Antitrust Investigation: U.S. Seeks Fracking Data from Haliburton, Baker Hughes

HOUSTON (AP) — Federal officials have contacted Halliburton Co. and Baker Hughes Inc. as part of an antitrust investigation into an oil and gas drilling process used in hydraulic fracturing, or fracking.

Halliburton spokeswoman Beverly Blohm Stafford said Thursday that the company received what's called a civil investigative demand from the Justice Department's antitrust division during the April-to-June quarter regarding pressure pumping services and is responding to the request.

"We understand there have been other participants in the industry who have received similar correspondence from the DOJ, and we do not believe that we are being singled out for any particular scrutiny," Stafford said.

Baker Hughes disclosed the investigation regarding pressure pumping services in a regulatory filing late Wednesday. It says the Justice Department requested information under an antitrust law for two years' worth of material in late May.

The Houston energy services company said that it was working with the government to provide the "documents and information," and couldn't predict where the probe would lead.

"The Antitrust Division is investigating the possibility of anticompetitive practices involving pressure pumping services performed on oil and gas wells," said Department of Justice spokeswoman Gina Talamona.

Neither company gave any details about the information requested by the government.

Pressure pumping is part of the practice of fracking, in which water and chemicals are pumped under great pressure into a well to break open tight underground rock formations and allow the release of trapped oil and natural gas. The method is credited with greatly increasing U.S. production of gas from shale formations, which has led to a glut and low prices.

Fracking has also come under fire from environmentalists.

Halliburton is the biggest pressure-pumping provider based on revenue, with nearly 29 percent of the market in 2012, according to a Barclays Capital report this month that cited figures from Spears & Associates, an oilfield-services consulting firm. Schlumberger Ltd. had 21 percent, and Baker Hughes almost 4 percent, according to the report. No other company even reached 5 percent.

It was not clear whether federal officials also sought information from Schlumberger. The company declined to comment.

Halliburton's stock fell 48 cents, or 1.1 percent, to close at $44.34 Thursday. Baker Hughes' shares dropped 30 cents to $47.46, while Schlumberger stock slipped 28 cents to $82.57.

Source URL (retrieved on *07/25/2014 - 7:46am*):
http://www.chem.info/news/2013/07/antitrust-investigation-us-seeks-fracking-data-haliburton-baker-hughes?qt-recent_content=0&qt-most_popular=0