

Bond Case Briefs

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EMINENT DOMAIN - WYOMING

EOG Resources, Inc. v. Floyd C. Reno & Sons, Inc.

Supreme Court of Wyoming - July 23, 2020 - P.3d - 2020 WL 4218031 - 2020 WY 95

Oil and gas company filed complaint under the Wyoming Eminent Domain Act, seeking to condemn rights-of-way, easements, and surface use rights on approximately 2,100 acres of ranch owner's property, and, following hearing, amended complaint to seek only 70-acre pipeline easement.

The District Court dismissed the complaint for failure to comply with the Act's good-faith negotiation requirement, and company appealed.

The Supreme Court held that:

- Oil and gas company failed to satisfy good-faith negotiation requirement of the Eminent Domain Act, and
- Ranch owner was entitled to attorney's fees and costs incurred on appeal.

Oil and gas company failed to satisfy good-faith negotiation requirement of the Wyoming Eminent Domain Act, where company filed complaint seeking to condemn rights-of-way, easements, and surface use rights on approximately 2,100 acres of ranch property, but then, after hearing was continued on the complaint, amended the complaint and sought to condemn only a 70-acre pipeline easement, ranch owner could not have known that it had any option to accept the offer only as to those 70 acres, and company appeared uncertain as to what it was negotiating for, given its confusion concerning the extent of its rights under existing surface use agreement.

While the property sought to be condemned need not be identical to the property described in the offer in order to satisfy the good faith requirement in an eminent domain action, there must be a sufficient resemblance between the two to allow a court to conclude that the subject of the negotiation was clear to both parties and that the offer might have been accepted as it related to the property ultimately sought to be condemned.

Under the Eminent Domain Act, ranch owner was entitled to attorney's fees and costs incurred on appeal in light of determination that oil and gas company failed to negotiate in good faith prior to filing condemnation complaint.