

Buddy Clark in Hart Energy: 'Oil and Gas Investor's Capital Formation: Near and Present Future of RBLs'

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“The oil and gas industry is always out of money. It just inhales capital.” That was what Joe Bridges said me when I interviewed him back in 2012 for my book, “Oil Capital, The History of American Oil, Wildcatters, Independents and Their Bankers.” Bridges should know; over the past 50-plus years, he’s been a roustabout, a banker, a CFO and founder of an oil and gas company. His observation is as true today as ever.

If you think the COVID-19 pandemic has lasted a long time, talk with a U.S. producer about the depressed energy capital markets. As Americans sat down for their Thanksgiving dinner in 2014, the Saudis declared they would no longer act as swing producer to prop up world oil prices, and the price of crude oil dropped 10% before the pumpkin pie hit the table. Producers and their lenders have been suffering under a pandemic of world energy prices ever since.

As reported in Haynes Boone’s December 2020 “Oil Patch Bankruptcy Monitor,” more than 250 oil and gas producer bankruptcies have been filed since January 2015. Combined with midstream and oilfield service Chapter 11 filings since 2015, more than 500 bankruptcies have been filed.

Excerpted from Hart Energy. To read the full article, click [here](#).