
US natural gas rig drilling count climbs to 964 - Baker Hughes

Monday, 12 Jul, 2010

According to a report by oil services firm Baker Hughes in Houston, the number of rigs drilling for natural gas in the United States rose by four this week to 964. The gas directed rig count is only nine rigs below the 14 month high of 973 hit on April 16th 2010.

Low gas prices in the first quarter had many expecting gas drilling to finally slow this year, but the rig count is still well above the 850 mark which some analysts say is necessary to turn year on year output negative.

Nine straight weeks of gains in horizontal rigs have lessened the chance production will slow much, if at all, this year. Recent EIA estimates put US gas output this year at more than 22 trillion cubic feet, its highest level since 1973, and most traders agree a strong recovery in industrial demand, which accounts for nearly 30% of total gas consumption, may be needed to help balance an oversupplied market.

The US natural gas drilling rig count is up 299 since bottoming at 665 on July 17th 2009, its lowest level since May 3rd 2002, when there were 640 active gas rigs. While the gas rig count is about 40% off its record peak of 1,606 from September 2008, it still stands 292 rigs above the same week last year.

(Sourced from www.reuters.com)

For more news visit at www.steelguru.com