



# Mergers & Acquisitions

**CEC has the knowledge and expertise needed to assist clients with the mergers and acquisitions (M&As) of large volumes of exploration, production, and midstream assets while successfully navigating the evolving federal, state, and local regulations.**

CEC has been involved in the oil and gas (O&G) industry since the early 2000s and has maintained consistent and prominent involvement in many O&G industry organizations. We've supported the seemingly ever-changing, dynamic industry and have continued to provide client-first services throughout economic downturns and surpluses. CEC has the knowledge and expertise needed to assist clients with the mergers and acquisitions (M&As) of large volumes of exploration, production, and midstream assets while successfully navigating the evolving federal, state, and local regulations.

CEC's integrated approach to M&As due diligence services related to O&G assets is designed to provide timely information to rapidly assess significant environmental, safety, or operational issues in an effort to minimize and manage potential environmental liabilities, risks, and costs. CEC understands the sensitivity and timeliness of M&A-related due diligence periods and has the breadth and depth of staff necessary to establishing and maintaining due diligence timeline requirements per the pace of business.

CEC has experience in evaluating and accurately documenting existing site conditions, physical site constraints, and environmental releases that could be indicative of potential or actual liabilities associated with a violation of an environmental law, rule, or appropriate standards. We have worked with O&G companies to conduct due diligence prior to M&As, as well as after a sale is completed to evaluate acquired site compliance through the USEPA's New Owner Clean Air Act Program.

CEC also has capabilities to provide cost estimates for remedial Best Management Practices (BMPs) for the identified issues in our M&A-related due diligence findings.

## **DUE DILIGENCE SERVICES TAILORED TO MEET CLIENT NEEDS**

From performing desktop reviews, to in-depth boots-on-the-ground site inspections/evaluations, CEC has the capabilities and experience to adapt to all manner of due diligence timelines and risk objectives.

*Desktop Review: High-Altitude Informational Inquiry* – CEC reviews permit and compliance records provided by owners or potential buyers, searches multi-system corporate-level government databases (Envirofacts), reviews historic mapping, and contracts with Environmental Data Resources, Inc. to obtain corporate-level audit reports including corporate Family Tree reports, company NPL/PRP Reports, and company Civil Enforcement Action reports for possible target-company-related issues.

*Site Inspections/Evaluations* – CEC staff are experienced in environmental and engineering due diligence as well as O&G operations. On-site evaluations are completed by highly trained staff to determine equipment inventories and potential environmental liabilities, such as current and suspected historical environmental releases, evidence of slips and landslides, erosion and sedimentation issues, wetland and stream encroachments, plugged and abandoned wells, gas leaks





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and stray gas, and integrity for potential leaks. CEC has the capacity to mobilize multiple staffing teams to ensure site evaluations are conducted during rapid due diligence timeframes.

*Final Report* – CEC provides a summary report that includes the results of the Desktop Review and Site Inspections/Evaluations, as well as a clear identification of actual or potential issues identified with respect to evaluated assets together with estimated costs for suggested remedial BMPs.

*U.S. EPA New Owner Clean Air Act Audit Program* – U.S. EPA finalized the Program (geared toward the O&G exploration and production industry) on March 29, 2019. Since the Program's inception, a number of O&G companies have taken advantage of the program to avoid civil penalties for violations discovered during the audit process. CEC's staff has extensive experience with state and federal air quality regulations applicable to the O&G industry. We have supported clients by conducting hundreds of field audits using innovative technologies such as ESRI cloud-based applications to rapidly assess emission equipment and provide our clients with timely and efficient data. CEC has also provided optical gas imaging leak detection and repair surveys both on the ground and with the use of unmanned aerial vehicles. Our technical staff has also evaluated hundreds of permits for federal and state compliance and utilizes engineering software such as ProMax® to evaluate emissions.

CEC also provides a multitude of services to the O&G industry, such as:

- Environmental Assessments (Transaction Screens, Phase I and II Assessments)
- Property (Facility) Condition Assessments
- Site Evaluations
- Utility Evaluations
- Environmental Compliance Audits
- Geotechnical Investigations
- Floodplain/Floodway Identification
- Stormwater Management Assessments
- Hazardous Material Surveys
- Ecological Resources Reviews and Permitting Evaluation (Wetland Identification/Delineation, Jurisdictional Waters, Threatened and Endangered Species)
- Land Planning
- Land Survey Services (ALTA/NSPS and Geophysical Surveys)
- Land Ordinance Reviews
- Wetlands & Waters Delineations
- Stormwater BMP Design and Inspections
- Asset and Information Management
- Air Compliance and Permitting
- Greenhouse Gas Reporting
- Emission Inventory Reporting
- Government Relations
- Environmental Management System Development and Implementation
- Leak Detection and Repair Surveys and Reports