

## Inaugural Oilfield Services Bankruptcy Tracker Shows Middle-Market Aggregate Debt Topping \$5 Billion

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**PRACTICES** Energy, Power and Natural Resources, Oil and Gas, Oilfield Services, Restructuring

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As a service to the energy industry, the Haynes Boone Oilfield Services and Bankruptcy practices have compiled the inaugural [Oilfield Services Bankruptcy Tracker](#), which shows that the accelerating rate of middle-market oilfield services company bankruptcies now involves more than \$5 billion in aggregate debt.

The firm's research shows that there were 39 middle-market bankruptcies in 2015 with an average debt of about \$135 million. The median ranges are from \$10 to \$17 million, and the largest reported bankruptcy, Vantage, had a total debt of more than \$2.5 billion in secured and unsecured debt.

Texas recorded the most bankruptcies with 19; Canada was next highest with six. The most popular bankruptcy filing venue has been Delaware, where filings now top more than \$4.3 billion in secured and unsecured debt.

"You can see from our charts that the tempo is increasing both in oilfield services bankruptcies and restructurings," says Houston Partner Chris Wolfe, head of the firm's Oilfield Services Practice Group. "Service companies are taking it on the chin and there is more to come. The industry is in crisis, so it is important to track this activity carefully."

"There will be resolution," he says. "It's important not to panic."

Dallas Partner [Ian Peck](#), head of the firm's Bankruptcy and Business Restructuring Section, said the Oilfield Services Bankruptcy Tracker helps industry participants track public filings as they unfold because clients need accurate data to make measured decisions in this climate.

"Oilfield service companies face significant challenges in Chapter 11, including maintaining critical customer relationships while developing an effective exit strategy," Peck says. "In many circumstances, the best course of action will be the one that offers the quickest escape from Chapter 11."

The firm has played a key role in a number of oilfield services matters, including asset sales, refinancings, debt restructurings and Chapter 11 cases, representing debtors, creditors, energy lenders and private equity investors.

The Oilfield Services Bankruptcy Tracker is being released on the heels of the firm's [Spring 2016 Borrowing Base Redeterminations Survey](#), which shows that those involved in energy lending and borrowing remain convinced that the ability to borrow against reserves is about to be significantly decreased by an average of more than 30 percent.

Haynes Boone has also been regularly updating exploration and production company bankruptcies with its *Oil Patch Bankruptcy Monitor*, which details a rising tide of 2015 Chapter 11 filings totaling about \$17 billion in cumulative secured and unsecured debt.