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Oil Industry Workers Can Be Correctly Classified As Independent Contractors, Says Fifth Circuit in Highly Anticipated Energy Industry Ruling

Chamberlain Hrdlicka Law Firm Secures Significant Appellate Victory for Client, Premier Directional Drilling, and All Oil and Gas Companies

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In a highly anticipated ruling with national impact for the oil and gas industry, the Fifth Circuit Court of Appeals late Thursday concluded that directional drilling engineers can be classified as independent contractors and not employees. This ruling sets binding precedent in the Fifth Circuit for decided, pending and future wage and hour cases, validating the oil and gas industry's use of contract workers and protecting companies against future litigation. Annette Idalski, a Chamberlain Hrdlicka shareholder and chair of the firm's national labor and employment group, was lead counsel for Premier Directional Drilling. Chamberlain shareholders, employment attorney Peter Hall and appellate attorney Steven Knight, also played a significant role in the case.

The U.S. District Court for the Western District of Texas ruled in 2017 that Premier misclassified its directional drillers as independent contractors. In making its ruling in *Parrish v. Premier Directional Drilling* (No. 17-51089), the Fifth Circuit unanimously vacated the 15-month old District Court summary judgment order and rendered in favor of Premier.

This case is particularly important to the oil industry, where the use of highly compensated independent contractors is essential and commonplace. We are thankful for the Fifth Circuit's thoughtful review of the matter and hope this news reaches our industry colleagues who may be affected, stated Michael Kennedy, president of Premier Directional Drilling.

The impact of this decision cannot be overstated, as the prior court's order was crippling the oil and gas industry while enabling a wave of financially devastating litigation. Oil and gas companies can now maintain contract classification for workers and preserve their business model without fear, stated Annette Idalski.

ABOUT PREMIER DIRECTIONAL DRILLING

Premier Directional Drilling is a full-service directional drilling company headquartered in Houston. As one of the most comprehensive oilfield service companies, Premier provides expertise in directional planning, directional drilling, downhole performance motors, directional surveying, Pulse MWD, EM MWD and rotary steerable services. Founded in 2012, Premier is committed to providing services to enhance and optimize performance and is dedicated to safe and environmentally responsible operations.

Oil Industry Workers Can Be Correctly Classified As Independent Contractors, Says Fifth Circuit in Highly Anticipated Energy Industry Ruling, Continued

ABOUT CHAMBERLAIN HRDLICKA

Chamberlain Hrdlicka is a diversified business law firm with offices in Atlanta, Houston, Philadelphia and San Antonio. The firm represents both public and private companies, as well as individuals and family-owned businesses across the nation. The firm offers counsel in tax planning and tax controversy, corporate, securities and finance, employment law and employee benefits, energy law, estate planning and administration, intellectual property, international and immigration law, commercial and business litigation, real estate and construction law. For more information, visit: www.chamberlainlaw.com.

