

The Newman Trowbridge Files

The Lafayette attorney brokers deals with the state, big land owners, and his own oil and gas partners. Whose side is he on?

By Nathan Stubbs and Mary Tutwiler | 7/11/2007

Betty Blanchard inherited a nightmare. After her husband's death in 1961, she was left to manage 150 acres of family property, called Park Plantation, that had been leased to Arco and Texaco back in the 1940s. The 21 wells there were now barely producing, and Blanchard's royalty payments – still stuck in the meager 12 percent range – had all but dried up. She also was increasingly distressed by the amount of abandoned oilfield equipment and waste on her land. She became determined to get out of her lease.

Her attorney, Newman Trowbridge of the Mary Biggs law firm in Franklin, initially assured her that he would take care of the problem, only to come back and explain that her oil lease couldn't be broken, according to Blanchard. When she tried persisting in her efforts with another attorney in the Mary Biggs law firm, she got a surprising response: The firm was dropping her as a client due to a conflict of interest. Unbeknownst to Blanchard, Trowbridge was a partner with his distant cousin, John Hine, scouting out prospective south Louisiana oilfields – including hers. This explained a letter the 72-year-old widow had just received from Hine, asking her to sell her mineral rights. When she refused, Hine and Trowbridge formed a partnership, curiously named Blanchard 1986 Ltd., and proceeded to acquire the old lease directly from Arco and Texaco. Blanchard could hardly believe what was happening.



"I think the more exposure you get to opposing views and opposing objectives, the more you grow and the more knowledge you have and the better it serves your clients." — Newman Trowbridge



Aerial view of Bayou Postillion dredging in 2005

"She was very upset," says Paul Maclean, an independent oil and gas operator who had approached Blanchard with an offer to take over her lease and increase her royalties. "[She] didn't quite understand how Newman Trowbridge could be doing that. That was her law firm. She had been with them for so many years. She knew nobody else. It just stunned her."

Betty Blanchard filed suit in July 1986 against Hine and his companies, Tortuga Interests, Tortuga Operating and Blanchard 1986 Ltd., as well as Texaco and Arco, in an attempt to reclaim her leases.

Blanchard isn't the only person who's felt deceived by Lafayette lawyer Newman Trowbridge, who specializes in oil and gas issues. Trowbridge's clients include private landowners and oil and gas operators in the state. For the past 32 years, he's served as executive director and general counsel of the Louisiana Landowners Association — roughly the same amount of time he's been Hine's partner in the oil and gas business. Having a wealth of political connections, he also frequents the state Capitol as both a lobbyist and as an attorney representing the state. According to Trowbridge, his well-rounded experience often gives him an edge in negotiations. "I think the more exposure you get to opposing views and opposing objectives," he says, "the more you grow and the more knowledge you have and the better it serves your clients."

"You can do both," says Don Briggs, president of the Louisiana Oil and Gas Association. "Sometimes you may have to draw that line in the sand. It's difficult for anyone when you have lots of balls in the air and lots of interests. ... In my opinion, Newman's managed to do that pretty well over the years."

Others describe Trowbridge as a chameleon who doesn't fully disclose his dealings and continually skirts the attorney's code of ethics. "It's like he's got a business where he has six different doors going into the same building," says Willie Fontenot, a retired assistant attorney general who knew Trowbridge during the Foster administration. "And there's only one office on the inside of the building. But there are different names on the doors on the outside of the building. And they have four different street addresses because there are four doors on each side of the building. It becomes very complex when you start working for the regulator and the regulated."

On his shingle, he's a landowner's attorney. His clients are among the biggest land-holding companies in the state, including St. Martin Land and Jeanerette Lumber and Shingle Ltd., as well as his own family's land management company, Kyle-Peterman. A dapper man in his early 60s, Trowbridge was raised in the same Franklin high society that produced former Gov. Mike Foster and 16th Judicial District Attorney Bernie Boudreaux.

Trowbridge and his business partner John Hine are both descendents of old blue-blood St. Mary Parish families. Hine's grandfather, Dewey Kyle, was in the cypress business with Kyle Lumber Company. Trowbridge's grandfather, Edwin Peterman, helped start Franklin's Commercial Bank (today, part of Capital One) along with William Prescott Foster, Gov. Mike Foster's uncle. Together, they formed a large land management company, Kyle-Peterman, with holdings of 21,000 acres in the Atchafalaya Basin. Trowbridge is also Mike Foster's cousin, and their families were in business together, as partners in Maryland Plantation, now part of Foster's oil and gas holdings in Franklin. At one time both Foster and Trowbridge sat on the board of directors of Commercial Bank.

In 1971, straight out of LSU law school, Trowbridge returned to Franklin to join the prominent firm of Bauer, Darnall and Boudreaux, and rapidly became a partner. Cherry Trowbridge, who divorced Newman in 1998, says her former husband remains very close to Boudreaux. "Bernie Boudreaux was Newman's mentor," she says. "He idolized him."

Trowbridge soon branched into the fast-growing field of oil and gas law. In 1975, at the age of 30, he helped form and served as executive director of the Louisiana Landowners Association, a powerful lobbying group representing corporate landowners and individuals, many with oil and timber interests. In 1981 Boudreaux was elected district attorney for the 16th Judicial District, and the law firm changed its name to Biggs, Trowbridge, Supple and Cremaldi.

Around this same time, Trowbridge and Hine begin scouting for promising oil and gas fields to lease for operation. According to a deposition given in one of Betty Blanchard's multiple lawsuits, Hine says of his partnership with Trowbridge, "Newman was in this deal with me as he is in family stuff. ... We were doing research. We had no specific acquisitions in mind. We were — the definition of 'acquire' may be too narrow. We were looking around like people do."

Hine had incorporated Tortuga Interests, an oil and gas company, in Texas, in 1975 with Trowbridge as the company's registered agent in Louisiana. Few people were aware of the business relationship — including his law partner Mary Biggs, who said in a deposition that she didn't know about Trowbridge's business association with Hine or Tortuga Interests Inc.

As his law practice flourished, Trowbridge cultivated several important political relationships. He worked with his friend Billy Tauzin on some of his earliest political campaigns, first for state representative and later Congress. Trowbridge also frequented Washington and played tennis regularly with U.S. Sen. J. Bennett Johnston. Back in Franklin, Cherry and Newman Trowbridge remained friendly with the Boudreauxes, the Fosters, Prescott Foster, and another Franklin attorney, Jack Caldwell. "We all played tennis together," Cherry says. "We all went to Atlanta, to a polo match, and to Houston. We'd go out to dinner and have pool parties."

Caldwell, also a respected oil and gas attorney, worked alongside Trowbridge on some cases. On others, they competed for business.

Cherry Trowbridge recalls a trip to Puerto Rico in 1975 with the Caldwelles and Tom Tatham, who owned Mid-American Oil Co. Tatham had been trying to obtain leases on Kyle-Peterman property but didn't know Trowbridge's family owned the land. "Newman and Jack both wanted to represent Mid-American," Cherry says. "Newman had me sworn to secrecy that I couldn't tell Tatham that Kyle-Peterman was his family's property."

When Mike Foster was elected governor in 1996, he brought his friends from Franklin to Baton Rouge with him. Bernie Boudreaux stepped in as Foster's executive counsel, and Jack Caldwell was tapped as head of the Department of Natural Resources. Trowbridge also came on board. In 1998, he was hired by DNR, the Mineral Board and the Attorney General's office to help the state collect underpaid mineral royalties from oil companies.

For a separate contract with the Atchafalaya Basin Program, Trowbridge was hired to negotiate with an architect to construct a golf course in Patterson. "He's a man of many talents," Caldwell says, touting Trowbridge's reputation for honesty and integrity within the profession. "He's definitely one of the top oil and gas lawyers. I mean he's one of the best lawyers in the state, period – very intelligent, very diligent, very perceptive."

Working for Caldwell, Trowbridge was instrumental in brokering settlements worth tens of millions of dollars with both Shell and Chevron for underpayment of royalties.

Trowbridge's work for the state continued into the Blanco administration, until, he says, Attorney General Charles Foti joined a lawsuit from a group of crawfishermen claiming a right to public access throughout the Atchafalaya Basin. The Louisiana Landowners Association was fundamentally opposed to that position and had been fighting against the crawfishermen in the suit. "I wrote [Foti] a letter at that point," says Trowbridge, "and said we have handled these conflicts of interests things on a case by case basis, and we've dealt with them. I just can't do that anymore. You've gone over the line. I quit."

Prior to that, throughout his six years representing the state, Trowbridge says he diligently followed the proper procedures to clear himself of any potential conflicts of interest. "Conflicts are something that Jack Caldwell, Newman Trowbridge, Richard Iyoub, Charles Foti and everybody else involved in my contracts with the state were very sensitive about," he says.

Since resigning from his work with both DNR and the attorney general's office, Trowbridge has worked on the sidelines with state issues. In addition to lobbying for the landowners association, he served a brief stint on the state rule making committee for ACT 312, last year's law that gave DNR jurisdiction over the environmental cleanup resulting from oil and gas legacy lawsuits. Currently, Trowbridge serves on Gov. Kathleen Blanco's Advisory Commission for Coastal Protection, Restoration and Conservation.

Trowbridge also has been intricately involved with the state's Atchafalaya Basin Program. Launched under Mike Foster in 1998, the basin program was set up to work with the Corps of Engineers in promoting and improving the basin's ecology. Charles Fryling, an LSU landscape architecture professor active with several basin program committees, says Trowbridge has a lot of influence over basin projects. "He represents the largest landowners in the basin, and he has been doing so for a long time," Fryling says. "He's a good lobbyist. He is well known by the Corps, by the congressional delegation, etcetera. And I don't think things are done, quite frankly, without his knowledge and approval."

Under pressure to do more to help preserve the basin's natural bayous and fisheries, the Atchafalaya Basin Program's executive director, Sandra Thompson, went to Trowbridge in 2001 to seek his help on a new water quality project. Representing the landowners association, Trowbridge served on the committee that had begun recommending water maintenance projects. The Basin Program was looking to dredge open some of the historic bayous that were drying up. To do that, it needed to reach an agreement with one of the handful of basin landholding families and corporations. Most were not interested, already wary from ongoing battles with crawfishermen over access rights.

Thompson asked Trowbridge to help broker a deal on his own family land at Bayou Postillion. Initially, Thompson says Trowbridge resisted, worried about his own dual role in the deal and his family's resistance to allow dredging through their property.

"He thought, well, people would try to say it was a conflict of interest or something," Thompson says. "Plus, his family, they're just low key people. But we told him we were desperately looking for projects to start improving the Atchafalaya Basin water quality, so we talked him into it."

Trowbridge found a way to make both sides happy.

As part of negotiations that lasted approximately two years, Trowbridge helped arrange an expansion of the dredging to further widen the bayou in some areas. In a 2002 memo, the project's engineer, Ernie Gammon, wrote that "Newman is interested in seeing this work done as a means of facilitating future oil and gas exploration work in the area. Newman may want the channel wider and deeper (than is presently drawn) in a few areas to accommodate the sizes of drilling rigs that he envisions using."

"He was using that as a selling point to his family," Thompson says. At the time, the entire Atchafalaya Basin had recently been shot with 3-D seismic imaging, which helps geologists pinpoint oil and gas deposits. Basin landowners received copies of the seismic data, which showed great potential for reworking several old oilfields around Bayou Postillion. Thompson says the state ultimately agreed to Trowbridge's proposed expansions of the Bayou Postillion dredging, finding it would increase the state's share of property in the deal. The signed agreements also require the state to perform costly channel maintenance every five years.

Thompson calls the project a win-win. "[Trowbridge] made it possible," she says. "He made it possible for us to do [Bayou Postillion]. And I'm so glad. I'm very proud of that project."

Since the dredging was completed in 2005, water samplings from LSU indicate that dissolved oxygen levels are up within an estimated 6,500 acres of swamp adjacent to Bayou Postillion. Fisheries also appear to be improving in the area.

So is the oil and gas activity.

The Trowbridge family's landholding company, Kyle-Peterman, is currently collecting royalty revenue on three producing wells in the Bayou Postillion Field. Trowbridge maintains that none of those wells were accessed via Bayou Postillion.

Records also show that John Hine and his company Tortuga Interests secured one lease in the area just two months prior to the Bayou Postillion boundary agreement being signed. Tortuga is now collecting revenue percentages on two wells, drilled in 2005 and 2006, that began producing within that lease. Tortuga also owns a share in another unit still awaiting drilling.

In addition, at this year's North American Prospect Expo in Houston, Tortuga was shopping two lucrative prospects in the immediate vicinity of Bayou Postillion. The prospects each listed potential finds of up to 150 and 103 billion cubic feet of oil and gas respectively. According to promotional fliers, if they were to hit at that level, Tortuga stands to receive a 12.5 percent working interest in the wells, after drilling and completion costs have been recouped – arrangements potentially worth millions.

Trowbridge says he has had no knowledge of these prospects or any of Tortuga's interests within the Bayou Postillion Field.

Two months before he attended the Houston expo, Baton Rouge mineral consultant and landman Dan Collins had become wary of Trowbridge due to a contract dispute in Vermilion Parish. Collins, who did the land work for the state on the Bayou Postillion water quality project and knew Trowbridge as head of the Kyle-Peterman company, says he was stunned when he saw Tortuga selling the prospects at the expo.

"I had just learned that Newman Trowbridge had affiliations with Tortuga Interests Inc.," Collins says. "And I was shocked to see Tortuga Interest Inc. promoting prospects at [the expo] at Bayou Postillion, at the very site where the state had just dredged this water quality project with Kyle-Peterman. I mean, is this all a coincidence?"

In St. Martin Parish, Jody Meche and Mike Bienvenu have asked the same question.

The two men are part of a class action suit brought by the Louisiana Crawfish Producers Association demanding access to fishing grounds against private landowners in the Atchafalaya Basin and have tangled with Trowbridge in his role as general counsel for the Louisiana Landowners Association. Meche and Bienvenu both live in Henderson and also have children who go to school in St. Martin Parish. While conducting research for their access suit in 2004, they discovered that the St. Martin Parish School Board wasn't getting its fair share of mineral royalties from its Section 16 property. Some of the royalty checks due the School Board were instead heading to the adjacent landowner, St. Martin Land Company.

Trowbridge had been handling mineral leases for the last 20 years for the school board – and he also represents St. Martin Land Company. When Meche and Bienvenu made that discovery, they blew up, demanding the School Board hire a new attorney. "Newman plays it both sides," says Bienvenu. "Newman's everywhere you go. I'd say he's like God, but he's more like the Devil. His hands are in everything statewide. Newman's taking advantage of the situation. This goes all the way to the governor's office. "

Trowbridge says the St. Martin Parish School Board didn't hire him to deal with royalty issues. "I have never advised anybody, St. Martin Land Company or anybody else on an issue adverse to the St. Martin Parish School Board, nor have I ever advised the St. Martin Parish School Board on any issue other than leasing. As much as they may think I'm the devil incarnated, as much as they'd like to blame me, they can't. Apparently some of those folks are not as tolerant of other views as I am."

On Dec. 2, 2004, Trowbridge terminated his representation of the St. Martin Parish School Board. In his resignation letter, he wrote, "I have grown somewhat uncomfortable with some of the discussions which have occurred recently in Board meetings relating to title, access and royalty issues. As you know, I represent a large number of landowners in St. Martin Parish. While none exist today, I am concerned that conflicts may develop in the future between the School Board and my other clients. While I do not expect those conflicts to arise with respect to the leasing issues as to which I have represented the School Board, I want to avoid even the appearance of conflict of interest in the future... Hopefully, those conflicts will not develop but I would rather pursue the safer course of action."

Trowbridge's lack of disclosure to his clients about his other business interests infuriated landman Dan Collins as well. Collins, who does contract title work for DNR, met Trowbridge while working on the Bayou Postillion project in 2000. Aware that Trowbridge was counsel for the Louisiana Landowners Association, Collins recommended him to the Godchaux family when they needed an attorney in a matter concerning their oil leases at Live Oak Plantation in Vermilion Parish. For 10 years, Collins had been working with the Godchauxes to try and increase the royalties on their outdated oil and gas leases. The case, which included issues of environmental pollution, involved seven different oil companies. The Live Oak Field was discovered in the early 1950s and operated by Arco and Texaco for more than 40 years. Trowbridge seemed like the ideal candidate.

"[Trowbridge] told me he had just done a \$30 million settlement with Unocal — that's a big deal," says Collins. "Unocal was one of our seven companies." In 2004 Trowbridge brokered a settlement that nearly doubled the Godchauxes' royalties from 12.5 to 20 percent.

Collins, as mineral consultant, had an agreement with the Godchauxes to receive both a fee and a percentage of royalties as his compensation. Collins says he asked Trowbridge for an opinion about how much he should charge. Trowbridge says the family also asked him for an opinion on Collins' fees. According to Collins, Trowbridge told him one thing and the Godchaux family another. Collins submitted his bill, the family refused to pay it, and Collins filed suit against the Godchauxes. The litigation is ongoing.

The Godchaux family maintains that it has been completely satisfied with Trowbridge's work. Since coming to odds with the Godchauxes, Collins has gone on to represent several other families at the Live Oak Field who have similar oil lease contract issues and possible unresolved environmental problems.

In November 2006, Collins was talking with one of his Live Oak clients, massage therapist Leslie Pierce, who told him she had a patient who may need help with an oil and gas company. Collins made a phone call. The woman on the other end was Betty Blanchard's daughter, Nancy Blanchard. "I was flabbergasted," Collins says. Nancy Blanchard told Collins of Trowbridge's partnership in the Blanchard 1986 oil and gas company and his relationship with Hine and Tortuga. Tortuga and Blanchard 1986 are co-defendants in multiple lawsuits aimed at cleanup of oilfield waste at the Blanchard property with Arco and Texaco, the original lease owners and operators on the Godchaux lands at Live Oak.

"I felt it was incredible that Mr. Trowbridge would not disclose that he was a co-defendant with some of the legacy owners, BP/Amoco, and Chevron/Texaco [at Park Plantation]," says Collins. "Park Plantation and Live Oak Plantation are only 32 miles apart. I believe it's a conflict. I certainly would not have recommended Newman Trowbridge as an attorney had he disclosed that he was in the oil and gas business as a lease holder, producer and promoter, particularly because of his involvement with the same legacy operators and leaseholders."

It's been 21 years since the Blanchard litigation began; Betty Blanchard went through a series of five lawyers — including Jack Caldwell, whom she fired after discovering he had done work for Tortuga.

Hine's companies, Blanchard 1986 and Tortuga, continue to hold the lease on Park Plantation. There is little production going on and very little cleanup activity on the land. When Nancy Blanchard complained in 2003 to DNR about health and safety issues concerning the oilfield waste — mercury, arsenic, and chlorides on the surface and in the groundwater — it triggered a clause inserted into a settlement document signed by Betty Blanchard in 1996, when she was 82. The clause states that if the Blanchard family alleges that there is environmental damage to the property, Hine or any of the other defendants in the suit can exercise a right to buy Betty Blanchard's oilfield for \$800 an acre. Betty Blanchard contended that she didn't understand what she was signing; Nancy Blanchard is contesting the legality of the settlement.

The situation prompted Nancy Blanchard to fire off a series of complaints to the Louisiana Attorney Disciplinary Board. Her complaints to the disciplinary board about Trowbridge were dismissed in a letter from Mary Dumestre, a hearing board member, on the grounds that while "there may be an appearance of impropriety," an attorney is not prohibited from "obtaining a favorable position for his own interest as long as it is not to the disadvantage of the client."

Nancy Blanchard takes issue with that interpretation of the bar's ethics code. "When someone is in a position of power and knowledge," she says, "I think taking advantage of anyone who is not in a position to defend or fight for herself — and she wasn't — that's wrong."

For his part, Trowbridge insists that he did assist Betty Blanchard with several issues as her attorney and that his involvement with Blanchard 1986 is only as a limited partner. "Nancy [Blanchard]'s been mad at me," he says. "She filed an ethical complaint against me which was dismissed. I don't know what her problem is. All that's happened down there for the last several years is that she's made a lot of money. I can't explain it. I don't know what they're mad at, but they're mad."

"That whole thing is just very frustrating," Trowbridge adds. "Not the lawsuit, but the accusations that have come out of it. I really do not know what the status of all that stuff is. I'm not a lawyer in the litigation. And frankly, the farther I can stay away from it, the better I feel about it."

Independent oilman Paul Maclean, who joined the lawsuit in 1987, says Betty Blanchard clearly felt betrayed by the actions of her longtime family law firm. "Almost immediately after she first found out [that Trowbridge and Hine were buying her leases], we were sitting in the parlor at her house," Maclean remembers. "She began to cry, just weep. And she says 'Please, please, please don't leave me. I don't know what I'm going to do. My attorneys and their business partners are going to take my lands and take my minerals. I don't know what I'm going to do.'"

Maclean says part of the reason Blanchard felt so betrayed was due to her longstanding personal relationship with both Hine and Trowbridge. "I've known Betty all my life," John Hine states in his deposition. Betty Blanchard dated Ed Kyle, Hine's uncle, during the late 1960s and well into the 1970s, and she socialized with all the members of Franklin's Bauer law firm, including Trowbridge.

"In my view," Maclean says, "it's grown so much bigger than Betty Blanchard. As we've pushed along and my eyes became open about the whole thing, it's bigger than Betty Blanchard, it's bigger than Park Plantation. That's what pushed her onward a lot. She recognized it was bigger than just this one plantation. A Newman Trowbridge and his business associates, they couldn't do this unless a lot of people turned their heads. That's the part that bothers me as much as anything. Sure, I'm angry at Tortuga or anybody connected with Tortuga or Blanchard 1986, of course I am. But I'm also angry about the numerous people, who, along the way had the authority, the position, the standing to stop Tortuga, to stop Blanchard 1986, and did nothing. Did nothing. Or just let it go."

Nancy Blanchard and Paul Maclean continue the court battle against Hine, Tortuga and Blanchard 1986 Ltd. Whatever the outcome, Betty Blanchard will never see the conclusion. She died in May. She was 91.