

49TH ANNUAL ERNEST E. SMITH

# Oil, Gas and Mineral Law Institute

**April 14, 2023**

Houston, TX

Available via Live Webcast



The University of Texas at Austin  
School of Law

UT LAW CLE



OIL, GAS & ENERGY RESOURCES LAW  
SECTION OF THE STATE BAR OF TEXAS

1

ERNEST E. SMITH OIL, GAS AND MINERAL LAW INSTITUTE

## Devon v. Sheppard:

Is Royalty Owed on Gross Proceeds or  
Gross Proceeds Plus?



The University of Texas at Austin  
School of Law

UT LAW CLE



OIL, GAS & ENERGY RESOURCES LAW  
SECTION OF THE STATE BAR OF TEXAS



**Charles (Skip) Watson**

Greenberg Traurig, LLP  
Austin, TX



**Jordan K. Mullins**

McGinnis Lochridge  
Austin, TX

2

CAUSE NO. 12-12-22,501

MICHAEL A. SHEPPARD, CONSTANCE S.  
KIRK, JENNIFER S. BADGER, FRANK B.  
SHEPPARD, JAMES K. CRAIN,  
CHRISTOPHER M. CRAIN, JAMES K.  
CRAIN, III, PATRICK G. CRAIN AND  
SHIRLEY R. CRAIN,

Plaintiffs

v.

GEOSOUTHERN DEWITT PROPERTIES,  
LLC, PETROHAWK PROPERTIES LP,  
GEOSOUTHERN ENERGY CORPORATION,  
AND PETROHAWK ENERGY  
CORPORATION,

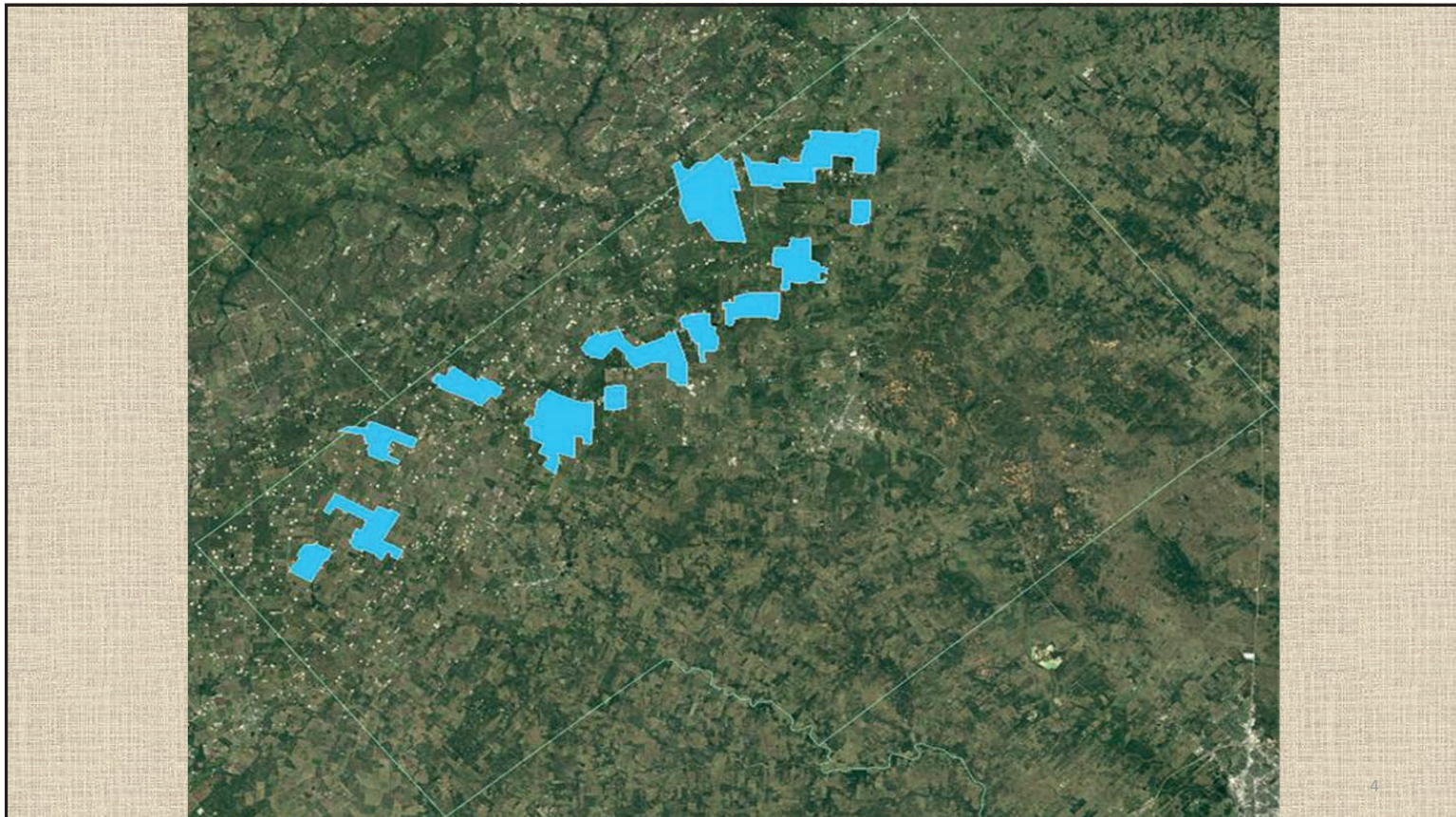
Defendants

IN THE DISTRICT COURT

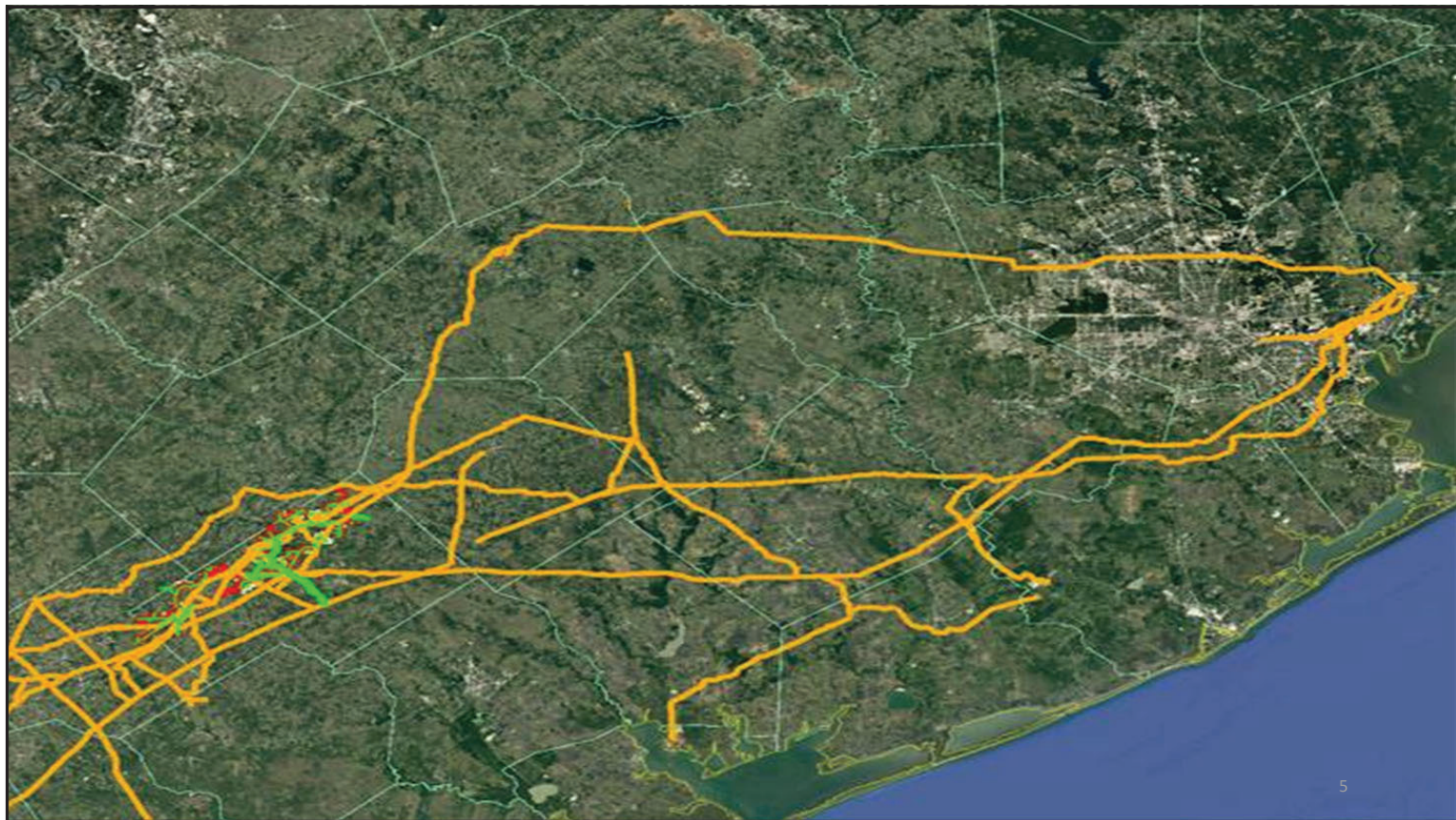
OF DEWITT COUNTY, TEXAS

94th JUDICIAL DISTRICT

PLAINTIFFS' ORIGINAL PETITION







5

## Case Background

1. Dispute Centers Around Unique Language in O&G Lease
2. Add To Gross Proceeds Language - If Ds' dispositions, contracts, or sales include reduction or charge → add reduction/charge to GP before calculating Ps' Royalty

6

Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/elibrary\)](https://utcle.org/elibrary)

## Title search: Devon v. Sheppard: Is Royalty Owed on Gross Proceeds or Gross Proceeds Plus?

Also available as part of the eCourse

[2023 Ernest E. Smith Oil, Gas and Mineral Law eConference](#)

First appeared as part of the conference materials for the

49<sup>th</sup> Annual Ernest E. Smith Oil, Gas and Mineral Law Institute session

"*Devon v. Sheppard*: Is Royalty Owed on Gross Proceeds or Gross Proceeds Plus?"