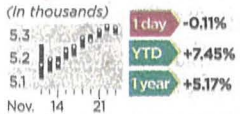
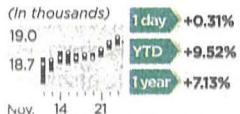
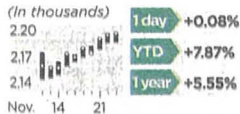


DAILY ROUNDUP

The Dow Jones industrial average and Standard & Poor's 500 indexes again set records Wednesday in a quiet day of pre-holiday trading. **Your Portfolio, 4D**



ENERGY WATCH



LITIGATION

Jury: Firms broke Pickens deal

Oilman awarded up to \$146 million in dispute over Permian wells

By **NATALIE POSGATE**
The Texas Lawbook

PECOS — Two Midland-based oil companies and Dallas-based J. Cleo Thompson intentionally failed to meet their end of a decade-old agreement with Dallas oil mo-

gul T. Boone Pickens to acquire and drill more than 160 oil wells in Reeves and Pecos counties, a West Texas jury ruled Wednesday.

After about three hours of deliberation over two days, the Reeves County jury of five women and seven men awarded Pickens' Mesa Petroleum Partners up to \$146 million in damages against the three defendants combined.



T. BOONE PICKENS called the defendants "crooks" from the stand.

Lawyers for the defendants and company officials said Wednesday that evidence does not support the verdict and they plan to appeal.

The verdict follows a three-week trial in a decade-old dispute in which Pickens claims J. Cleo Thompson, Baytech and Delaware Basin Resources improperly cut Mesa out of a lucrative deal in the Red Bull region of the Permian Basin.

"We have maintained from the beginning that Mesa's oil and gas interests were taken from it illegally," said Chrysta Castañeda, who represented

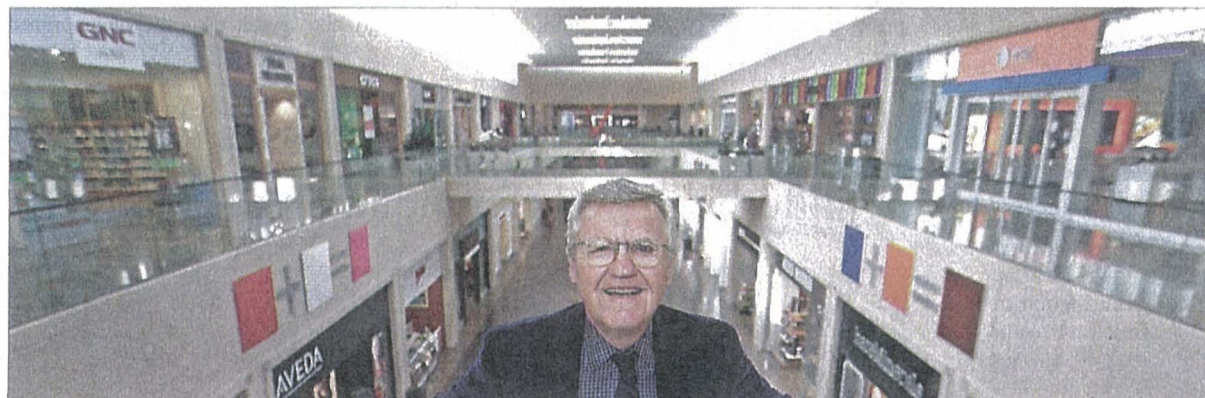
Pickens. "The Red Bull is part of what is now one of the biggest resource plays in the world, and we are hopeful that the jury's decision here will mean that the long history of fair dealings in the oil industry continues.

"This case emphasizes and validates important legal rights, and we are proud to have been a part of it," Castañeda, who represented

See **JURY** Page 6D

SHOPPING

A tour with Allen Questrom shows who's on point, who's not



OVERTIME RULING

Raises to stay, say law experts

even after perts say

several other states sued to block the changes.

In part, they questioned whether the Department of Labor had the authority to raise the salary threshold. On Tuesday, Judge Amos Mazzant of the U.S. District Court for the Eastern District of Texas in Sherman agreed with them and granted an injunction.

"Congress, and not the Department, should make that change," he said.

The Texas Retailers Association, one of the industry groups listed as a plaintiff on the suit, says retailers are not opposed to improving the standards.

"Our opposition was with the way it was being rolled out. Overnight, with no phase-in," said George Kelemen, the TRA's president and CEO. "Now that there's been a delay, more thought can be given to how the rules can be implemented."

He could not say how many Texas retailers had already made adjustments to comply.

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Jury says companies broke Pickens deal

Continued from Page 1D

ñeda said.

The jury hit Baytech and Delaware Basin with a \$130 million judgment plus attorneys' fees, and J. Cleo Thompson with damages of more than \$12 million plus attorneys' fees, according to lawyers for Pickens.

Houston attorney Stuart Hollimon, who represents Baytech and DBR, said his clients disagree with the jury's verdict.

"We are, of course, disappointed and will be reviewing the record of the case and consulting with our clients to determine what our course of action will be at this point," said Hollimon, a partner at Andrews Kurth in Houston.

In a written statement, J. Cleo Thompson's chief financial officer, Paul Rudnicki, said the company is pleased that the jury rejected the \$1 billion Pickens initially demanded.

"The jury's award against J. Cleo Thompson ... is a fraction of what Mr. Pickens and his lawyers originally sought,"

Rudnicki said. "We believe the evidence does not support the verdict that J. Cleo Thompson breached the joint operating agreement. For example, J. Cleo Thompson did not even drill the wells at issue in the verdict."

In closing arguments Tuesday, lawyers for Pickens told jurors that the case was their opportunity to make the West Texas courthouse a "house of justice" where written agreements are enforced.

"You have no earthly idea how powerful you are," Dallas trial lawyer Mike Lynn told the jury. "You're going to be making a decision that will affect my client, for sure. But it will also affect Reeves. And it's going to affect the JOA [joint operating agreement], how that's interpreted, and what people think of it."

Lawyers for Pickens argued that J. Cleo Thompson conspired with Baytech and DBR to steal Mesa's 15 percent interest in the Red Bull project.

Defense attorneys told jurors that their clients did nothing wrong and that Pick-

ens willingly opted out of the deal. Lawyers for J. Cleo Thompson and the two exploration and production companies argued that Pickens only brought the lawsuit to repair his ego and shift the blame from himself for cashing out of a deal that became very lucrative in 2014.

"[Pickens] told you from the stand himself, 'I'm dealing with crooks.' So instead of taking responsibility for the decision, he's calling these people crooks," Tim McConn, a lawyer for Baytech and DBR, told jurors.

"I'm proud to represent these crooks," McConn said next, gesturing toward DBR and Baytech executives in the courtroom. "They're not crooks. They're good people."

Defense lawyers told jurors that Pickens called J. Cleo "Jimmie" Thompson, who died in 2010, and J. Cleo's chief financial officer, Cliff Milford, to say he was "out" of the Red Bull project — a phone call Pickens denies he ever made.

For a longer version of this article, visit texaslawbook.net.

TECH STARTUPS

ere ideas bloom

se — where a string of tenants leave successful

stay out of her startup tenants'