

Mike Blankenship Discusses What's Next as Oil Prices Plunge into the Negatives

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Oil prices dropped into negative territory earlier this week for the first time as the nation's oil storage capacity neared its limit thanks to a historic coronavirus-induced demand slump. The COVID-19 pandemic has slashed demand for oil so much that U.S. storage capacity is filling to the brim.

Industry watchers say Monday's price plunge foreshadows a bloodletting for scores of companies and will heap more pressure on state oil regulators to order drillers to curtail their production.

Winston & Strawn Houston Partner, Mike Blankenship recently spoke with Law360 about the impact that negative oil prices will have on drillers. "Expect a fresh wave of driller bankruptcies over the next few weeks," said Mike. "They're going to have no cash flow to service their debt, so they're going to have to restructure. I think financial institutions are going to get spooked by this and force defaults under their credit agreements."

Read more of Mike's insights in this Law360 article [here](#) (subscription required).

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