

## Kraig Grahmann in Hart Energy: Upstream Borrowing Bases Likely to Remain Steady

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April 12, 2019 Kraig Grahmann

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**PRACTICES** Energy Finance, Energy, Power and Natural Resources, Finance, Oil and Gas

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*Hart Energy* quoted Haynes Boone Partner [Kraig Grahmann](#) in an article about the findings of the firm's recently released Spring 2019 Borrowing Base Redeterminations Survey.

Here is an excerpt:

"Prices have recovered a bit," said Kraig Grahmann, head of Haynes Boone's Energy Finance Practice Group. "The decline shook up the market and created concerns about confidence and price stability from end of 2018 to the beginning of 2019."

In the survey conducted by the Dallas-based law firm, both energy companies and lenders have reacted conservatively to the 2018 oil price declines. The borrowing base survey demonstrated that 40% of respondents expect borrowing bases to remain the same while more than 30% of those surveyed predict slight declines to borrowing. Only 20% of respondents expect slight increases.

A large percentage of producers hedged their 2019 production, giving them a significant advantage over their competitors. The survey revealed that 40% to 60% companies placed hedges and could be one reason why respondents expect borrowing bases to remain relatively stable, Grahmann said.

"Many of these companies have locked in prices and have stable cash flow," he said.

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