

## Sabine Decision Affirmed

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May 30, 2018 Jeff Nichols, Ellen Conley

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**PRACTICES** Energy Finance, Energy, Power and Natural Resources, Oil and Gas

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The United States Court of Appeals for the Second Circuit affirmed U.S. District Judge Jed S. Rakoff's decision that the gas gathering contracts that Sabine Oil & Gas Corporation entered into with two midstream service companies were personal obligations, and not "covenants running with the land" under Texas law, which, therefore, could be rejected under Section 365 of the Bankruptcy Code. For further information about this bankruptcy decision and its consequences, please see our previous client alerts on this topic, found [here](#) and [here](#).

[View the decision.](#)