

Haynes Boone Advises TPIC in Oil and Gas Asset-Backed Securitization Featuring First-of-its-Kind Structure

February 10, 2025

PRACTICES Energy, Power and Natural Resources, Asset Securitization, Energy Finance, Oil and Gas, Oil and Gas Securitizations (ABS)

A Haynes Boone team of energy attorneys advised Texas Petroleum Investment Company (TPIC) as it closed on an asset-backed securitization (ABS) to refinance its existing revolving credit facility.

The transaction involved several first-in-kind structural enhancements for oil and gas ABS transactions. In addition to issuing investment-grade term notes in a private offering to accredited investors under Section 4(a)(2) of the Securities Act of 1933, TPIC (through a special-purpose vehicle) issued an investment grade-rated variable funding note (VFN Note) at closing. The deal also marked the first time that the largest U.S.-based producer participated in an oil and gas ABS. In exchange for receiving physical offtake of crude oil, an affiliate of the U.S. producer agreed to provide a credit enhancement to support payment of certain levels of principal and interest payments on the investment-grade notes.

A large Haynes Boone team represented TPIC, led by Partners [Kim Mai](#), [Jeff Nichols](#), [Laura Martone](#) and [Kraig Grahmann](#), Counsel Sunyi Snow and Associates [Roy Schwartz](#), [Liz Felicidadario](#), [Reem Abdelrazik](#) and [Camie Carlock McKee](#).

“We are thrilled to have assisted TPIC on this significant transaction,” Mai said. “The deal introduced several new developments in the oil and gas ABS structure, which required parties to collaborate to create bespoke legal solutions.”

The transaction is backed by collateral securing the notes representing working interest in Proved Developed Producing wells and was oversubscribed, including orders from investors that were participating in their first oil and gas ABS. The term notes and variable funded notes are rated by Fitch and will not be registered.

Haynes Boone’s market-leading [Energy Practice Group](#) consistently ranks among the most active legal advisors for U.S. deals in the energy industry. The group represents domestic and foreign public and private companies that conduct operations both internally and across the United States in the domestic resource plays and shale plays (including the Midland and Delaware Basins, Eagle Ford, Barnett, Haynesville, Wolfberry, Marcellus, Utica, Niobrara, Woodford and Bakken/Three Forks).