

Haynes Boone Releases Spring 2022 Energy Surveys

April 21, 2022 Kraig Grahmann

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Haynes Boone released its spring roundup of data offering detailed insights into the state of the energy industry.

The data includes the firm's latest "Borrowing Base Redeterminations Survey," which captures polling through early April of executives at oil and gas producers, financial institutions, oilfield services companies, private equity firms, and professional service providers to get their predictions about producers' future borrowing capacity. The Borrowing Base Redeterminations Survey, which the firm has conducted twice a year since April 2015, offers a clear, forward-looking view about the projected financial state of the U.S. energy market.

The firm also released its spring 2022 "Energy Bank Price Deck Survey," a survey of reserve-based lenders' oil and natural gas price decks through early April, which is a vital source of information on senior debt markets and the availability of secured credit for oil and gas producers.

Borrowing Base Predictions and Price Deck Survey Results

The spring 2022 Borrowing Base Redeterminations Survey reflects decided optimism, with a majority of industry respondents expecting double digit percentage increases in borrowing bases of 20% or more. Very few respondents expect borrowing bases to decrease.

"With oil and gas prices at a 10-year high, the outlook for the industry has grown even sunnier than in our last survey, in the fall of 2021, when respondents likewise predicted improved reserved-based lending credit availability," said [Kraig Grahmann](#), head of Haynes Boone's Energy Finance Practice Group.

Other key findings in the survey include:

- Respondents reported lower hedging percentages than in previous surveys.
- The survey reflects some notable changes with respect to capital raising. The use of equity capital, both public and private, and bank debt is increasing, among other changes. That said,

cash flow from operations continues to reign supreme as a capital source.

- In response to a new survey question, industry stakeholders ranked the most important impediments to increasing oil and gas production. The biggest one selected was a lack of reinvestment in the industry over the last couple of years.

In regard to pricing information provided by leading energy banks, the average Base Case for oil and gas in spring 2022 is higher than last fall's Base Case.

“Increases in price decks should mean greater drilling activity this summer among U.S. producers,” said Buddy Clark, co-chair of the firm’s Energy Practice Group. “Still, the question remains whether commodity price increases and greater credit availability will be enough to satisfy producers’ needs in light of the increased cost of drilling.”

Haynes Boone's oil and gas lawyers have been helping clients make the right connections and navigate the ever-changing legal maze to successfully close deals. The firm releases a variety of reports tracking trends and developments in the energy sector, which can be found [here](#).

Haynes Boone is an international corporate law firm with offices in Texas, New York, California, Charlotte, Chicago, Denver, Washington, D.C., London, Mexico City and Shanghai, providing a full spectrum of legal services in energy, technology, financial services and private equity. With 600 lawyers, Haynes Boone is ranked among the largest U.S.-based firms by *The National Law Journal*, *The American Lawyer* and *The Lawyer*. It was recognized in the BTI Consulting Group's 2022 “A-Team” report, which identifies the law firms that in-house counsel commend for providing superior client service.