SUSAN KATHERINE SHAVIN, : NUMBER: 524,540

ROBIN PHILLIP SHAVIN,

WALTER EDWARD LIEBER,

CAROLYN L. CASS, RENEE LIEBER,

LEAH EVE L. HARRELL, EMILY

L. GILMAN AND GARY L. FOX

VERSUS : FIRST JUDICIAL DISTRICT COURT

GERALD H. HUDDLESTON, GLEN

CUMMER, ROBSON FARMS, L.L.C.,

CAMTERRA RESOURCES PARTNERS,

LTD., HUDDLESTON ENERGY

RESERVES, LLC, SNJ ENERGY, LLC,

ISRAEL INVESTMENTS, LLC AND

CSC ENERGY CORP. : CADDO PARISH, LOUISIANA

**REASONS FOR JUDGMENT ON DENIAL OF DEFENDANTS’**

**MOTIONS FOR SUMMARY JUDGMENT**

In its extensive review of the summary judgment record, the Court focuses on the following facts and/or allegations, most of which are not in dispute: (1) that in 1999 the plaintiffs entered into an oil, gas and mineral lease with Gerald Huddleston; (2) that Huddleston thereafter assigned all subsurface rights below 3000 feet to Camterra Resrouces, Ltd., retaining the subsurface rights above 3000 feet; (3) that Huddleston, Camterra and other defendants obtained projections from an offering memorandum and/or other sources but never disclosed to the mineral lessors those projections; (4) that subsequent to a couple of relatively low offers from Huddleston, a sale of both the surface and minerals was confected; (5) that Huddleston indicated to plaintiffs (his and Camterra’s mineral lessors) that he anticipated an agricultural venture for the property and thus formed Robson Farms, L.L.C. for the purpose of purchasing the property when in fact the L.L.C. had multiple members with the single objective of oil and gas production.

While the circumstances are much more extensive than the core items listed above, the crucial fact is that prior to and during the purchase of plaintiffs’ property, Huddleston and the two Camterra entities were mineral lessees of the plaintiffs. Article 122 of the Mineral Code requires mineral lessees to perform the implied and express lease obligations in good faith and to develop the property for the mutual benefit of both the owner/lessor and the lessee. There is clearly a duty of good faith imposed by Article 122 and there are genuine issues of material fact bearing upon whether the defendants, under the unique and peculiar circumstances of this case, performed the implied and express lease obligations in good faith and sought to develop the plaintiffs’ mineral interest for both the plaintiff lessors and defendant lessees.

This is a vigorously contested case and many factual issues are in dispute. Whether the defendants were in good faith in their relations with plaintiffs, whether the plaintiffs are truthful or not, and whether the defendants are truthful or not, are all factual issues to be determined by the jury. In fact, where credibility is at issue on relevant and material evidence, summary judgment is absolutely not appropriate[[1]](#footnote-1). For the assigned reasons both motions are denied.

Signed this 31st day of January, 2012 in Shreveport, Caddo Parish, Louisiana.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

SCOTT J. CRICHTON

DISTRICT JUDGE

DISTRIBUTION:

Lee H. Ayres and Jason W. Poe, Counsel for Leah Eve L. Harrell, Emily L. Gilman an Renee Lieber

Eron J. Brainard and Steven E. Soileau, Counsel for Susan Katherine Shavin, Robin Phillip Shavin, Walter Edward Lieber, Carolyn L. Cass and Gary L. Fox

Glenn L. Langley, Julianna P. Parks and Megan L. Streetman, Counsel for Gerald H. Huddleston, Robson Farms, L.L.C., Camterra Resources Partners, LTD, Camterra Resources, Inc., Huddleston Oil and Gas, LLC, Huddleston Energy Reserves, LLC, SNJ Energy, LLC, Israel Investments, LLC and CSC Energy Corp.

1. It should be emphasized that this Court believes that Article 122 of the Mineral Code imposes a duty of good faith on the mineral lessee as well as an obligation to develop the leased property for the mutual benefit of lessor and lessee. The question of whether, under the circumstances presented by this case, Huddleston or the Camterra entities breached that duty and, as well, whether the other defendants are liable to plaintiffs, is a task for the jury. There appears to be a number of good people and businessmen on both sides of this dispute and until a jury determines issues of credibility and good faith versus bad faith, the Court presumes all of the parties to be good people and/or reputable business entities. [↑](#footnote-ref-1)