

Austin Elam in Texas Lawbook: What a Difference a Day Makes: Inside Last Week's M&A Activity in Texas

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The Texas Lawbook quoted Haynes Boone Partner [Austin Elam](#) in an article about M&A activity in the energy and power sectors.

Here is an excerpt:

As of Thursday of last week, year-to-date M&A activity in the energy and power sectors was lagging last year's and even 2017's figures, according to Refinitiv.

But then Friday morning came with a big announcement: That Chevron Corp. (NYSE: CVX) had agreed to buy Anadarko Petroleum (NYSE: APC) for \$33 billion.

Meanwhile, the equity and debt markets continue to be mostly closed for the oil and gas industry and the acquisition and divestiture, or A&D, market is down significantly over last year, as *The Texas Lawbook* has reported.

What are companies to do if they need capital?

In a word (or two words smushed together): Drillcos

Austin Elam, a newly minted partner at Haynes Boone in Houston, spoke about drillcos' rise and mechanics last week at a luncheon in Houston hosted by the Independent Petroleum Association of America.

"Equity markets remain quiet, and with borrowing bases not rising, there's not a lot of liquidity in the market," he said.

After his address, Elam said he's working on two drillcos right now, both of which involve private companies operating in the Permian. He's also working on two deals involving volumetric production payments, or VPPs – which give the capital provider the right to part of a company's oil and gas production in exchange for financing its drilling costs. It's another resurrected structure from previous tight times.

To read the full article, click [here](#). (Subscription required)