

Winston Secures Win in Breach of Contract Case on Behalf of Pioneer Natural Resources

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A Winston team secured a summary judgment win, featured in [*Texas Lawbook*](#) and [Law360](#), on behalf of client Pioneer Natural Resources in a breach of contract case alleging failure to supply natural gas during Winter Storm Uri in February of 2021.

The February 2021 winter storm that battered the Southern United States brought unprecedented cold temperatures and extensive ice storms to Texas which caused rapid well and pipeline freeze-offs, disrupting power, water, and natural gas production across the region. California energy trader MIECO, a subsidiary of the Japanese investment firm Marubeni, filed a case in July 2021 in the United States District Court for the Northern District of Texas claiming Pioneer's failure to deliver 20,000 MMBtu (metric million British thermal units) of gas during certain days in February of 2021 constituted a breach of Pioneer's obligations under the contract. The plaintiff sought \$9M in damages.

Less than two weeks before the trial was set to begin, U.S. District Judge Jane Boyle granted Winston's summary judgment motion after finding the contractual language of the force majeure provision unambiguous. Judge Boyle found Pioneer's non-delivery was excused by force majeure because its loss of gas supply was due to the low temperatures that affected an entire geographic region.

The Winston team put together a compelling motion answering every argument MIECO advanced to avoid summary judgment in one of the first resolutions of the oil and gas liability issues associated with Winter Storm Uri. The decision granting summary judgment in Pioneer's favor and denying MIECO's summary judgment will be precedential in other cases alleging liabilities arising out of the shutdown caused by the February 2021 winter storm.

"Catastrophic and unanticipated events excuse performance of a contract, especially where the contract spells out that very circumstance," Tom Melsheimer said in Law360. "Pioneer is gratified by the court's ruling as it validates our approach to the consequences of an unusual and catastrophic weather event."

In addition to Tom, the Winston team consisted of partners Tom Walsh and Chase Cooper, and associate William Fox.

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