

Bankruptcy in the Midstream Sector

15th Gas and Power Institute–Bankruptcy Panel

JOHN P. MELKO
GARDERE WYNNE SEWELL, LLP

OMER F. “RICK” KUEBEL III
LOCKE LORD, LLP

FRANK J. WRIGHT
COATS ROSE, PC

MICHAEL P. PEARSON
JACKSON WALKER, LLP

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- 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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