Claims tied to company's $588 million midstream asset sale in 2009

DALLAS, July 1, 2016 /PRNewswire/ -- More than 30 business entities and individuals, including Fort Worth's Kimbell Art Foundation, are suing Chesapeake Energy Corp. (NYSE: CHK) based on claims that the company structured a series of contracts in order to receive excessive fees and other charges after the 2009 sale of its Barnett Shale midstream assets.

The lawsuit alleges that Chesapeake's $588 million sale of assets to New York hedge fund Global Infrastructure Partners also was structured to charge unreasonable fees on royalties. The sale included an exclusive 20-year production commitment related to Chesapeake's Barnett Shale midstream gathering assets. In addition, the suit challenges Chesapeake's transportation fees and net royalty interest calculations.

The lawsuit involves oil and gas leases covering more than 5,400 mineral acres and more than 750 producing gas wells in Tarrant, Johnson and Ellis counties.

"Chesapeake structured its midstream asset sale and transportation agreements in such a way that the lessors and royalty owners bore unreasonable costs," says attorney Daniel Charest of Burns Charest LLP in Dallas, who represents the plaintiffs. "My clients only want a fair price for their royalty production. That's what this case is about."

The case is Addax Mineral Funds, et al.v. Chesapeake Operating, LLC, et al., No. DC-16-07867, in the 95^{th} District Court in Dallas.

The attorneys at Burns Charest have years of experience in complex oil and gas royalty disputes in various shale plays across the country, including the Barnett, the Eagle-Ford, the Marcellus and Utica, and the Hanesville. Among other matters, in late 2015, the firm secured a favorable, confidential settlement for members of the Bass family in Fort Worth as part of a separate lawsuit against Chesapeake over unpaid oil and gas royalties in North Texas.

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