News Release Archive

Shallow Vertical Wells Get Lift in October; Overall U.S. Rig Count Remains Flat Versus September

Eyes on Colorado's Proposition 112 in November 6 Midterm Elections

HOUSTON, Nov. 5, 2018 /PRNewswire/ -- S&P Global Platts Analytics, today announced the total U.S. rig count for October 2018 was 1,174, down 1 (0%) from September 2018, and up 126 (+12%) from October 2017. This rig count includes U.S. onshore, U.S. inland waters, and U.S. offshore Gulf of Mexico drilling rigs.

- **October U.S. land rig count:** 1,144, down 2 (0%) from the previous month and up 124 (+12%) from October 2017
- **October U.S. inland waters and Gulf of Mexico rig count:** , up 1 (+3%) from the previous month and up 2 (+7%) from October 2017

S&P Global
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"While month-over-month rig count performance is basically flat, it's worth taking a look under the hood, where we see an increase in rigs for drilling conventional, shallow natural gas wells, evidence that smaller-scale natural gas producers were taking advantage of the visibly stronger natural gas prices," **said S&P Global Platts Analytics Senior Industry Analyst Trey Cowan**.

Natural gas prices, according to the spot, physical market price of Henry Hub, as assessed by S&P Global Platts, showed a rise of 8% during October.

"Colorado could hold the most volatility in the months ahead," said Cowan. "If Proposition 112* is approved at the U.S. November 6 Midterm Elections, we could see a rush to get wells drilled before permits expire and then a precipitous fall in drilling for the state."

S&P Global Platts U.S. Rig Counts

	Oct 2018	Sep 2018	Month over Month Change	% Change		Oct 2017	Variance Year over Year (YOY)	YOY % Variance
Colorado	35	37	-2	-5%		40	-5	-13%
Louisiana	53	49	4	8%		51	2	4%
New Mexico	89	98	-9	-9%		67	22	33%
North Dakota	60	60	0	0%		52	8	15%
Oklahoma	157	155	2	1%		134	23	17%
Texas	561	563	-2	0%		489	72	15%
Rest of U.S. Land	189	184	5	3%		187	2	1%
U.S. Land Subtotal	**1,144**	**1,146**	**-2**	**0%**		**1,020**	**124**	**12%**

U.S. Inland Waters	3	2	1	50%		6	-3	-50%
U.S. Gulf of Mexico	27	27	0	0%		22	5	23%
U.S. Inland and Gulf of Mexico	**30**	**29**	**1**	**3%**		**28**	**2**	**7%**
Total U.S. Rig Count	**1,174**	**1,175**	**-1**	**0%**		**1,048**	**126**	**12%**

*Colorado's Proposition 112 would require that any new oil and gas development be located at least 2500 feet from any structure intended for human occupancy.

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