

Buddy Clark Featured in Oil & Gas Financial Journal

December 19, 2017

PRACTICES Energy, Power and Natural Resources

Oil & Gas Financial Journal's December 2017 issue featured Haynes Boone Partner Buddy Clark in a cover story discussing the year's key events in the energy industry and developments to expect in 2018. Clark co-chairs the Energy Practice Group.

Here are examples of the topics covered in the article, "Buddy Clark Talks Energy Capital Evolution":

OGFJ: How has the work you do changed, or has it, over the past few years as the industry has struggled with low oil prices?

Clark: The nature of the work changed from capital raising to capital restructuring. Beginning my practice in the early '80s I worked through a couple of cycles. This latest downturn is much like the '80s decade of destruction. But the impact overall has not been as severe — notwithstanding the 'lower for longer' mantra, the industry has held its own on balance much better than in the late '80s. Following the Thanksgiving surprise OPEC served up in 2014, the work has changed. We're still dealing with financial agreements between producers and their capital providers but now we're looking at different sections of the agreements. Instead of looking at the requirements for the ability to borrow, we're looking at events of default and remedies. ...

OGFJ: Will West Texas continue as the news-maker in 2018?

Clark: There's so much momentum there. Everybody has acquired this acreage that they're going to need to drill, produce and build out infrastructure and pipelines. I think the Permian is an incredible story. If you read the history of the industry, while it didn't exactly begin there, the Permian is where a lot of the big oil companies got their start. It's part of the romance of this industry, that the Permian is back. ...

OGFL: What else should we look for going into 2018?

Clark: I think technological advancements are guaranteed. Probably more so if prices stay low than if prices go up because when prices are low you have to find new ways to pinch pennies and make money. I think there'll be more consolidation in oilfield services. Many of the Mom and Pops can't continue to operate on a loss. Going forward, from a capital perspective, you see the same financial products with a new name trotted out every five years or 10 years. ... The close relationship between the producer and the capital provider started in this industry Day One. It continues to this day because you can't drill wells without men, rigs pipe, ... and capital. You've always had to have capital. While things have changed, in many ways they'll remain the same.

Excerpted from *Oil & Gas Financial Journal*. To read the full article, click [here](#).