Title Due Diligence in a Distressed Energy Market

Borrowing base reductions seem a certainty for many oil and gas producers, says a new white paper published by Haynes and Boone.

“While E&P companies continue to cut CAPEX and reduce overhead to conserve cash and look for ways to stretch their borrowing bases, many companies will opt for divesting non-core assets to pay down debt and improve liquidity, in order to survive until commodity prices improve.” the authors write. “The press is full of reports of investors on the sidelines eagerly evaluating opportunities to acquire oil and gas assets at the lower end of the price cycle. Buyers looking to take advantage of this opportunity may be able to save millions of dollars up front with a well-designed title due diligence plan in place prior to starting their transaction process. And, after acquiring the assets, the new owners will find fewer surprises down the road.”

Read the white paper.