

Energy MVP: Latham & Watkins' Sean Wheeler

By Sindhu Sundar



Sean Wheeler
Latham & Watkins LLP

Law360, New York (December 04, 2013, 6:33 PM ET) -- Latham & Watkins LLP's Sean Wheeler has counseled clients from upstream petroleum companies to energy asset operators in roughly \$35 billion in transactions over the past year, which includes the nearly \$7 billion buyout of energy exploration firm Plains Exploration & Production Co., landing him on Law360's list of Energy MVPs.

In the largest deal he worked on in the past year, Wheeler, the co-chair of Latham's oil and gas energy practice, led the firm's roughly 25-attorney team along with its Houston office managing partner Michael Dillard in representing Plains Exploration in Freeport-McMoRan Copper & Gold Inc.'s unique — and at times contested — acquisition of the company. Clamoring investors were ultimately appeased by a remarkable feature of the deal: a special dividends of \$3 a share that Plains Exploration declared late in the process to win over shareholders, Wheeler said.

The deal, which closed in May and totaled roughly \$16.3 billion including debt, was part of a roughly \$20 billion, three-party transaction in which gold production giant Freeport-McMoRan also acquired McMoRan Exploration Co. — a relatively rare occurrence when a public firm acquires two other public companies at the same time in the upstream petroleum sector, according to the firm.

"Clients are focused on getting the best business deal possible for the company's shareholders," Wheeler said. "As lawyers, our job is to draft an agreement that reflects that business deal and then allocates the deal risk appropriately, including, for example, the ability to respond to future acquisition proposals, dealing with regulatory uncertainty, financing commitments, termination rights in the event of adverse events and other elements of conditionality or uncertainty."

Despite the hurdles of investor litigation, the Plains Exploration deal wrapped up in a relatively swift six months from when it started sometime late in the fourth quarter of 2012, according to Wheeler. Freeport-McMoran's simultaneous \$3.4 billion acquisition of McMoRan Exploration closed in June, according to statements by the companies.

Wheeler landed his lead role in the megadeal in part because of his previous work with Plains Exploration, a client since January 2010, including on its roughly \$450 million sale of roughly one-fifth of its offshore assets to D.C.-based energy investor EIG Global Energy Partners in October 2011.

That deal involved the sale of a 20 percent equity interest in Plains Offshore Operations Inc., a Plains Exploration unit set up to hold all of its Gulf of Mexico assets, which at the time included 100 blocks of roughly 570,000 gross acres, according to EIG.

Wheeler, who joined Latham in January 2010 as a founding member of its Houston office, had previously worked as an energy attorney for Baker Botts LLP in Houston for about 15 years since graduating from Harvard Law School in 1995, he said.

A native of Alabama, where he attended the University of Alabama at Birmingham and graduated with his bachelor's degree in 1992, Wheeler's eventual move to Houston was born more out of a fascination for the up-and-coming city than a pull toward the energy sector itself, he said.

"I picked the city, as opposed to the practice area," Wheeler said. "I was looking for a city that was international and had a sophisticated legal market. And in Houston you have these energy companies that are very sophisticated users of legal services, raising capital and doing large M&A transactions. It's a great place to be as a lawyer because you want clients that are sophisticated and active."

Wheeler has also had a significant hand in other major recent transactions, including Energy Transfer Partners LP's \$5.3 billion takeover of Sunoco Inc. in 2012, a deal marked by the unique tax structure issues that arise when a partnership acquires a corporation, he noted.

Wheeler is currently also advising Texas oil and gas company Linn Energy LLC and its acquisition unit LinnCo LLC on the acquisition of rival Berry Petroleum Co., first announced in February, according to the firm. The roughly \$4.9 billion purchase, which would create one of the largest independent oil and natural gas companies in North America, would boost Houston-based Linn with a wealth of new assets in California and in West Texas' resource-rich Permian Basin, the firms have said.

Wheeler's transactions expertise in the energy sector extends also to energy-related initial public offerings, including a \$420 million offering that closed in August through which Denver-based natural gas and crude oil exploration firm QEP Resources Inc., a public company, created the limited partnership QEP Midstream Partners LP to acquire and develop midstream energy assets, according to the firm.

A team of approximately 10 Latham attorneys completed the relatively smooth deal in about six months, he said. That deal was among eight energy-related IPOs Wheeler finished in the past year, putting him, in terms of deal count, at the top of the heap of issuer's counsel for energy-related IPOs in 2013, according to the firm.

"It takes a similar skill set of taking a previously private firm and counseling it through the process of becoming a public company," Wheeler said, "because you're changing the character of the company in some respects."

--Editing by Edrienne Su.