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Phone: +1 646 783 7100 | Fax: +1 646 783 7161 | customerservice@law360.com

Texas Jury Awards Energy Co. \$1.2M For Overpaid Royalties

By **Katie Buehler**

Law360 (November 17, 2021, 6:32 PM EST) -- A South Texas jury has awarded a Sundance Energy Inc. unit more than \$1.2 million in damages after finding that the company overpaid two individuals who lied about their stakes in three Eagle Ford Shale wells.

The jury found on Tuesday that Texas resident Mark Libersat and Louisiana resident Roxanne Marie Gilton breached their contracts with SEA Eagle Ford LLC by falsely claiming fractional royalty interests in three of the company's wells, and held that they owed the company roughly \$600,000 each for overpaid royalties, according to a McMullen County District Court verdict form.

Corey Wehmeyer of Santoyo Wehmeyer PC, representing Sundance and SEA, told Law360 in a statement Wednesday that he appreciates the jury's decision and dedication to the trial, which lasted about two days.

"Sundance Energy Inc. has been a valuable member of the McMullen County community for years, providing royalty revenues to area landowners and good paying jobs to those associated with the company's oil and gas exploration and production operations," Wehmeyer said. "Sundance is grateful to the jurors for their service and time spent in the trial of this important case, and is pleased with the result."

Counsel for Libersat and Gilton didn't immediately respond to requests for comment Wednesday.

Colorado-based Sundance sued the pair in October 2018 after a company-led investigation discovered that Libersat and Gilton had misled SEA Eagle about their royalty interests when they signed indemnity agreements with the subsidiary, according to court documents.

Libersat told SEA Eagle he owned a one-sixth interest in the company's Eagle Ford Shale wells but, in reality, has no royalty interest at all. Gilton, meanwhile, claimed a one-quarter interest in the wells, when she really owned only a one-twelfth interest, according to court documents.

SEA Eagle and Sundance were notified of the misrepresentations when they received a letter from an unnamed attorney in May 2018 claiming to represent two competing claimants who alleged they owned a two-thirds interest in the property. SEA Eagle launched an investigation into the claims and soon realized it had overpaid Libersat and Gilton, according to court documents.

The McMullen County jury awarded SEA Eagle and Sundance damages of \$639,486 against Libersat and

\$646,608 against Gilbert, according to the verdict form.

The jury also awarded \$90,000 in attorney fees, with additional costs for potential appeals, according to court documents.

SEA Eagle and Sundance are represented by Corey F. Wehmeyer and John W. Ellis of Santoyo Wehmeyer PC.

Libersat and Gilton are represented by Robert L. Theriot and Jillian M. Marullo of Liskow & Lewis.

The case is SEA Eagle Ford LLC et al. v. Libersat et al., case number M-18-0046-CV-B, in the 156th District Court in McMullen County, Texas.

--Editing by Kelly Duncan.

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