

Bankruptcy in the Midstream Sector

15th Gas and Power Institute–Bankruptcy Panel

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DISCLAIMER

- This is not legal advice.

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Industry Overview

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Industry Overview

- Hundreds of thousands of miles of gas gathering lines in U.S. for storing, transporting and marketing Natural Gas and Natural Gas Liquids Products
- Midstream Companies collectively invest billions of dollars each year developing infrastructure necessary to gather, process, and transport oil and gas in U.S.
- They typically finance the infrastructure costs

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Industry Overview (cont.)

- Midstream Companies receive promise to pay (often only if/when oil and gas is produced) plus dedications of the underlying oil and gas mineral interest together with associated acreage
- Fees charged under Midstream contracts are to provide Midstream companies (over time) with a return on their capital investment

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Industry Overview (cont.)

- Some of these Midstream contracts currently have above market pricing

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