

Winston Attorneys Discuss Chesapeake Energy's Chapter 11 Process with Law360

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Winston & Strawn Attorneys Mike Blankenship offered insight to Law360 regarding one of the nation's largest gas producers, Chesapeake Energy, filing for Chapter 11. They also discussed how oil and gas assets are going to be valued as more bankruptcies remain on the horizon.

Chesapeake listed 40 subsidiaries in its bankruptcy petition Sunday, each of which filed Chapter 11 petitions of their own.

"Given the size and scope, it's going to hit many different stakeholders," Mike said. "We're going to be following ... the counterparties, as well as the banks, and see what kind of implications there are in relation to [Chesapeake's] contracts."

Former associate said that the management teams of companies that are contemplating bankruptcy should closely observe several aspects of Chesapeake's Chapter 11 process, including the willingness of creditors to restructure their debt, which types of service and midstream contracts get rejected, and whether creditors push for asset auctions and sales under Section 363 of the federal Bankruptcy Code.

Given the sheer number of assets Chesapeake owns in different shale regions, Mike said a Section 363 sale process could provide the industry with a window into how oil and gas assets are valued in the coronavirus-depressed environment.

"If they do go down that route, it will give a fair metric on what the pricing looks like," Mike said.

Read more of their insights in this Law360 article [here](#) (subscription required).

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Michael J. Blankenship