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Rick Kuebel has extensive experience in oil, gas, and energy related bankruptcies and corporate restructuring solutions. Mr. Kuebel has represented numerous energy companies in business litigation or arbitration matters and regulatory disputes involving oil and gas exploration, development, transportation, refining and marketing.

## Extensive Knowledge of Target’s Operations Always Essential in Energy Sector Investment

*Editor’s Note: This is one in a continuing series of Q&As with Locke Lord lawyers on key legal issues confronting companies engaged in industries that have national and global impact.*

### What steps should investors seeking opportunities in the energy sector take to conduct due diligence?

**RK:** It’s imperative that anyone looking to make a significant investment in today’s energy sector has a painstaking command of a target’s revenue, liquidity position and balance sheet. This includes testing the asset values and capital needs of the target and verifying all liabilities and security therefore.

### Some oil companies operate strictly within a state, while others are regional or national players. What are some considerations to avoid running afoul of federal, state and local laws?

**RK:** As part of any due diligence in preparation for acquiring assets, investors must know where the core assets are located and which laws and regulations apply. It’s essential to make certain any legal team participating in an acquisition has lawyers who are well-versed — and recognized experts — in the applicable laws where the target operation is based.

### Are companies now investing in new technologies or are they deferring investment plans and spending until prices rebound?

**RK:** In past down cycles, budget cuts were generally not uniform percentage reductions across all capital expense categories. Instead, companies prioritized capital projects, fund the best and defer others. This should hold true in today’s distressed environment in the energy sector.