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GulfTex sells Eagle Ford portfolio in heart of oil window

The third iteration of the San Antonio-based GulfTex Energy franchise has sold South Texas acreage and producing wells in one of the most prolific areas of the Eagle



Ford oil window to a private company for \$501 million. The assets sold by GulfTex Energy III and its affiliate GulfTex Karnes EFS include 4,198 net acres (6,228 gross, 75% HBP)

primarily in Karnes County with additional tracts in Atascosa and Gonzales counties. As of the March 1 effective date, 35 Lower Eagle Ford and three Austin Chalk wells had net production of 8,568 boe/d (76% oil, 11% NGLs), CEO Brad Jauer told PLS.

Most acreage operated by GulfTex (60%) & Eagle Ford oil producer EOG.

GulfTex operates 60% of the acreage, and most of the remainder is operated by EOG Resources, the top oil producer in the Eagle Ford. In addition to the producing wells, the acreage has 12 Lower Eagle Ford wells waiting on completion, 115 PUD locations in the Lower Eagle Ford and 136 PUD locations in the Austin Chalk. The sale closed April 29.

➤ **Continues On Pg 15**

Newfield adds to its STACK in \$470 million Chesapeake deal

Already a leader in Oklahoma's multi-zone STACK play, Newfield Exploration is expanding its position by nearly 20% via a \$470 million acquisition from Chesapeake. The deal includes 42,000 net acres and net production of 3,800 boe/d (55% liquids) from



400 wells. The acreage has significant overlap with Newfield's existing footprint in Kingfisher, Blaine, Dewey and Canadian counties and will expand it to 265,000 net

acres, with ownership averaging ~50% WI.

More than 1,000 new drilling locations, significant acreage overlap & 90% HBP.

Newfield expects the acquired production to more than double by YE16 as recently drilled wells are completed and turned to sales. Future development capital can be timed to optimize returns, as more than 90% of the acreage is HBP. Newfield has identified more than 1,000 drilling locations on the new acreage. After backing out \$50 million for PDP reserves and reimbursement for recent wells, Newfield estimates that it is paying \$10,000/acre for Chesapeake's undeveloped leasehold.

➤ **Continues On Pg 13**

AELP offshoot White Star buys Devon's Mississippi Lime

Working toward a \$2-3 billion non-core divestment goal to offset late 2015 strategic acquisitions, Devon signed a deal to sell its Mississippi Lime assets in northern Oklahoma for \$200 million to White Star Petroleum, formerly known as

American Energy Woodford. A member of the American Energy Partners family of companies founded by Aubrey McClendon in 2013, White Star announced the name change concurrent with the acquisition as part of a transition process to become fully independent of the AELP platform during Q2. It follows similar moves by AELP's Appalachian and Permian units.

The \$200MM deal doubles White Star's production and leasehold.

The acquisition consists of a largely contiguous 210,000 net acres immediately offsetting White Star's existing leasehold in central-northern Oklahoma. The acreage is primarily in Payne, Lincoln, Logan and Garfield counties and mostly HBP.

White Star is also getting 555 operated and non-op horizontal wells with Q1 net production of 12,800 boe/d (30% oil, 39% NGLs) from the Mississippi Lime and Woodford shale and YE15 proved reserves of 11 MMboe. Besides the upstream assets, Devon owns oil, gas and water gathering infrastructure in the area. ➤ **Continues On Pg 11**

Synergy doubles down on DJ in \$505 million Noble deal

Noble Energy is selling Niobrara and Codell assets in the Greeley Crescent area of Wattenberg field to Synergy Resources for \$505 million. Synergy will get 33,100 mostly undeveloped net



acres (72,000 gross) in and around Greeley in western Weld County with Q1 net production of 2,400 boe/d (67% operated) from several hundred vertical wells. More than 80% of the production is HBP, and more than 85% is within Synergy's defined Wattenberg fairway.

QP:

The Wattenberg core fetches \$13,100/acre, \$29,900 ppboe/d.

Synergy also agreed to sell 3,700 undeveloped net acres and 107 vertical wells producing 200 boe/d farther south in Adams County to two private entities for \$27 million cash. Pro forma for these deals, Synergy's Wattenberg position will nearly double to 69,200 net acres.

Synergy has identified more than 900 horizontal drilling locations on the Greeley Crescent acreage, more than 800 of which are suitable for mid-length (up to 7,500 ft) or longer laterals.

➤ **Continues On Pg 8**

DEALS FOR SALE

CLAIBORNE PH., LA PROJECT PLS
40 PDP Wells: ~9,200 Net Acres (94% HBP)
CHAPTER 11 BANKRUPTCY PP
Immediate Rec Completions/Reworks
113-PUD & >50 Prob. & Poss. Locations >2.0
OPERATED & NonOperated WI MMCFD
Net Production: 120 BOPD & 1,068 MCFD
12-Mn Avg. Cash Flow: \$294,220/Mn
Combined Proved Rsrvs: 14.95 MMBOE
PP 5454DV

SOUTH TEXAS EAGLE FORD NONOP
10-PDP Wells, 11-PDNP, 2-PUD. PLS
MCMULLEN COUNTY
Eagle Ford Oil Play. >7,000 Ft. Lateral
~8% NonOperated WI; 75% Lease NRI
Additional ~4.6% WI In 11-WOC Wells.
Expected Q3 2016 Completion Date. PP
Net Production: 72 BOPD & 68 MCFD
Avg Net Cash Flow: ~\$100,000/Mn
PP 5505DV ~160 BOED

People & Companies

■ American Energy-Woodford is now **White Star Petroleum**, having completed its transition to a standalone company separate from the Aubrey McClendon-founded **American Energy Partners** platform. *Elliot Chambers* has been named CEO in addition to his CFO duties. VP of operations *Joseph D. Craig* has moved up to COO. White Star continues to be backed by **The Energy and Minerals Group**.

■ **Consol Energy** EVP and CCO *James C. Grech* has retired. In keeping with its corporate reorganization efforts after the sale of mining and coal assets, the company is streamlining administrating and commercial functions of its gas E&P and thermal coal divisions. **CNX Coal Resources**, operator of the company's Pennsylvania mining complex, will oversee all HR, land, marketing and communication related to Consol's operations in Pennsylvania.

■ SVP of compliance and administration at **Memorial Production Partners GP**, *Kyle Roane*, announced his resignation effective April 13. The company said that it was not the result of a disagreement or matter relating to operations, policies or practices, and that Roane will continue serving one of the GP's affiliates, **Memorial Resources Development Corp.**, as SVP, general counsel and corporate secretary.

■ **Natural Resource Partners** announced that *Donald J. Holcomb* has resigned from the board of its general partner and that *L.G. "Trey" Jackson III* was appointed to the board. Jackson is managing director of **Cline Group**. Before that, Jackson served in a variety of roles at two energy-focused private equity firms and a boutique investment bank.

■ **Occidental Petroleum** completed its succession plan, with new president and CEO *Vicki A. Hollub* taking the reins and her predecessor, *Stephen Chazen*, stepping down. Hollub has worked at Occidental since 1982. Last May, she was promoted to senior EVP and Oxy Oil & Gas president; in December she moved up to president and COO of Occidental and joined the board.

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A&D

GulfTex sells Eagle Ford portfolio ◀ **Continued From Pg1**

GulfTex hired **RBC Richardson** to sell the Eagle Ford and Austin Chalk assets which includes all assets of GulfTex Kames EFS, but GulfTex III retains 7,690 net acres. Future plans include development of this remaining acreage in 2016 and 2017 and the

GULFTEX ENERGY II LP launch of GulfTex IV.

"Despite the poor commodity price environment, we are extremely pleased with the returns this asset sale has generated for our investors, employees and management team," Jauer told PLS. He said he looks forward to "a fourth iteration of GulfTex Energy, where we will build on the success of our previous companies."

QPi Private buyer paid \$44,000 per acre & \$30,000 ppboe/d.

Jauer started GulfTex Kames EFS and GulfTex III in 2H12 with a combined \$180 million war chest from **Wells Fargo**, **Prudential** and **Blackstone** credit arm **GSO Capital Partners**. Their launch followed the successful monetization of two previous GulfTex entities in December 2010 and June 2012. GulfTex III achieved strong drilling results, with horizontals reaching peak 24-hour rates as high as 5,157 boe/d (84% oil) from the Lower Eagle Ford and 3,774 boe/d (78% oil) from the Austin Chalk.

GulfTex III branched out into Midland Basin, monetized in November 2014.

Last September, **Alta Mesa** sold its remaining Eagle Ford assets, primarily in Kames County's prolific Eagleville field, to

EnerVest for \$125 million. In January, privately held **Carrier Energy Partners** acquired minority stakes in the **Marathon Oil**-operated Sugarloaf B project in Kames County from **Empyrean Energy** and **AWE Ltd.** for \$251.5 million. Based on PLS' proprietary valuation analytics, leasehold values in these deals ranged ~\$16,500-\$32,600 per acre, on par with "core of the core" areas of the Permian Basin. GulfTex III also built an additional operational area targeting the Wolfcamp in Reagan County, which sold in 2014. It is no longer in the Midland Basin, but it keeps an eye out for future opportunities.

GulfTex Energy Capitalization History

Company	Launch Date	Monetization Date	Private Equity Backer(s)	Capital Commitment
GulfTex Energy LLC	June 2006	Dec. 2010	Encap	\$40 million
GulfTex Energy II LP	June 2011	June 2012	Wells Fargo, Prudential, Guggenheim, DE Shaw	\$160 million
GulfTex Kames EFS	Sept. 2012	April 2016	Wells Fargo, Prudential	\$30 million
GulfTex Energy III LP	Dec. 2012	April 2016	Wells Fargo, Prudential, GSO Capital	\$150 million

GulfTex Energy III Top 24-Hour Peak Rates

Well Name	Oil Rate (bo/d)	Gas Rate (MMcf/d)	Total Rate (boe/d)	Formation
Moravits Unit 2H	4,331	4,954	5,157	Lower Eagle Ford
Moravits Unit 1H	4,234	4,391	4,966	Lower Eagle Ford
Moravits Unit 4H	3,362	3,328	3,917	Lower Eagle Ford
Moczygemba Unit 104H	2,946	4,970	3,774	Austin Chalk
Moczygemba Unit 103H	3,036	3,905	3,687	Austin Chalk
Moczygemba Unit 5H	3,110	3,084	3,624	Lower Eagle Ford
Moczygemba Unit 4H	2,997	3,143	3,521	Lower Eagle Ford
Moravits Unit 3H	2,875	3,190	3,407	Lower Eagle Ford
Edwards A Unit 7H	1,227	1,417	1,463	Lower Eagle Ford
Edwards A Unit 8H	959	1,077	1,139	Lower Eagle Ford

Source: GulfTex Energy