

Media Roundup of Haynes Boone's Latest Energy Bankruptcy Reports

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Various news outlets quoted Haynes Boone Partners [Charlie Beckham](#), [Jeff Nichols](#) and [Kraig Grahmann](#) discussing the firm's latest oil and gas bankruptcy reports.

Below are excerpts of the articles:

Houston Business Journal: [Houston Isn't Likely to See Oil Bankruptcies Surge Any Time Soon](#)

Oil and gas bankruptcies have slowed down significantly in Houston during 2021 compared to the prior year. There are a couple of reasons for the change of pace. The most obvious is that the commodity prices for oil and gas are a lot stronger right now than they were in 2020, said Kraig Grahmann, a Houston-based partner at Haynes Boone.

"There are probably some companies out there where higher prices righted the ship and helped avoid the need to go into bankruptcies," Grahmann said... .

So the downturn in 2020 shortened some of the lead time that might have otherwise preceded bankruptcy for some companies. That meant more bankruptcies packed into 2020, which left a lower inventory of debt in the industry to push additional companies into the court during 2021, said Charles Beckham, another Haynes Boone partner in Houston.

"Many of the (exploration and production) companies that have filed bankruptcy over the last five years, those obligations were incurred in the early to mid-2010s," Beckham said.

S&P Global Market Intelligence: [Credit Worries Ease in Oil and Gas Patch as Prices Recover](#)

With oil and natural gas prices back from their 2020 lows, the credit crunch for U.S. oil and gas firms has subsided, and producers are reporting positive income and cash flows, fewer bankruptcies and better rates for borrowing... .

The number of bankruptcy filings among oil and gas exploration and production companies, or E&Ps, was at a six-year low in the first half of 2021, according to law firm Haynes Boone, which tracks Chapter 11 filings... .

"I would expect that we'll continue to have fewer oil and gas companies need to file bankruptcy," Houston-based Haynes Boone Partner Charles Beckham Jr. said. "There's still distress out there, and there's still mistakes that can be made by concentrating capital into narrow fields or finding out that the great discovery that a company may have had ... fizzles."

More capital is flowing into private drillers from private equity investors as prices rise. This shifts the risk into the private sector as private equity money takes the place of bank lending, which has become more conservative, Haynes Boone Energy Practice Group co-Chair Jeff Nichols said.

"The public capital markets are more conservative, and they want companies to generate free cash flow rather than building reserves," Nichols said. "It's the private side that has grown, and a lot more rigs are now owned in private hands, something approaching 60%."

Houston Chronicle: Oil and Gas Bankruptcies Slow as Crude Recovers

Fewer oil and gas companies filed for bankruptcy in the second quarter as demand increased and crude prices climbed to past \$70 a barrel.

Four exploration and production companies and eight oil-field service companies in North America filed for Chapter 11 bankruptcy from April to June, according to Haynes Boone, a Dallas-based law firm tracking bankruptcies in the industry. There were 13 bankruptcies in the first quarter this year and 23 in the fourth quarter of 2020...

Since 2015, there have been 266 oil and gas producer bankruptcies and 306 oil-field service and transportation bankruptcies. Together, these oil and gas companies have brought more than \$294 billion of debt to court. During 2020 alone, more than \$98 billion was brought to court, compared with \$70.3 billion during the previous oil bust, Haynes Boone said.

OilPrice.Com and Markets Insider: Is the U.S. Shale Bankruptcy Rout Over?

Back in April, we reported that U.S. oil and gas companies were still filing for bankruptcy at record levels right in the midst of an oil price recovery. Smaller producers were the main victims as a total of eight North American oil and gas producers with an aggregate debt of \$1.8B filed for bankruptcy protection in Q1 2021. But it now appears that the massive wave of bankruptcies has finally abated.

According to Energy and restructuring law firm Haynes Boone, just four U.S. exploration and production (E&P) companies filed for Chapter 11 during the second quarter, bringing the tally for H1 2021 to 12, the lowest number in six years.

... Haynes Boone says eight OFS companies filed for Chapter 11 in Q2 2021 to bring H1 2021 numbers to 13 companies. The aggregate debt for the 13 companies came in at over \$5.9 billion, the fourth-highest H1 total since 2015, with offshore driller Seadrill Ltd (OTCQX:SDRL) accounting for the lion's share.

SmartBrief: Oil, Gas Industry Sees Fewer Bankruptcies in Q2

The number of bankruptcy filings by North American oil and natural gas companies fell to 12 in the second quarter, down from 13 in the first quarter and 23 in the fourth quarter of 2020, according to Haynes Boone. A total of 107 energy companies sought Chapter 11 bankruptcy protection last year, the highest tally since the 2014-16 oil downturn.

Other publications also reported on Haynes Boone's energy reports, including:

[GlobalData Energy](#)

[Houston Business Journal](#)

[E&E News](#)