

May 12, 2015 | Houston, TX

The background image shows several oil pumpjacks (jack-o'-lanterns) in a field, silhouetted against a dramatic sunset sky with orange and blue hues. The pumpjacks are yellow and appear to be in operation. The overall scene is industrial and evocative of the oil and gas industry.

Oil & Gas M&A Seminar: *Identifying Opportunities in a Volatile Market*

Oil & Gas M&A Seminar
Identifying Opportunities in a Volatile Market

May 12, 2015 | Houston, TX

The New World in A&D:
Today's Market

Michael P. Darden, Partner, Latham & Watkins
Stephen C. Szalkowski, Associate, Latham & Watkins



The New World in A&D: Today's Market

- Upstream Transactions versus Midstream Transactions
- Asset Transactions versus Equity Transactions
- Undeveloped Acreage versus Producing Assets

Upstream Transactions versus Midstream Transactions

- What is the trend, and what is causing it?
- Success of upstream operations (shale plays)
- Leads to a lack of infrastructure/takeaway capacity
- Separate midstream businesses as a path to monetization
- Midstream business – the perfect MLP model
- Midstream component, as part of upstream deal

Asset Transactions versus Equity Transactions

- Still weighted toward asset deals on upstream
- Tendency toward equity deals on midstream
- Different trend when private equity involved?
- Joint ownership of midstream assets through entity
- Structuring considerations (preferential rights and consents)

Undeveloped Acreage versus Producing Assets

- Trend toward valuation of PDP only (and maybe PDNP)
- Less value attributed to PUDS (or other undeveloped acreage)
- More deals with a greater percentage of producing assets
- Back to the norm?
- Onshore unconventional vs. onshore conventional vs. offshore