

United States Court of Appeals
for the Fifth Circuit

United States Court of Appeals
Fifth Circuit

FILED

October 8, 2026

Thomas B. Plunkett, III
Clerk

No. 25-11204

MIECO, L.L.C.,

Plaintiff—Appellant,

versus

PIONEER NATURAL RESOURCES USA, INCORPORATED,

Defendant—Appellee.

Appeal from the United States District Court
for the Northern District of Texas
USDC No. 3:21-CV-1781

Before CLEMENT, OLDHAM, and DOUGLAS, *Circuit Judges*.

DANA M. DOUGLAS, *Circuit Judge*:

After a bench trial in this breach-of-contract action between natural gas producer Pioneer Natural Resources USA, Inc. (“Pioneer”) and energy trading firm MIECO, L.L.C. (“MIECO”), the district court entered judgment for Pioneer. The district court found that Winter Storm Uri was a force majeure event under their contract and that Pioneer had exercised due diligence in performance of its obligations.

MIECO appeals that judgment, arguing that the district court failed to follow the mandate rule upon remand from this court and that the district

No. 25-11204

court abused its discretion by permitting Pioneer's expert to testify and precluding MIECO's expert from testifying about industry custom and practice. We AFFIRM.

I.

In September 2020, Pioneer contracted to sell to MIECO 20,000 million British thermal units of natural gas on a Firm basis each day from November 1, 2020, to March 31, 2021.¹

The parties' contract contained a force majeure provision:

Section 11.1: [N]either party shall be liable to the other for failure to perform a Firm obligation, to the extent such failure was caused by Force Majeure. The term "Force Majeure" as employed herein means an event or circumstance which prevents one party from performing its obligations under one or more Transactions, which event or circumstance was not anticipated as of the date of the Transaction was agreed to, which is not within the reasonable control of, or the result of the negligence of, the claiming party, and which, by the exercise of due diligence, the claiming party is unable to overcome or avoid or cause to be avoided, as further defined in Section 11.2.

Section 11.2: Force Majeure shall include, but not be limited to, . . . weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe . . . Seller and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure

¹ A "Firm" commitment, according to the North American Energy Standards Board base contract, is one which "either party may interrupt its performance without liability only to the extent that such performance is prevented for reasons of Force Majeure."

No. 25-11204

and to resolve the event or occurrence once it has occurred in order to resume performance.

Section 11.3: Neither party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by . . . the loss or failure of Seller's gas supply or depletion of reserves, except, in any case, as provided in Section 11.2.

In February 2021, Winter Storm Uri brought low temperatures and ice storms to Texas. Because of the storm, Pioneer did not deliver the full amount of contracted natural gas to MIECO from February 14 to February 19. Early in the morning of February 16, 2021, Pioneer sent MIECO a notice of force majeure, dated the previous day. MIECO had to purchase replacement gas on the spot market each day.

In July 2021, MIECO sued Pioneer for over \$9 million in damages, the cost of cover for the natural gas Pioneer failed to deliver. Pioneer conceded that it did not fully perform under the contract but stated that the contract's force majeure provision excused its nonperformance. Pioneer also asserted a counterclaim against MIECO for underpayment of a March invoice, which it later voluntarily dismissed.

On February 15, 2023, the district court granted Pioneer summary judgment on MIECO's breach-of-contract claim, denying MIECO's motion as to that claim. MIECO moved for reconsideration, which the district court denied. The district court entered judgment for Pioneer, and MIECO timely appealed.

This court reversed the district court's grant of summary judgment, concluding (1) that the term "prevent" in the contract between MIECO and Pioneer "does not mean that an event must render performance literally impossible to trigger force majeure," (2) that the contractual term "Seller's gas supply" referred to "Permian basin gas Pioneer produced and processed through Targa, not to gas available on the spot market," and (3) that there

No. 25-11204

were genuine disputes of material fact as to whether performance was prevented and whether Pioneer properly exercised due diligence to avoid the impacts of the winter storm. *MIECO, L.L.C. v. Pioneer Nat. Res. USA, Inc. (Pioneer I)*, 109 F.4th 710, 720, 724, 727 (5th Cir. 2024).

Upon remand from this court, the district court held a three-day bench trial on the genuine disputes of material fact this court identified: “whether (1) performance was actually prevented, and (2) Pioneer exercised due diligence by making reasonable efforts to avoid Uri’s adverse impacts.” *Pioneer I*, 109 F.4th at 727. The district court found that Winter Storm Uri was a force majeure event under the contract and that Pioneer exercised due diligence in its preparations to avoid any adverse impacts of the storm. As a result, the Court found that MIECO had failed to meet its burden on its breach-of-contract claim. The court entered judgment in Pioneer’s favor. MIECO timely appealed, and the case now returns to this court.

On appeal, MIECO makes two arguments: (1) that the district court failed to address on remand certain issues the *Pioneer I* panel identified and (2) that the district court erred in its rulings on expert testimony concerning industry custom and practice. Pioneer responds that the district court complied with this court’s mandate and that the district court did not abuse its discretion as to the expert testimony. We take each issue in turn.

II.

After a bench trial, this court reviews the district court’s factual findings for clear error and legal issues de novo. *Rolex Watch USA, Inc. v. BeckerTime, L.L.C.*, 96 F.4th 715, 720 (5th Cir. 2024) (citing *Guzman v. Hacienda Recs. & Recording Studio, Inc.*, 808 F.3d 1031, 1036 (5th Cir. 2015)). “A finding of the trial judge ‘is clearly erroneous when although there is evidence to support it, the reviewing court on the entire evidence is left with the definite and firm conviction that a mistake has been committed.’” *Guzman*, 808 F.3d

No. 25-11204

at 1036 (quoting *Anderson v. City of Bessemer City*, 470 U.S. 564, 573 (1985)). This standard does not permit us to reverse a district court’s decision because we are convinced that we would have decided the case differently. *See id.*

Next, we review a district court’s decision to admit or exclude expert testimony for an abuse of discretion, noting that “[d]istrict courts enjoy wide latitude in determining the admissibility of expert testimony, and the discretion of the trial judge and his or her decision will not be disturbed on appeal *unless manifestly erroneous.*” *Kim v. Am. Honda Motor Co., Inc.*, 86 F.4th 150, 159 (5th Cir. 2023) (quoting *Hodges v. Mack Trucks, Inc.*, 474 F.3d 188, 194 (5th Cir. 2006)(emphasis in original)). “‘Manifest error’ is one that is ‘plain and indisputable, and that amounts to a complete disregard of the controlling law.’” *Id.* (quoting *Bear Ranch, L.L.C. v. Heartbrand Beef*, 885 F.3d 794, 802 (5th Cir. 2018)).

III.

A.

MIECO first contends that the district court failed to follow the mandate from this court in *Pioneer I*. MIECO argues that the district judge failed to evaluate whether Uri “prevented” Pioneer from performing its obligations under the contract and whether Pioneer exercised due diligence and made reasonable efforts to overcome the storm’s effects. Pioneer states that the district court complied with this court’s mandate, making the findings *Pioneer I* required.

“The mandate rule requires a district court on remand to effect our mandate and to do nothing else.” *Gen. Universal Sys., Inc. v. HAL, Inc.*, 500 F.3d 444, 453 (5th Cir. 2007) (quoting *United States v. Castillo*, 179 F.3d 321, 329 (5th Cir. 1999), *rev’d on other grounds*, 530 U.S. 120 (2000)) (citation modified). “[T]he district court ‘must implement both the letter and the

No. 25-11204

spirit of the appellate court's mandate and may not disregard the explicit directives of that court.'” *Id.* (quoting *United States v. Matthews*, 312 F.3d 652, 657 (5th Cir. 2002)). “[T]he mandate rule compels compliance on remand with the dictates of a superior court and forecloses relitigation of issues expressly or impliedly decided by the appellate court.” *United States v. Lee*, 358 F.3d 315, 321 (5th Cir. 2004) (citation omitted).

This court's prior opinion addressed three issues: (1) the contractual meaning of “prevents,” (2) what constitutes the “Seller's gas supply,” and (3) whether genuine disputes of material fact remained that precluded summary judgment in Pioneer's favor. *Pioneer I*, 109 F.4th at 716-27.

MIECO contends that the district court's analysis is contrary to this court's holding in *Pioneer I*. We disagree. The panel in *Pioneer I* held that the district court's error at the summary-judgment stage was that it decided the case without finding whether Winter Storm Uri prevented Pioneer's performance and whether Pioneer made reasonable efforts to prepare for and then mitigate and overcome the storm's effects. *Pioneer I*, 109 F.4th at 727. On remand, the district court did just that. We turn to each issue in turn.

As to whether Uri prevented Pioneer's performance, the district court found that “Uri prevented Pioneer from delivering 20,000 [million British thermal units] under the Contract from February 14, 2021, through and including February 19, 2021, because it rendered Pioneer's full performance impracticable.” The district court applied this court's holding “that the contract term ‘prevent’ does not mean that an event must render performance literally impossible to trigger force majeure.” *Pioneer I*, 109 F.4th at 720. The district court, based on the trial evidence, found that

No. 25-11204

Winter Storm Uri prevented Pioneer's performance under the contract, such that its performance was excused.

The record supports the district court's findings. Winter Storm Uri caused rapid well and pipeline freeze-offs to a level never seen before in Texas. MIECO's expert, Richard Smead, characterized Winter Storm Uri's effects on the Texas natural gas market as "truly cataclysmic." Because the question of whether Winter Storm Uri prevented Pioneer's performance is an issue of fact and because the trial evidence supports the district court's finding that the storm prevented Pioneer's performance, we find that the district court's finding was not clearly erroneous. *See Pioneer I*, 109 F.4th at 726. As to this issue, we find that the district court complied with the mandate from this court in *Pioneer I*.

We next turn to the district court's evaluation of whether Pioneer exercised due diligence and made reasonable efforts to overcome the effects of the storm. In remanding the case, this court required the district court to make two findings: (1) whether Pioneer made reasonable efforts in preparing to avoid the adverse impacts of a future force majeure event and (2) whether Pioneer made reasonable efforts to resolve the impacts of Winter Storm Uri and resume performance. *Pioneer I*, 109 F.4th at 727. The district court complied with this court's mandate and made both findings.

Section 11.2 of the contract requires the parties to "make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance." The record shows the measures implemented by Pioneer to prepare for a winter storm: it increased its share of interruptible natural gas sale agreements so that more gas could be diverted to meet its Firm obligations, it took steps to winterize its wells and equipment with insulation, it conducted site visits and staged equipment to respond quickly, and it

No. 25-11204

purchased additional gas for the long weekend. The district court specifically referenced “the winterization preparations [] made in advance of Uri” in concluding that Pioneer made reasonable efforts to avoid the adverse impacts of a force majeure event.

Further, during and after the storm, Pioneer acted to mitigate the effects of the storm on its natural gas production, including sending teams to work on the wells, further staged personnel to respond when temperatures rose, and sought help from third parties to ensure they continued to perform their obligations to Pioneer. Based on the trial evidence, the district court found that Pioneer exercised due diligence by making reasonable efforts to mitigate Uri’s impact on its gas production. Thus, contrary to MIECO’s contention that district court on remand failed to address each separate obligation as to due diligence, the district court made findings on each which are supported by the evidence adduced at trial.

Because the district court effected our mandate and did nothing more, *see Gen. Universal Sys.*, 500 F.3d at 453, we find that the district court complied with the mandate rule and affirm its judgment.

B.

MIECO presents two evidentiary arguments on appeal: (1) that the district court erred in admitting the testimony of Pioneer’s expert Kris Terry and (2) that the district court improperly excluded contrary testimony from MIECO’s expert Richard Smead.

MIECO contends that the district court improperly admitted Terry’s testimony regarding industry custom and practice because her testimony lacked foundation. Pioneer responds that Terry testified to her experience in the oil and gas industry and that, as a result, she was qualified

No. 25-11204

to opine on industry custom and practice when confronted with a force majeure weather event.

Federal Rule of Evidence 702 sets the requirements for expert testimony, which must be “based on sufficient facts or data.” When developing her opinion, “an expert cannot forgo [her] own independent analysis and rely exclusively on what an interested party tells” her. *Harris v. FedEx Corp. Servs., Inc.*, 92 F.4th 286, 303 (5th Cir. 2024) (quoting *Orthoflex, Inc. v. ThermoTek, Inc.*, 986 F. Supp. 2d 776, 798 (N.D. Tex. 2013)) (alteration in original). The “importance of the trial court’s gatekeeper role is significantly diminished in bench trials, as in this instance, because, there being no jury, there is no risk of tainting the trial by exposing a jury to unreliable evidence.” *Whitehouse Hotel Ltd. P’ship v. Comm’r*, 615 F.3d 321, 330 (5th Cir. 2010). Furthermore, “[m]ost of the safeguards provided for in *Daubert* are not as essential in a case such as this where a district judge sits as the trier of fact in place of a jury.” *Gibbs v. Gibbs*, 210 F.3d 491, 500 (5th Cir. 2000).

The district court did not abuse its discretion in admitting Terry’s testimony. Terry was qualified to testify regarding industry custom and practice, and her testimony was based on sufficient facts. Terry detailed her professional background, beginning with her education and her work with Fina Oil and Chemical Company. She explained that her work included many regulatory issues before the Federal Energy Regulatory Commission and the sale of natural gas produced by Fina wells in the Permian Basin. She then discussed her subsequent consulting work assisting clients with buying and selling natural gas. Further, Terry testified to her professional experience regarding the natural gas industry’s response to severe weather events. The district court carefully circumscribed the scope of Terry’s testimony to help the court answer the fact questions concerning the invocation of force majeure and response to severe weather events, rather

No. 25-11204

than legal conclusions about the interpretation of specific contractual terms. *Cf. Harris*, 92 F.4th at 303–04 (finding that the district court abdicated its role as gatekeeper by permitting testimony from an expert who conceded that she had no knowledge of the company’s human resources policies and procedures). Based on the record, this court finds that the district court did not abuse its discretion in admitting Terry’s testimony concerning industry custom and practice.

Next, MIECO contends that the district court erred in excluding the testimony of its expert, Richard Smead. MIECO takes umbrage with the district court’s exclusion of Smead’s testimony that there is no industry custom or practice regarding what constitutes “due diligence” or concerning what consists of “reasonable efforts.” Pioneer responds that Smead’s testimony was properly excluded because his testimony was an opinion of law, not fact.

“The interpretation of a contract is a question of law for the court.” *Amica Mut. Ins. Co. v. Moak*, 55 F.3d 1093, 1096 n.5 (5th Cir. 1995). While “[a]n opinion is not objectionable just because it embraces an ultimate issue,” FED. R. EVID. 704, “experts cannot render conclusions of law or provide opinions on legal issues,” *Renfro v. Parker*, 974 F.3d 594, 598 (5th Cir. 2020) (citation modified). Permitting an expert “to give his opinion on the legal conclusions to be drawn from the evidence both invades the court’s province and is irrelevant.” *Owen v. Kerr-McGee Corp.*, 698 F.2d 236, 240 (5th Cir. 1983). Such a prohibition is nuanced, and the Advisory Committee’s Notes to Rule 704 provide insight and make clear that the rules, however, “stand ready to exclude opinions phrased in terms of inadequately explored legal criteria.” FED. R. EVID. 704 advisory committee’s notes.

We hold that the district court did not abuse its discretion in excluding the testimony of Richard Smead because the testimony related to legal

No. 25-11204

conclusions properly made by the court. In its oral ruling limiting Smead's testimony, the district court stated that he could not testify about any legal conclusions including what constitutes reasonable efforts or due diligence under the contract. The record demonstrates that, if Smead had been permitted to testify concerning the topics that the court proscribed, his testimony would have focused on the interpretation of contractual terms, such as what constitutes an exercise of due diligence under the contract and what would be considered reasonable efforts to avoid adverse impacts. A district court is not permitted to rely upon expert's legal opinion regarding contractual terms as part of interpreting the contract. *Amica Mut.*, 55 F.3d at 1096 n.5. Smead's testimony regarding the interpretation of these contractual terms amounts to an opinion concerning legal conclusions. The district court neither manifestly erred nor abused its discretion in excluding Smead's testimony.

IV.

For the foregoing reasons, the judgment of the district court is

AFFIRMED.