

## Dueling Liens in Lean Times

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March 2, 2016 Kim Mai, Kraig Grahmann

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**PRACTICES** Energy Finance, Energy, Power and Natural Resources, Liquefied Natural Gas (LNG), Oil and Gas, Restructuring

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With the steep collapse of oil and gas prices in the last eighteen months, dozens of exploration and production companies have declared bankruptcy and many more companies are expected to file for bankruptcy protection unless prices rebound dramatically. As the prospect of further bankruptcies looms, it is important for parties to understand how to adequately protect their security interests and the nature of competing liens that could prevent them from fully realizing on the value of the collateral securing their counterparty's obligations. This article sets forth types of liens that can encumber the assets of an exploration and production company and the priority of such liens.

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