

PUBLICATIONS

Investing in Oil and Gas Royalties: Distressed Counterparty Risk Considerations

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As oil and gas prices decline and the availability of reserved-based senior credit becomes increasingly scarce, exploration and production companies are seeking to refinance into more traditional term loans or to divest royalties in an effort to raise cash. In *Investing in Oil and Gas Royalties: Distressed Counterparty Risk Considerations*, SRZ partner David J. Karp and associate Parker J. Milender discuss oil and gas royalty interests and the counterparty risks they present to investors. This *White Paper*, which was republished by *Reorg Research*, covers how investors who own carved out royalty interests need to take inventory of counterparty risk and how these positions will be treated in a bankruptcy, including the potential risks of contract recharacterization or rejection and clawbacks of payments already received.

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**David
Karp**

Partner
New York

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