2019 Rig Count Outlook Foreshadowed by Borrowing Base Cuts, Price Drops & Seasonal Dip in Rigs

HOUSTON, Jan. 4, 2019 /PRNewswire/ -- The total U.S. rig count forDecember 2018 was 1,147, down 36 (-3%) fromNovember 2018, and up 117 (+11%) from December 2017, according to analysts at S&P Global Platts, the leading independent provider of information and benchmark prices for commodities and energy markets. This rig count includes U.S. onshore, U.S. inland waters, and U.S. offshore Gulf of Mexico drilling rigs.

- **December U.S. land rig count:** 1,116, down 35 (-3%) from the previous month and up 127 (+13%) fromDecember 2017
- **December U.S. inland waters andGulf of Mexico rig count:** 31, down 1 (-3%) from the previous month and down 10 (-24%) vs December 2017

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"Rig down time during the holiday and winter season is typical and expected. We saw a similar slowdown heading into last winter, as well," **said S&P Global Platts Senior Industry Analyst Trey Cowan.** "What is interesting is with this new calendar year and fresh capital budgets for producers, we are hearing borrowing bases are about 25% less than the levels at the beginning of 2018. So with less borrowing combined with today's depressed commodity prices these are indicators that could weaken the outlook in the upstream rig counts and drilling activity for early 2019."

S&P Global Platts U.S. Rig Counts

	Dec 2018	Nov 2018	Month over Month Change	% Change		Dec 2017	Variance Year over Year (YOY)	YOY % Variance
Colorado	38	36	2	6%		38	0	0%
Louisiana	43	44	-1	-2%		51	-8	-16%
New Mexico	97	95	2	2%		74	23	31%
North Dakota	61	58	3	5%		48	13	27%
Oklahoma	151	155	-4	-3%		125	26	21%
Texas	537	557	-20	-4%		489	48	10%
Rest of U.S. Land	189	206	-17	-8%		164	25	15%
U.S. Land Subtotal	**1,116**	**1,151**	**-35**	**-3%**		**989**	**127**	**13%**
U.S. Inland Waters	3	4	-1	-25%		6	-3	-50%
U.S. Gulf of Mexico	28	28	0	0%		35	-7	-20%
U.S. Inland and Gulf of Mexico	**31**	**32**	**-1**	**-3%**		**41**	**-10**	**-24%**
Total U.S. Rig Count	**1,147**	**1,183**	**-36**	**-3%**		**1,030**	**117**	**11%**

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