

## Patrick Hughes in Bloomberg: Shale Boom Belies Oil Patch Pain Amid Series of Bankruptcies

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*Bloomberg* quoted Haynes Boone Partner [Patrick Hughes](#) in an article about the increase in energy-related bankruptcies despite the boom in American shale output.

Here is an excerpt:

These ailing companies reveal the flip side of the boom. High-cost producers with poor balance sheets are not getting much love from investors who are more focused on demanding returns than pouring more money into shale's expansion, whether through debt or equity. And as producers rein in spending, the less-efficient service providers are struggling.

"There hasn't been the institutional stomach, either at the debt level or the equity level, to go through the open-heart surgery that involves a bankruptcy," Patrick Hughes, a partner at law firm Haynes Boone, said in a phone interview. "It takes a long time for the boards of these companies to really realize this may be the only way they can clean up the balance sheet."

The casualties from the downturn peaked in 2016, when 142 companies filed with \$70.3 billion in debt, according to Haynes Boone. That number shrunk by more than half to 41 companies filing with \$17.2 billion in debt in 2018.

To read the full article, click [here](#).