

Rig Count Methodology

Overview:

S&P Global Platts Rig Count is an independent benchmark for assessing drilling activity levels in the US Land and Gulf of Mexico. The S&P Global Platts Rig Counts are based on an unbiased process where the rig counts are assessed, verified and published every Thursday.

Free Rig Counts are available in a pdf format to provide a snapshot of the counts. Free Rig Counts are also available in csv format which allows analysts to review rig counts from different perspectives without being bound to a static report. In addition, a history of rig count activity is also available going back to 2011.

Methodology:

S&P Global Platts Rig Counts are based on several key factors: time, rig activity, well type, permit type, spud date and the rig's released date. A rig is considered active in a given week if it is on location and working. A rig is counted only once in a given week and will continue to be counted as long as it is actively drilling on a location.

S&P Global Platts communicates regularly with drilling contractors regarding rig activity, eliminating the need to make assumptions regarding the status of the rig based solely on its location. If a rig is on location and is 'Rigging Up' or on a 'Standby', the rig will not be counted as actively drilling as pre-spud orders can change at any time. Rig activity reports are received from drilling contractors and each activity is reviewed and verified by internal staff. S&P Global Platts has established its quality assurance and verification processes that ensure the accuracy of the published counts. S&P Global Platts seasoned Data Operations team also sources state filings, spud notifications, and district notifications to assure the completeness of covered rig activity, a process that has been established through extensive experience in field data collection and validation.

In addition, the S&P Global Platts Rig Counts leverage proprietary state oil and natural gas production data when information is lacking on a permitted location. This data allows Platts to assign the correct well type and well orientation based on data from similar producing wells in that play/area. The missing data is in-filled by analysts to provide better intelligence and improve the accuracy of the Platts Rig Counts.

The definition of 'This Week' is a 7-day period that starts from the previous week's Thursday through the current week's Wednesday. The count includes rigs that have a spud date that falls within that defined timeframe ("This Week"). A carryover rig that had a spud date prior to the count week and has either been released during the count week or has not been released yet will also be included. Each rig is counted once in a given timeframe. A rig is identified as a unique combination of Rig and Driller. If a rig has been active on more than one location in a given week, the location with the latest spud date is counted.

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