

HAYNES BOONE

Oilfield Services
Bankruptcy Tracker

January 31, 2022



OILFIELD SERVICES BANKRUPTCY TRACKER – FINAL REPORT

Haynes Boone has monitored North American oilfield services company (OFS) Chapter 11 bankruptcies since 2015. This is our final report, which covers new cases filed in 2021. Over the past seven years, there have been 293 oilfield services company bankruptcies. In the same period, there were 311 oil and gas producer and midstream company bankruptcy filings, bringing the combined North American industry total to more than 600 industry bankruptcies involving over \$321 billion in secured and unsecured debt.

When we began our report in early 2015, it was clear that our industry was about to enter rough seas facing stiff head winds. OPEC had declared its intention to take back market share from the prolific U.S. shale producers over Thanksgiving weekend in 2014, and prices were dropping precipitously as 2015 began. We expected to see some bankruptcy activity for a while and began to track bankruptcy filings by producers and oilfield services companies. We never expected to see so many bankruptcies for so long.

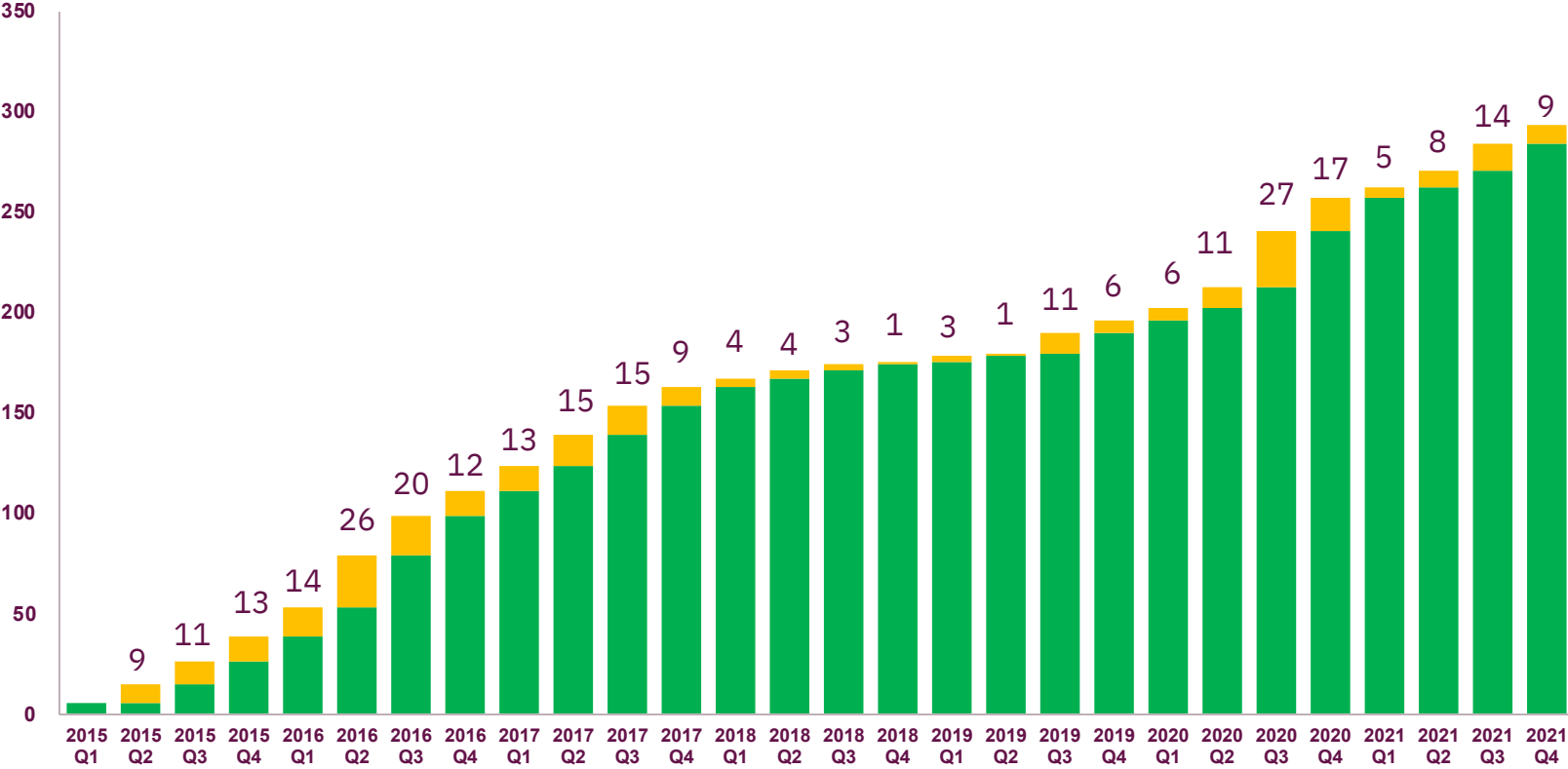
Our cumulative charts that follow show the ebb and flow of bankruptcy filings (more ebb than flow) over the last seven years. But for two large OFS bankruptcies in the first half of the year, the aggregate debt involved in 2021 OFS bankruptcies appears to be leveling off. Oil prices have steadily trended upward since the second half of 2020 portending calmer seas ahead for oilfield services companies.

While there will continue to be bankruptcies in the oil patch, the tidal wave triggered by the price correction that began in late 2014 is over. Haynes Boone will continue to closely monitor all trends in the industry and publish our semi-annual [Borrowing Base Redeterminations Survey](#) and [Energy Bank Price Deck Survey](#), but, for now, this is our final Oilfield Services Bankruptcy Tracker report.

KEY TAKEAWAYS:

- Thirty-six OFS companies filed for bankruptcy in 2021. The average per year is approximately 42 cases filed.
- The aggregate debt for OFS companies that filed in 2021 is \$10.6 billion, (mainly comprised of the Seadrill and Basic Energy Services bankruptcies, accounting for \$9.1 billion of the total) which is the fourth highest total since \$45.1 billion in 2020.
- The peak year for cases filed was in 2016, which included 72 cases.
- Texas accounted for more than half of the total OFS filings in 2021.

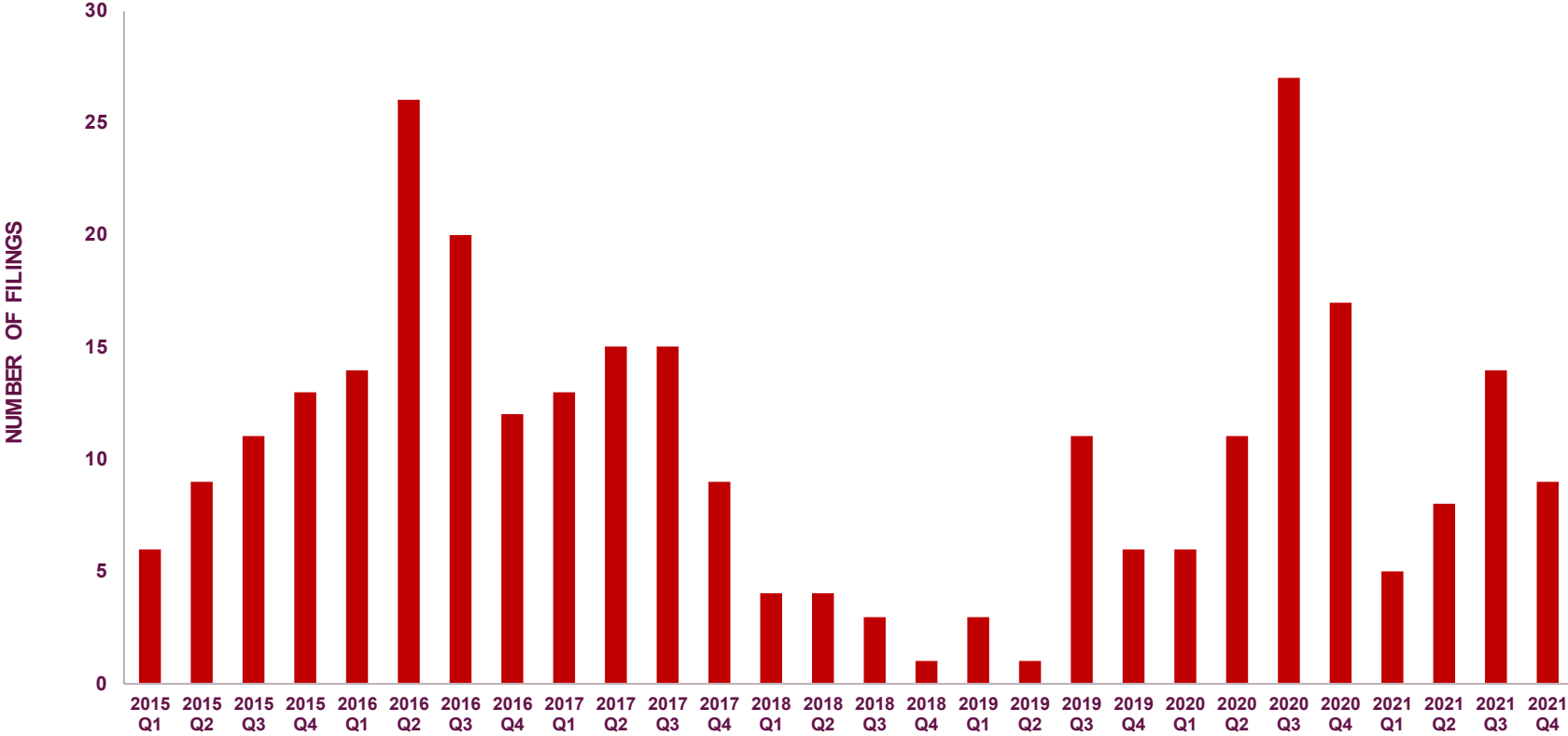
2015-2021 CUMULATIVE NORTH AMERICAN OILFIELD SERVICES BANKRUPTCY FILINGS



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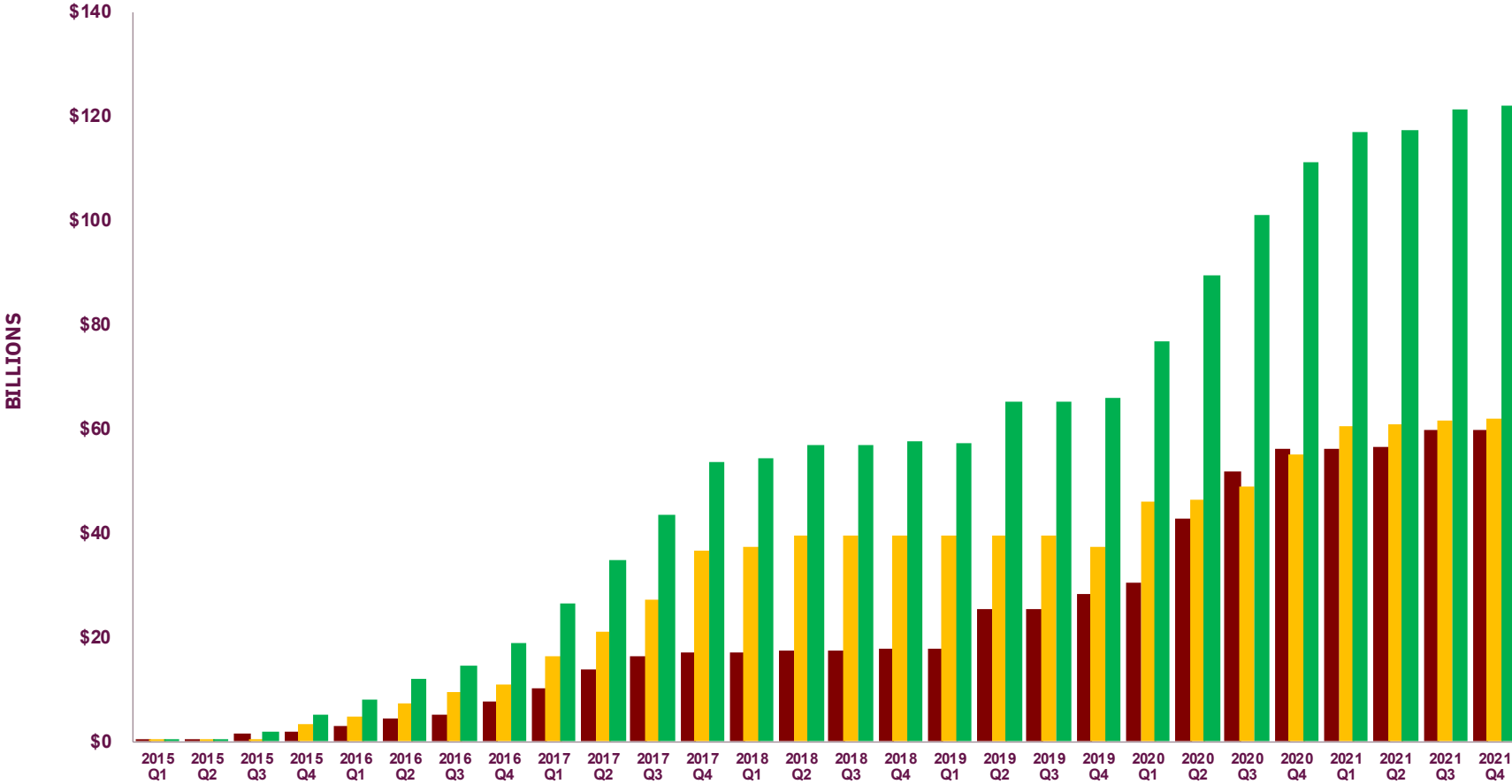
■ Cumulative bankruptcies
■ New bankruptcies since the previous quarter

2015-2021 NORTH AMERICAN OILFIELD SERVICES BANKRUPTCY FILINGS BY QUARTER



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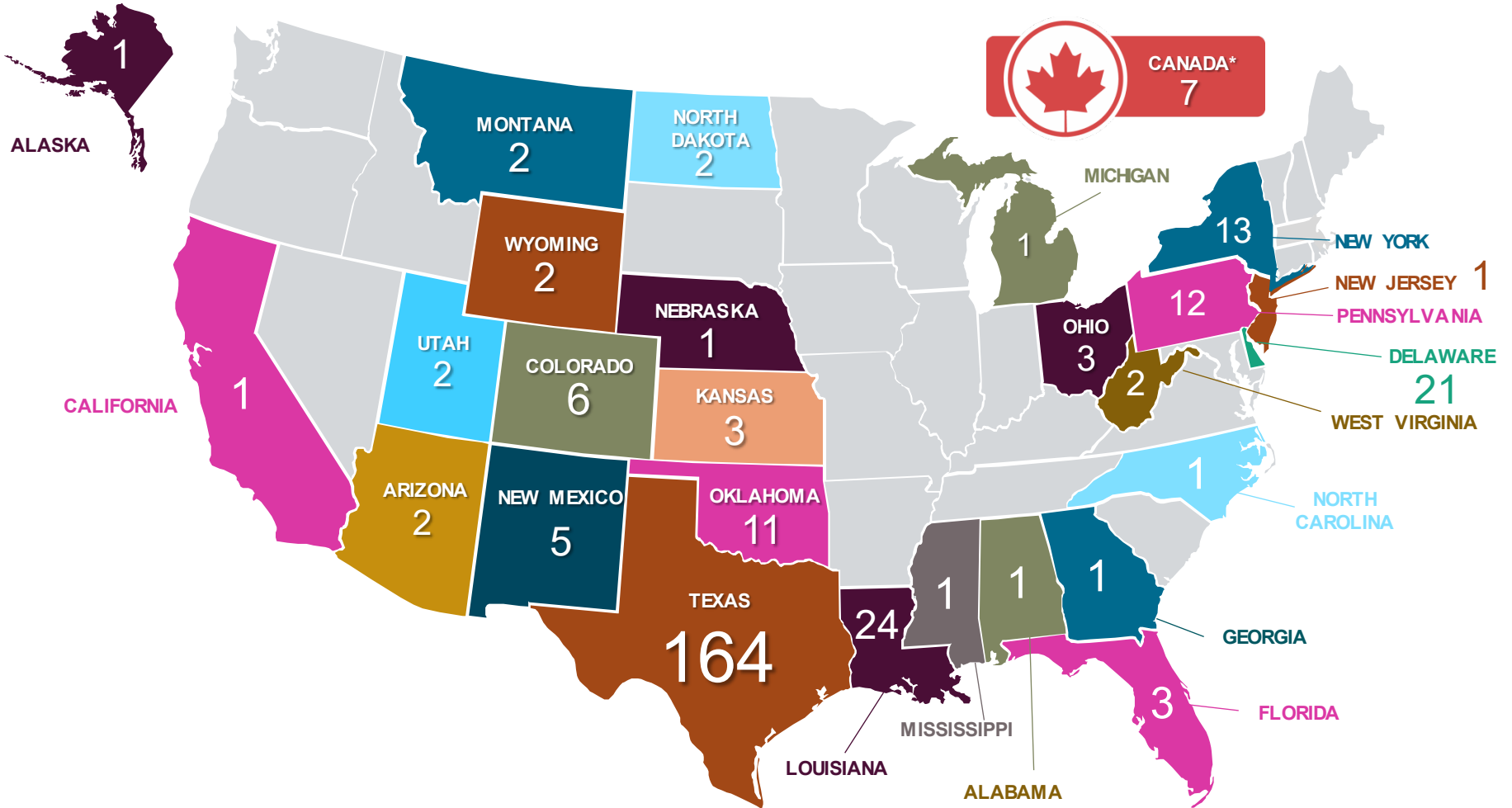
2015-2021 CUMULATIVE NORTH AMERICAN OILFIELD SERVICES UNSECURED DEBT, SECURED DEBT AND AGGREGATE DEBT



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2015-2021 NORTH AMERICAN OILFIELD SERVICES BANKRUPTCY FILINGS BY LOCATION



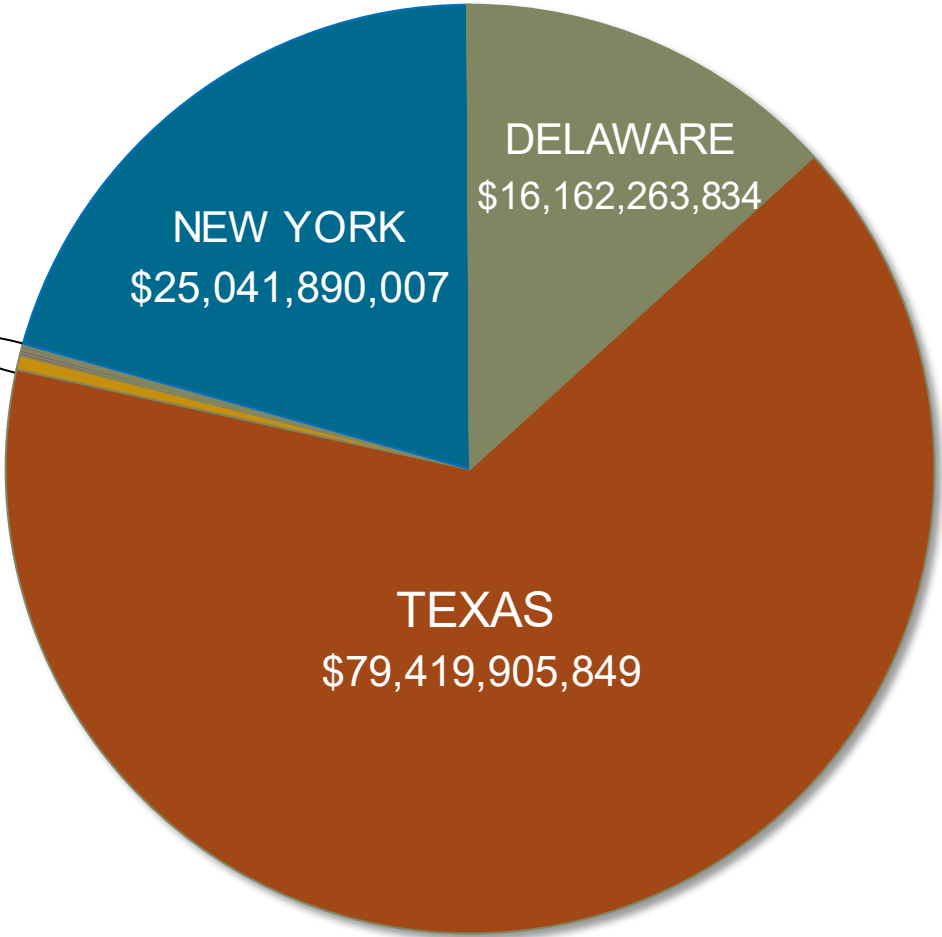
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*Canada is not tracked post-2016.
(As of December 31, 2021)

2015-2021 NORTH AMERICAN OILFIELD SERVICES AGGREGATE DEBT BY FILING LOCATION

ALABAMA \$26,814,672	MONTANA \$4,884,460
ALASKA \$3,186,359	NEBRASKA \$928,751
ARIZONA \$42,904,934	NEW JERSEY \$3,114,897
CALIFORNIA \$1,206,405	NEW MEXICO \$19,370,098
CANADA* \$110,883,943	NORTH CAROLINA \$639,252
COLORADO \$74,068,610	NORTH DAKOTA \$3,628,240
FLORIDA \$9,700,960	OHIO \$34,560,109
GEORGIA \$439,177	OKLAHOMA \$122,976,333
KANSAS \$10,141,143	PENNSYLVANIA \$95,331,238
LOUISIANA \$605,368,363	UTAH \$1,791,753
MICHIGAN \$2,293,471	WEST VIRGINIA \$18,021,620
MISSISSIPPI \$9,995,711	WYOMING \$24,297,366



HAYNES BOONE OILFIELD SERVICES BANKRUPTCY TRACKER©

LIST OF NORTH AMERICAN OILFIELD SERVICES BANKRUPTCIES 2021 BANKRUPTCIES, January – August

FILING DATE	COURT	CASE NUMBER	DEBTOR	SECURED	UNSECURED	TOTAL
01/05/2021	W.D. La.	21-50005	FLOW SERVICES AND CONSULTING INC.	\$ 282,172	\$ 5,570,746	\$ 5,852,918
01/06/2021	S.D. Tex.	21-80004	THIRD OCEAN VESSEL AND RIG, INC. *	\$ -	\$ -	\$ -
02/10/2021	S.D. Tex.	21-30427	SEADRILL LIMITED ~ ^	\$ 5,556,000,000	\$ 186,681,064	\$ 5,742,681,064
03/18/2021	W.D. Tex.	21-70034	ALLIED EQUIPMENT, INC. *	\$ 6,706,423	\$ 2,822,678	\$ 9,529,101
03/26/2021	S.D. Tex.	21-31050	AMERICAN NATIONAL CARBIDE CO. ^	\$ 2,294,703	\$ 1,675,280	\$ 3,969,983
04/06/2021	W.D. La.	21-50198	LOUISIANA CRANE & CONSTRUCTION, L.L.C. ^	\$ 16,830,730	\$ 11,925,594	\$ 28,756,324
04/20/2021	D. Del.	21-10729	WB SUPPLY LLC	\$ 15,310,108	\$ 37,467,487	\$ 52,777,595
04/30/2021	S.D. Tex.	21-21122	GAINCO, INC.	\$ 3,970,305	\$ 2,441,008	\$ 6,411,313
05/13/2021	N.D. Tex.	21-50067	MECHANICAL EQUIPMENT, INC.	\$ 4,083,611	\$ 3,548,319	\$ 7,631,930
05/19/2021	S.D. Tex.	21-21142	AINSWORTH TRUCK LEASING, LLC ^	\$ 3,953,995	\$ -	\$ 3,953,995
05/31/2021	S.D. Tex.	21-31784	OFS INTERNATIONAL, LLC ~	\$ 29,135,131	\$ 12,839,002	\$ 41,974,133
06/25/2021	S.D. Fl.	21-16236	FLUOROTEK USA, INC	\$ 6,190,694	\$ 870,339	\$ 7,061,033
06/29/2021	S.D.W.V.	21-20150	WALHONDE TOOLS, INC.	\$ 699,874	\$ 960,678	\$ 1,660,552
07/07/2021	W.D. La.	21-50420	THE HYDROCARBON FLOW SPECIALIST, INC.~	\$ 6,777,075	\$ 3,214,318	\$ 9,991,393
07/12/2001	E.D. Tex.	21-40994	QUANTUM VALVE AND OILFIELD SOLUTIONS, LLC	\$ 15,799,255	\$ 17,364,508	\$ 33,163,763
07/30/2021	S.D. Tex.	21-32560	PRIME ECO GROUP, INC. ~	\$ 2,126,020	\$ 1,573,188	\$ 3,699,208
08/02/2021	S.D. Tex.	21-32619	ENERMEX INTERNATIONAL INC. ^	\$ 2,962,186	\$ 750,052	\$ 3,712,238
08/06/2021	W.D. Tex.	21-70120	FREEDOM SALES & SERVICE, LLC	\$ 14,820	\$ 60,057	\$ 74,877
08/17/2021	S.D. Tex.	21-90002	BASIC ENERGY SERVICES, INC.~^	\$ 418,822,320	\$ 3,036,941,181	\$ 3,455,763,501
08/17/2021	S.D.N.Y.	21-11465	BOART LONGYEAR LIMITED *	\$ 388,000,000	\$ 344,000,000	\$ 732,000,000

*Debt information estimated from declarations or other filings; schedules not yet available.

~Lead case – estimate includes affiliate(s); debt may be duplicative to a certain extent.

^Second filing.

(As of December 31, 2021)

LIST OF NORTH AMERICAN OILFIELD SERVICES BANKRUPTCIES 2021 BANKRUPTCIES, September – December

FILING DATE	COURT	CASE NUMBER	DEBTOR	SECURED	UNSECURED	TOTAL
09/02/2021	E.D. Ca.	21-12134	WALTER C. SMITH COMPANY, INC.	\$ -	\$ 1,206,406	\$ 1,206,406
09/03/2021	M.D. Fl.	21-04613	3RD ROCK HOLDINGS, INC. ~	\$ 1,917,508	\$ 419,725	\$ 2,337,233
09/07/2021	D. Del.	21-11226	JAB ENERGY SOLUTIONS II, LLC	\$ 17,013,701	\$ 19,993,152	\$ 37,006,853
09/10/2021	D.N.J.	21-17153	NEW WORLD STAINLESS LLC *	\$ 3,114,897	\$ -	\$ 3,114,897
09/16/2021	N.D. Okla.	21-11056	LAMBRIX CRANE SERVICE, INC.	\$ 3,670,410	\$ 1,117,259	\$ 4,787,669
09/25/2021	W.D. Okla.	21-12565	BARTLEY INDUSTRIES INC	\$ 2,003,791	\$ -	\$ 2,003,791
09/30/2021	W.D. Tex.	21-51184	HARDY ALLOYS INC.	\$ -	\$ 456,953	\$ 456,953
10/01/2021	S.D. Tex.	21-33218	DALTON CRANE, L.C.	\$ 13,638,273	\$ 877,184	\$ 14,515,457
10/05/2021	S.D. Tex.	21-33269	KELLEY HYDRAULICS, INC.	\$ 410,000	\$ -	\$ 410,000
11/02/2021	N.D. Tex.	21-10152	SHEKINAH OILFIELD SERVICES, INC.	\$ 1,319,950	\$ 436,789	\$ 1,756,739
11/05/2021	W.D. Pa.	21-10616	NOISE SOLUTIONS [USA], INC.	\$ 3,272,390	\$ 484,216	\$ 3,756,606
11/12/2021	M.D. Fl.	21-05810	EAGLEFORD RECYCLING SERVICES, LLC	\$ 41,976	\$ 260,719	\$ 302,695
12/02/2021	W.D. Pa.	21-22573	REHOBOTH PIPELINE CONSTRUCTION SERVICES, LLC	\$ 7,555,356	\$ 2,450,208	\$ 10,005,564
12/06/2021	S.D. Tex.	21-90054	STRIKE, LLC ~	\$ 347,390,000	\$ 78,283,425	\$ 425,673,425
12/13/2021	N.D. Tex.	21-50187	VIPER PRODUCTS & SERVICES, LLC	\$ 3,602,857	\$ 1,193,109	\$ 4,795,966
12/30/2021	W.D. Tex.	21-11018	LOADCRAFT INDUSTRIES, LTD. *	\$ -	\$ 1,553,207	\$ 1,553,207
TOTAL 2015				\$ 3,347,895,055	\$ 1,964,453,600	\$ 5,312,348,655
TOTAL 2016				\$ 7,765,578,782	\$ 5,732,131,636	\$ 13,497,710,418
TOTAL 2017				\$ 23,035,737,673	\$ 12,216,998,001	\$ 35,252,735,674
TOTAL 2018				\$ 3,033,514,532	\$ 856,640,100	\$ 3,890,154,632
TOTAL 2019				\$ 339,209,400	\$ 7,734,345,345	\$ 8,073,554,745
TOTAL 2020				\$ 17,581,406,236	\$ 27,578,348,824	\$ 45,159,755,060
TOTAL 2021				\$ 6,884,910,531	\$ 3,779,437,851	\$ 10,664,348,382
TOTAL 2015-2021				\$ 61,988,252,209	\$ 59,862,355,357	\$ 121,850,607,566

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^Second filing.

(As of December 31, 2021)

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Haynes Boone has more than 600 lawyers, including nearly 20 restructuring practitioners and 100 energy lawyers and landmen serving clients across the globe.

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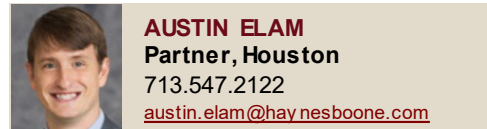
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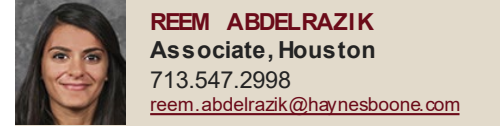
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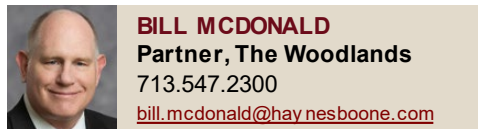
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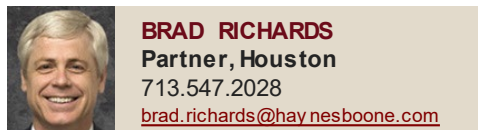
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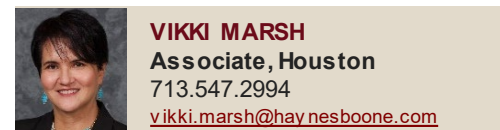
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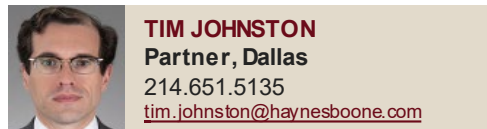
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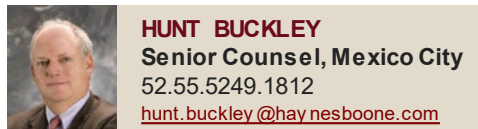
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Haynes Boone has more than 600 lawyers, including nearly 20 restructuring practitioners and 100 energy lawyers and landmen serving clients across the globe.

HAYNES BOONE ENERGY PRACTICE GROUP

Our Energy Practice Group includes more than 100 lawyers and professional landmen with diverse backgrounds, experiences and skill sets specific to the energy industry. Our clients call us for their most critical matters requiring sophisticated and practical advice. With 50 years of energy experience, we serve clients from offices located in key energy-related and financial hubs, such as Houston, London, Mexico City, New York, Denver, Dallas, and Washington, D.C. Our lawyers regularly represent clients in connection with transactions, regulatory issues, disputes and restructurings. We are organized by teams covering the following areas:



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Funds and MLPs



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Oil and Gas



Energy Litigation



Mexico Energy



Oil and Gas Litigation



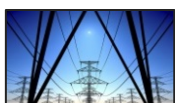
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Equity



Midstream



Oilfield Services



Energy Regulatory



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Power and Renewables

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