

Haynes Boone Survey Finds Expected Rise in Short-term Oil Prices, Fall in Gas

November 15, 2023 Kim Mai

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Haynes Boone’s [Fall 2023 Energy Bank Price Deck Survey](#) found energy banks expect a rise in oil prices but a drop in natural gas in the short term.

The average base case price for oil was \$69.65/bbl (West Texas Intermediate), which is \$4 higher than when Haynes Boone conducted [its spring survey](#). Haynes Boone lawyers attribute the increase to production cuts made by OPEC and the current conflict in the Middle East. Still, there are concerns about a drop in demand in the future, with the base case price settling at \$55.66/bbl by 2032.

By contrast, natural gas prices were slightly lower than in the spring, continuing an ongoing trend, which may be partly attributable to lower demand due to mild temperatures throughout the United States. Energy lenders expect a sharp rise in gas prices in the near future, though. Banks surveyed expect a jump from an average of \$2.78/MMBtu (Henry Hub) in 2023 up to \$3.46 in 2025, a nearly 25% increase.

Oil Price Expectation 2023 Fall

“The continued fall in natural gas prices could have a meaningful impact on producers this redetermination season,” said [Kim Mai](#), a Haynes Boone Energy Practice Group partner. “With that said, it’s notable that despite continued concerns over drops in oil demand and prices, our [fall borrowing base survey](#) saw increased interest in financing new oil and gas wells.”

Haynes Boone conducts a survey twice a year reviewing oil and gas price decks from leading energy banks. Those decks are used in the determination of oil and gas producers’ borrowing bases. The fall edition included

input from 25 banks. Most of the participants are regional banks that target small loans to independent oil and gas producers, while a few European banks have exited the U.S. reserve-based loan (RBL) space.

 Gas Chart 2023 Price Deck Fall Survey

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