen, Serpe Jones Andrews Callender & Bell, PLLC, Houston Mr. Donald W. Cothern, Kent, Anderson, Bush, Frost & Metcalf, P.C., Tyler, Recruited by Don Kent Mr. Landon L. Krueger, Krueger, Bell & Bailey LLP, Dallas, Recruited by Vernon L. Krueger Mr. Philip K. Bean, Kane Russell Coleman & Logan PC, Dallas, Recruited by Ken Riney Ms. Kathryn Mains, MehaffyWeber, Beaumont, Recruited by Michele Smith

Mr. John T. Kovach, LeClairRyan, Houston, Recruited by Michael S.Hays and Michael DeScioli

Mr. Gage Fender, LeClairRyan, Houston, Recruited by Michael S. Hays and Sara Thompson

Mr. Brian Stork, Kane Russell Coleman & Logan PC, Dallas, Recruited by Ken Riney Mr. Eamonn J. Wiles, Shannon, Gracey, Ratliff & Miller, LLP, Fort Worth, Recruited by Monika Cooper

Mr. Justin L. Malone, Lacy Lyster Malone & Steppick, PLLC, Fort Worth, Recruited by Monika Cooper

Mrs. Jessica G. Farley, Norton Rose Fulbright US LLP, Houston, Recruited by Seth Isgur Mrs. Anne Nicole Stein, Shafer Davis O'Leary & Stoker, Odessa, Recruited by Miles Nelson

Ms. Lisa Horvath Shub, Norton Rose Fulbright US LLP, San Antonio, Recruited by Jeffrey A. Webb

Mr. Gregory D. Perez, Brock Person Guerra Reyna, PC, San Antonio, Recruited by Elizabeth O'Connell

Mr. Cory S. Reed, Thompson Coe Cousins & Irons, Houston, Recruited by Trey Sandoval Mr. Michael W. O'Donnell, Norton Rose Fulbright US LLP, San Antonio, Recruited by Jeffrey Webb

Ms. Lisa Pittman, Germer, Beaman & Brown PLLC, Austin, Recruited by G. Robert Sonnier

Ms. Vanessa Durante, Strong Pipking Bissell & Ledyard, LLP, Houston, Recruited by Michael Hendryx

Mr. Sean Guerrero, Stubbeman, McRae, Sealy, Laughlin & Browder, Inc., Midland, Recruited by Miles Nelson

Mrs. Carla Saenz Martinez, Colvin, Chaney, Saenz & Rodriguez, LLP, Brownsville, Recruited by Alison Kennamer

Mr. Jeffrey M. Yurcak, Harris Hilburn, Houston, Recruited by Trey Sandoval

Mr. William Shane Osborn, Martin, Disiere, Jefferson & Wisdom, LLC, Houston, Recruited by David Kirby

Mr. Ross B. Bale, The Bale Law Firm, PLLC, Sugar Land, Recruited by Jeffrey R. Bale **Ms. Shannon Keefe**, Kane Russell Coleman & Logan PC, Houston, Recruited by Trey

Sandoval

Ms. Lauren Burgess, Segal McCambridge Singer & Mahoney, Austin, Recruited by Robert Wall

Ms. Danielle A. Gilbert, Germer Beaman & Brown PLLC, Austin, Recruited by G. Robert Sonnier

Mr. Joel Richmond, Stacy & Conder, LLP, Dallas, Recruited by Jarad Kent Mrs. Valerie Ly, Germer, PLLC, Houston, Recruited by Trey Sandoval

REGISTER NOW!

2015 TADC Construction Law Seminar

Join the TADC in Dallas

October 29, 2015

A program for the practicing trial lawyer

4.00 hours CLE, including .75 hours ethics

Topics Including:

Damages: What Your Client Can Recover and How
The Trial of a Construction Case: A Judicial Perspecitve
The Latest Developments with Certificates of Merit
Transferring Risk: Chapter 151 & Additional Insured Issues

...and much more!

REGISTRATION MATERIALS

LEGISLATIVE/POLITICAL UPDATE

The list of veteran legislators deciding to hang up their spurs is growing, as is the number of candidates vying to replace them. As of today, the following Senate and House members will not return in 2017:

Sen. Kevin Eltife (R-Tyler) Sen. Troy Fraser (R-Horseshoe Bay) Rep. Jimmie Don Aycock (R-Lampasas) Rep. Myra Crownover (R-Denton) Rep. Joe Farias (D-San Antonio) Rep. Allen Fletcher (R-Tomball) Rep. Patricia Harless (R-Spring) Rep. Bryan Hughes (R-Mineola) Rep. Jim Keffer (R-Eastland) Rep. Susan King (R-Abilene) Rep. Marisa Marquez (D-El Paso) Rep. Ruth Jones McClendon Rep. John Otto (R-Dayton) Rep. David Simpson (R-Longview) Rep. Scott Turner (R-Richardson) Rep. Sylvester Turner (R-Houston)

To put these losses in perspective, here is the list of committees whose chairs won't be in the Legislature next session: Senate Business & Commerce, Senate Natural Resources & Economic Development, House Appropriations, House Public Education, House Public Health, House Energy Resources, and House Rules & Resolutions. The March 2016 primary elections thus become even more critical than they usually are. Many of these races will pit extremely conservative Republicans against more traditional Republicans willing to listen to reasoned arguments on issues such as civil justice reform, infrastructure funding, and education.

In Senate District 1, Rep. Bryan Hughes and Rep. David Simpson, together with retired General Red Brown of Tyler, will square off for the GOP nomination (and for all practical purposes, the seat). Rep. Hughes has the endorsement of Lt. Governor Patrick and much of the Tea Party establishment, though Rep. Simpson also has solid Tea Party credentials. In Senate District 24, at least seven candidates have entered the race, including incumbent House member Rep. Susan King (R-Abilene). Most of these candidates might also be characterized as "Tea Party" candidates. Sen. Konni Burton (D-Fort Worth), a Tea Party Republican, has scheduled a candidate forum for SD 24 candidates, an unusual move for a senator from another district. The Bell County GOP has warned SD 24 candidates not to participate in an unsanctioned candidate forum sponsored from outside the district. Obviously, something has fundamentally changed in Texas politics.

On the legislative front, we are hearing that interim charges may come out earlier than usual this fall. Stay tuned for news. It is very likely that storm claim insurance reform

will be included in the interim studies, and TADC will have an active part to play in the issue.

CALENDAR OF EVENTS

October 8-9, 2015 **TADC/OADC Red River Showdown** Westin Stonebriar – Frisco, Texas Jerry Fazio, Program Chair *Registration material* <u>HERE</u> or register online at www.tadc.org

October 16, 2015 Dallas Bar Association/TADC Legislative Wrap-up/Forecast Luncheon 12:00Noon – Belo Mansion – Dallas *RSVP to kzack@dallasbar.org*

October 29, 2015 **TADC Construction Law Seminar** Omni Hotel Downtown - Dallas, Texas Doug Rees, Program Chair *Registration material* <u>HERE</u> or register online at www.tadc.org

January 27-31, 2016

TADC Winter Seminar Hotel Madeline - Telluride, Colorado Joe Hood, Program Chair *Registration Material to be mailed in mid-October*

April 14-16, 2016

TADC Trial Academy

South Texas College of Law, Houston Ron Capehart, Program Chair

April 27-May 1, 2016

TADC Spring Meeting Loews Vanderbilt Hotel - Nashville, Tennessee Chantel Crews & Trey Sandoval, Program Co-Chairs

July 6-10, 2016

TADC Summer Seminar Omni Plantation - Amelia Island, Florida Slater Elza and Arlene Mathews, Program Co-Chairs

July 29-30, 2016

TADC/NMDLA West Texas Seminar Inn of the Mountain Gods - Ruidoso, New Mexico Bud Grossman, Program Chair

August 5-6, 2016

Budget and Nominating Committee Meeting Stephen F. Austin, Intercontinental - Austin, Texas

September 21-25, 2016

TADC Annual Meeting Worthington Hotel - Fort Worth, Texas George Haratsis, Program Chair

LEGAL NEWS - CASE UPDATES

Case Summaries Prepared by Barry D. Peterson, Peterson, Farris

Byrd & Parker, P.C., Amarillo

<u>Houston Methodist Hospital f/k/a The Methodist Hospital v. Nguyen, No. 14-14-</u> 01006-CV (Tex. App.—Houston [14th Dist.] July 9, 2015, no pet. h.):

This case involves an interlocutory appeal involving a health care liability claim filed under chapter 74 of the Civil Practice and Remedies Code.

Plaintiff Nguyen timely filed three expert reports detailing how each of the four defendant physicians allegedly caused her injuries. She did not file a report addressing the conduct of the defendant hospital.

Four months later, the hospital filed a motion to dismiss based on Nguyen's failure to serve it with an expert report. The hospital noted that the reports that had been filed addressed only the physicians' conduct. However, the hospital conceded the Nguyen pleaded that the hospital was vicariously liable for the conduct of the physicians.

The trial court denied the hospital's motion to dismiss. Because Nguyen filed and served on the hospital reports containing expert opinions as to claims against the physicians, thereby implicating the hospital's conduct under Nguyen's pleaded theory of vicarious liability, the hospital was required to file any objections it had to the reports by the 21-day deadline, which it failed to do.

The court noted that Nguyen's expert reports were not the equivalent of the complete absence of a report because they did implicate the hospital's conduct. Consequently, the hospital was required to object to the reports within 21 days. The hospital's motion was filed more than three months after the deadline for objections. As a result, the hospital waived all of its objections to Nguyen's expert reports, including its argument that the vicarious liability claim was frivolous.

The court of appeals affirmed, holding that the trial court did not abuse its discretion by denying the hospital's motion to dismiss. **<u>READ THE OPINION HERE</u>**

<u>Norvelle v. PNC Mortgage, No. 02-14-00322-CV (Tex. App.—Fort Worth, June 27, 2015, no pet. h.):</u>

This case is an appeal of a forcible detainer action pursuant to Rules 500..4 and 510.3-

5, .7-, .13, which in 2013 replaced former rules. Even though the nature of the case may not be all that significant to the majority of our membership, the court's comments regarding the appearance of corporations in court is worthy of reminder.

Appellants appealed the county court's judgment in favor of the appellee bank granting the bank's forcible detainer action. Appellants allege that bank's petition in an eviction case was defective because the pleading was supported by the affidavit of the bank's attorney, rather than an affidavit from "the Bank itself."

When the legislature dissolved small claims courts in 2011 and placed that former jurisdiction in justice courts, the legislation instructed the Supreme Court to develop new rules to accommodate the restructuring. New Rule 510.3 states that the petition in an eviction case must be "sworn to by the plaintiff."

In overruling the appellants' sole point of a pleading defect because the petition was not sworn to by the plaintiff, the Fort Worth court noted that it was applying the same rules of construction to the rule of civil procedure that govern the interpretation of statutes. "We rely on the plain meaning of the text unless a different meaning is supplied by statutory definition, is apparent from the context, or the plain meaning would lead to an absurd or nonsensical result."

Noting that it is "well-settled that corporations and other business entities generally may appear in courts only through licensed counsel...a corporation or other business entity, as a fictional

person, cannot literally appear in the flesh and sign anything." The court said to hold as the appellants argued would "defy the reality that business entities operate through their agents, and it would usurp the ability of these entities to have their day in court—an absurd or nonsensical result." The court affirmed the trial court's judgement noting that the bank's petition included a verification sworn to by the bank's counsel, stating the counsel's authority to make the affidavit and swearing that the facts contained in the pleading were both within the counsel's personal knowledge and true and correct. This was sufficient to meet the requirements of Rule 510.3(a). **READ THE OPINION HERE**

El Paso Healthcare System v. Murphy, No. 08-13-00285-CV (Tex. App.--El Paso, July 2, 2015, pet. filed):

This case is an appeal of a favorable jury verdict for a certified registered nurse anesthetist (appellee) who reported an incident concerning one of the appellant hospital's physicians. When appellee reported the incident, she was assured that the report "would be treated in confidence and investigated by Risk Management." "Two or three hours later," appellee was informed that she would not be working at that hospital any longer or welcomed at its sister hospital in El Paso. Appellee sued appellant for retaliatory discharge pursuant to Section 161.135 of the Texas Health and Safety Code, tortious interference with a contract and breach of contract. She sought recovery of economic and non-economic damages.

To prove her claimed violation of section 161.135, appellee had to show that:

(1) she was an employee of a hospital, mental health facility, or treatment facility;

(2) she reported a violation of law;

(3) the report was made in good faith; and

(4) she was disciplined, suspended, terminated, transferred, or otherwise discriminated against.

Appellant argued that appellee had failed to report a violation of law. Appellee reported that she had observed an obstetrician coerce a patient into consenting to a C-Section after the patient initially rejected the doctor's recommendation. The doctor, rather than obtaining informed consent as required by the Texas Medical Disclosure Panel, by explaining to the patient the risks and benefits of the C-section, rebuked the patient and said, "[w]ell, if you want a brain-damaged or a dead baby, don't blame me." The patient consented to the C-section. Appellee's testimony was "some evidence" that the doctor violated the law and supported her claimed violation of section 161.135.

The court found that appellee had also successfully proven a cause of action for tortious interference with an *existing* contract.

Appellant asserted "justification" as an affirmative defense to the tortious interference claim, because the hospital was justified in not assigning appellee work in its facility until appellee's claim of the doctor's legal violation had been fully investigated. The court held that justification is not an available defense to unlawful retaliation "under any type of anti-retaliation statute."

Appellant contested the jury's award of compensatory damages arguing that they are not recoverable for appellee's retaliation and tortious interference claims. Appellee challenged that non-economic damages are not recoverable on the claims she asserted. She noted that not only does Section 161.135 not expressly limit the types of damages a victim of retaliatory discharge can recover, but also Subsection 161.135 (d), (e) expressly provides for recovery of mental anguish damages. With regard to appellant's argument that the evidence did not support an award of mental anguish damages, the court said, "Because mental anguish is nebulous and speculative in nature, jurors are best suited to determine whether, and to what extent, it is compensable by referring to their own experiences."

Appellant argued that the amount of damages the jury awarded for mental anguish was excessive. The court found that appellee presented evidence from which the jury could quantify the amount of loss suffered by appellee and that the award was not excessive.

Appellant also complained of the award of attorney's fees to appellee's attorneys. The court found the fees were recoverable when allowed by statute and that the attorney had presented evidence to segregate the amount of fees awarded in presenting the recoverable statutory claim versus the fees appellee incurred in developing the claims for which she could not recover attorney's fees.

The court affirmed the trial judgment. **<u>READ THE OPINION HERE</u>**

<u>Clayton Williams Energy, Inc. v. BMT O & G Tx, No. 08-14-00133-CV (Tex.</u> <u>App.—El Paso, July 8, 2015, no pet. h.):</u>

This case involves the determination of whether mineral rights owners can obtain damages for alleged breaches of the assignment and operations clauses in an oil and gas lease when the lessee, without notice to lessor, agreed to "farm out" part of the leasehold to a subcontractor in exchange for drilling services. The issues were whether the lease expired or allowed for termination when the subcontractor tried to step into the lessee's shoes as drilling operator, whether the oil and gas lease allowed the lessee to assign rights and obligations pursuant to area of mutual interest agreements without notifying the lessors, whether or not those agreements existed at the lease's inception and drilling rights were validly assigned without ownership rights. The El Paso court held that the assignee's drilling activities kept the lease in effect.

Lessors and Appellant Chesapeake signed an oil and gas lease covering tracts of land including the lease in dispute, the Bass Lease. Near the end of the primary term of the lease,

Chesapeake had not begun drilling operations on the lease, which would have held the lease. Without notifying the lessors, Chesapeake and co-Appellant Clayton Williams entered into a "Farmout Agreement," pursuant to which co-Appellant Clayton Williams agreed to drill "at least" 20 wells on various leases held by Chesapeake, including the Bass Lease. The Farmout specified that Chesapeake and Williams were "AMI (area of mutual interest) partners."

Because the lease was about to terminate due to lack of drilling operations, lessors were receiving offers for new leases with substantial signing bonuses, which lessors were considering. After the expiration of the lease's primary term, lessors sought to get Chesapeake to sign a lease release. Chesapeake responded that the lease was being held by Williams' drilling activities under the Farmout Agreement. Lessors filed suit to set aside the lease under theories of trespass to try title, declaratory judgment, and breach of contract, seeking to recover alleged damages and attorney's fees. Following a bench trial the court entered judgment in favor of lessors finding that Williams' drilling operations were not authorized under the lease and thus its drilling operations could not perpetuate the lease for Chesapeake. Because Chesapeake did not conduct drilling operations the lease had expired. The court awarded lessors damages for lost potential income and attorney's fees.

The El Paso court reviewed the lease contract to determine if it was ambiguous and determined that it was not. Having found that the contract was not ambiguous, the court proceeded to interpret the contractual agreement of the lessor and Chesapeake within the four corners of the lease agreement without receiving parol evidence.

Using industry standards accepted by both lessor and Chesapeake, the court found that Williams was an "AMI Partner." The court rejected lessors' argument that Chesapeake could not form an AMI Partnership after the signing of the lease and held that the lease's Assignment Clause gave Chesapeake the right to assign its lease rights to "AMI Partners" without notice to lessors.

The court also found that Chesapeake had the right to enter into a Farmout Agreement with AMI Partners without notice to lessors. 'The court rejected lessors' argument that Williams could not be Chesapeake's AMI Partner because it was also a farmee, and finding that Williams was both an AMI Partner and a "farmee," held that Chesapeake could transfer any of its lease rights to Williams and without notice to lessors.

The court rejected lessors' argument that Chesapeake, which was the designated "operator" under the lease, could not assign that responsibility to Williams.

The court also rejected lessor's argument that even if the assignment clause allowed Chesapeake to assign its lease rights to Williams, the Farmout Agreement did not perpetuate the lease because Williams never received any ownership rights in the leasehold. The court found that Williams "properly fulfilled" Chesapeake's lease obligations, thus perpetuating the lease.

The El Paso court, concluding that Williams fulfilled Chesapeake's lease obligations perpetuating the lease, reversed the trial court's judgment in favor of lessors. **READ THE OPINION HERE**

Lightning Oil Co. v. Anadarko E&P Onshore LLC, No. 04-14-00903-CV (Tex. App.—San Antonio, August 19, 2015, no pet. h.):

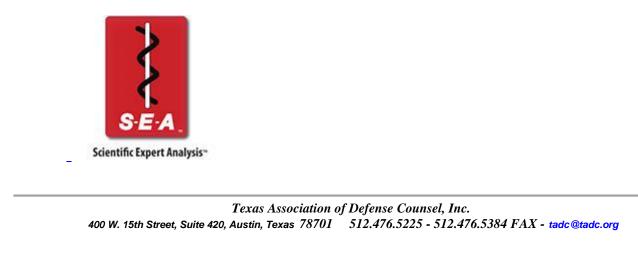
This is a subsurface trespass case between lessees of two adjacent mineral estates. Appellant brought an action for trespass against appellee, who is the holder of an adjoining mineral interest, for drilling activities through the subsurface of the appellant's leasehold. Appellant appeals a summary judgment in appellee's favor.

Appellant holds a lease to a severed mineral estate beneath a portion of the Briscoe Ranch. Appellee holds a lease of the mineral estate beneath the Chaparral Wildlife Management Area (CWMA) which adjoins the Briscoe Ranch. The owners of the surface of the Briscoe Ranch gave appellees permission to place drilling rigs on the ranch for purposes of drilling vertically through the ranch surface, then horizontally to the mineral estate beneath CWMA, to form wells that open and bottom in the CMWA for production of those minerals. Appellant sought injunctive relief, claiming tortious interference, to prevent appellee from drilling though its mineral lease area to reach the adjacent mineral estate. In its suit, appellant asked the court in a summary judgment motion to declare that Briscoe Ranch could not grant appellee a right to trespass through appellant's "property."

The San Antonio court found that ownership of the oil and gas in place does not give you ownership of the earth in which the minerals are located. Further the oil and gas lease does not give the lease exclusive right to control the subterranean structures within the boundaries circumscribing the lease. There was no evidence that appellee had conducted any seismographic surveying or had any intent of disturbing the minerals in place beneath the Briscoe Ranch.

Former TADC member, Justice Alvarez, concluded that the surface estate owner, and not the mineral estate owner, "owns all non-mineral 'molecules' of the land," and the surface estate owner controls the earth beneath the surface estate. Because appellant's mineral lease did not grant the right to control the subterranean structures in which the oil and gas molecules are held, the mineral estate owner did not control the mass that "undergirds the surface" of the ranch. Texas law does not automatically convey to the lessee, the right to control the dirt around the minerals in place. Holding that Briscoe Ranch controls the surface and subsurface, it had the right to grant appellee permission to locate wells on the ranch, drill down through the earth within the boundaries of the underlying oil and gas lease and directionally alter the wellbore to access appellee's minerals in the adjacent leasehold. **READ THE OPINION HERE**

THANKS TO TADC CORE SPONSOR



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