

US oil drillers ease off as services companies forecast major cutbacks



Crude explorers cut activity in the US oil patch for the sixth straight week as major oilfield services companies painted a gloomy picture for activity in 2019. Working oil rigs fell by eight this week to 816, according to data released Friday by oilfield-services provider Baker Hughes. The weekly rig count has only risen three times in 2019. The persistent decline in activity comes despite gradual recovery in the price of oil, with West Texas Intermediate touching \$60 per barrel this week. Schlumberger Ltd and Halliburton Co, two of the largest providers of oil services, said on Monday there'll be a double-digit drop in spending from customers in the US and Canada this year, a deeper cut than they had previously forecast. US shale is facing increasing technical challenges, Schlumberger chief executive officer Pal Kibsgaard said at a conference in New Orleans. "Interference" between so-called parent and child oil wells, as well as decline in investment, indicate that shale activity growth will slow in the coming years, he said. Despite a pullback in drilling, producers are

working through a sizeable backlog in drilled-but-uncompleted wells. That has kept US crude production at a record 12.1mn for much of March, according to data from the Energy Information Administration.