

## Energy Group Of The Year: Sullivan & Cromwell

By **Keith Goldberg**

*Law360 (January 16, 2020, 2:37 PM EST)* -- Sullivan & Cromwell LLP guided Andeavor in its \$35.6 billion acquisition by fellow oil refiner Marathon Petroleum Corp. and helped BP PLC beat antitrust allegations of oil price manipulation, grabbing a spot on Law 360's 2019 Energy Groups of the Year.

The firm leverages its core dealmaking prowess — in M&A, financing and restructuring — to work with some of the energy industry's largest players on many of their biggest transactions, despite not having a flag planted in the energy hub of Texas like many other energy-focused firms. The firm's headquarters are in New York, and its energy practice has lawyers spread out over offices around the world. Firm leaders say as many as 100 of its more than 875 lawyers do at least some energy work.

"We did not have the type of energy practice that some of the Texas firms have, which are sort of the soup-to-nuts practices that do every aspect of what a particular energy company does," said M&A partner Frank Aquila, a member of the firm's management committee who is based in New York. "We're able to be more nimble and easily able to move within the sector to the areas that are growing."



Sullivan & Cromwell put its dealmaking skills to work in representing Andeavor in its cash-and-stock purchase by Marathon valued at \$35.6 billion including debt. The deal was sewed up in October 2018 and created an integrated marketing, logistics and refining giant.

The merger had been announced just six months earlier. Aquila said the firm's longstanding relationship with Andeavor, including representing Tesoro Corp. in the merger with Western Refining Inc. that created Andeavor as well as the merger of the companies' respective master limited partnerships, or MLPs, helped it get the Marathon deal to the finish line quickly.

"We knew the board very well, we knew the C-suite very well," Aquila said. "The two companies had been talking on and off for years, but it was only in late March 2018 that it really became serious, and given the on-and-off nature of the talks for many years, there really was a premium to get it done quickly."

Sullivan & Cromwell also helped pipeline giant Enbridge Inc. with its efforts to consolidate its

operations amid federal tax and regulatory changes that made the MLP model less attractive for midstream companies.

Enbridge bought up the outstanding units of MLPs Enbridge Energy Partners LP, Spectra Energy Partners LP, Enbridge Income Fund and Enbridge Energy Management LLC in a series of transactions finalized in December 2018 and January 2019.

George Sampas, who leads the firm's North American energy and natural resources practice in New York and worked on the deals, said it was a "real vote of confidence in our practice" that Enbridge tasked it with the legal legwork to roll up the four MLPs around the same time, given that all of them had been originally set up by Texas-based law firms.

"That was a challenge: orchestrating it, announcing it, and all the one-on-one negotiations with the [MLP] special committees, where they knew we were negotiating with other special committees," Sampas said. "We were anxious to get the first one done, and everyone else to use that as a point of reference."

Sullivan & Cromwell's energy successes weren't limited to the boardroom. The firm also represented BP in its fight against antitrust and Commodity Exchange Act claims brought against a host of energy companies over the alleged manipulation of overseas oil prices.

The Second Circuit in August affirmed a lower court's dismissal of the suit, saying the derivative traders behind it had still been unable to show that they participated in markets for derivative instruments pegged to the allegedly manipulated benchmark for North Sea Brent crude oil, defeating the notion that they suffered any kind of antitrust-related injury.

The traders have also been unable to overcome the presumption that the CEA can only apply to domestic transactions and domestic conduct, the appeals court said.

Aquila and Sampas said the future goal for the firm's energy practice is pretty simple: making sure it's seen as a go-to firm for the industry's biggest deals and projects. And they say putting roots down in Texas isn't necessarily required to make that happen.

"We want to be among the firms that buyers and sellers go to get things done," Sampas said. "We're not trying to build out the practice in terms of establishing a Houston office, but we want to make sure we get a fair share of transactions."

--Additional reporting by Chelsea Naso, Benjamin Horney and Dean Seal. Editing by Jack Karp.