

## Partner Kraig Grahmann and Borrowing Base Redeterminations Survey Featured in *Natural Gas Intelligence*

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Haynes Boone Partner [Kraig Grahmann](#) and the firm's semi-annual Borrowing Base Redeterminations Survey were featured in a *Natural Gas Intelligence* article discussing exploration and production companies' interest in expanding while the lending market is tight.

Read an excerpt below:

"Volatility continues to be a common word in any oil and gas industry call, and there's no sign of that fading soon," Haynes Boone partner Kraig Grahmann, head of Energy Transactions Practice Group, said.

"Our most interesting finding may be that despite lingering RBL market pessimism, participants in the RBL financing market are showing new interest in funding drilling and completion programs, which is a change from prior years, where lenders closely scrutinized developmental capital expenditures." ...

"The underlying fundamentals of the upstream oil and gas business are strong," Grahmann said. "Global tensions underlying fundamentals are strong. Unfortunately, those fundamentals don't translate into a lot of reserve based lending availability for oil and gas producers. The underlying RBL market is tight despite those fundamentals." ...

"The U.S. basically reinvented itself with respect to energy resources through hydraulic fracturing," he noted. That made resources more commercially available. "And so it was an exciting time, because you could basically go out and discover and develop a new play that people thought was uneconomic."

"You could build your asset base, to the point with plenty of financing available. You could basically fund the drilling budget or an acquisition budget that was way in excess of your cash flow..."

"And now, it's a much more boring sort of positive cash flow generating business model, which helps you withstand volatility, but it doesn't have the excitement of 10 years ago... We always love exotic deal structures," and "reforming debt structure is not as exotic as say when you need to really stretch and raise a bunch of debt capital."

Read the full article [here](#).