

Grahmann in Midland Reporter-Telegram: AI Boom Lifts Permian Gas Demand as Oil Outlook Softens, Financing Shifts

October 27, 2025 Kraig Grahmann

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As artificial intelligence continues to grow, the demand for natural gas has increased. Haynes Boone Oil and Gas Partner [Kraig Grahmann](#) spoke with the *Midland Reporter-Telegram* about the growing demand and how companies are responding.

“A few months ago, when our last report came out, it was right off of tariff ‘Liberation Day,’ and, frankly, there was a lot of hysteria in the market,” said Grahmann. “In the months since, though, I think we’ve backed off such a negative outlook.” ...

“Companies on the drilling and completion side are being extremely proactive by reducing the number of rigs they have out there,” Grahmann said. “Companies are constraining their own development, which I think is keeping the price of oil from dropping further.”

“I think, ultimately, that as long as there’s enough demand for the natural gas and a high enough price for it, companies will be willing to take the loss on the oil and the expense of the water, and it sounds like natural gas will eventually go in the direction of having that kind of price environment,” Grahmann said.

From a lending perspective, Grahmann said there are not a lot of distress or bankruptcy prospects going on right now. That’s good for companies that need financing and for lenders like UMB Bank, which has a more positive, though still cautious, outlook on the oil and gas industry, especially in the Permian Basin.

“Family offices have been very interested in filling the gap,” Grahmann said. “Private equity had a bit of a pullback post 2020, but then the last year to 18 months, you’ve heard a lot more stories about private equity firms finally being able to raise funds dedicated to oil and gas investments, and now they’re in a position of having those funds and are ready to deploy capital.” Grahmann added that asset backed securitization has also grown in popularity.

“That structure has remained strong,” he said. “There’s a robust appetite for investors to buy the notes that are issued by those SPVs. So that’s kind of one of the main things we’re seeing in the space that continues to be strong.”

Read the full *Midland Reporter-Telegram* article [here](#).