

## Sorvino Comments on Impact of Distressed Exploration and Production Companies on Midstream Sector

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Attorneys active in the oil and gas industry warn that a pair of bankruptcy court cases involving distressed exploration and production (E&P) companies could spell trouble for the midstream sector, with the potential for more E&Ps using bankruptcy protection as a means to get out of long-term contracts. Meanwhile, midstream executives have been trying to minimize concern that their contracts with troubled E&Ps are leaving their companies vulnerable.

"There is going to be a domino effect in this industry. If the oil and gas producers go down, they're going to take a lot of other industries down with it," Heidi Sorvino said. She added that since producers are allowed to have their contracts rejected under Section 365 of the U.S. Bankruptcy Code, pipeline companies may have little recourse other than to put in an administrative claim.

### KEY ATTORNEYS

Heidi J. Sorvino

### PRACTICE AREAS

Financial Restructuring and Bankruptcy

