

Buddy Clark in Reuters: Investors Pour Cash into U.S. Shale

December 15, 2017

RELATED PRACTICES Energy, Power and Natural Resources, Oil and Gas

Financiers keep pouring cash into the shale oil sector, providing producers with a path to keep U.S. output rising through the middle of the next decade, *Reuters* [reported](#).

The report said that, in the third quarter of this year alone, private equity firms have put \$20.26 billion into energy related deals, a 36 percent increase over all of last year.

Buddy Clark, co-chairman of the Energy Practice Group at Haynes Boone, told *Reuters* that producers holding prime locations in Permian and Oklahoma oil fields have little trouble financing their fracking projects.

“If you’ve got the rocks, you can get the money,” he said.

The report said that the United States is on track to deliver up to 80 percent of the world’s oil production gains through 2025, the International Energy Agency estimates, increases fueled in part by easy access to capital. Rising U.S. production is undermining OPEC’s attempts to curb global supply and boost prices, forcing the oil cartel to continue restraining output through the end of 2018.

Hedge funds and private equity firms have given producers a range of new and traditional financial levers they can pull as needed to keep shale rigs drilling, according to interviews with more than a dozen financiers, advisers and executives. The money continues to flow despite rising pressure from some investors for drillers to prioritize better profit margins over expanded production.

Excerpted from *Reuters*. To read the full article, click [here](#).