

Michael Blankenship Discusses What Federal Aid Will Do to Energy Companies

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On April 30, the Federal Reserve decided to expand its Main Street Lending Program eligibility to businesses with up to 15,000 employees or \$5 billion in annual revenue. But oil and gas finance experts say the Fed's actions, coupled with reports that the Treasury and Energy Departments are considering oil and gas loan programs, are at best stopgaps for some cash-squeezed drillers hoping to ride out the next few months until a potential recovery in oil prices.

Michael Blankenship, Winston & Strawn Houston energy partner, spoke with Law360 about how federal aid would only pile on more debt on already overleveraged companies. "You're just delaying the inevitable, which is bankruptcy," Mike said. "You're just giving the government's good money and turning it into really bad money. It's just a black hole you're creating."

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