Building the Correct Workflow to Identify the Best Development Opportunity in the United States

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OneEnergy Partners, LLC Overview

Tools Utilized
- Networks
- Collaboration Tools
- Screen Share
- Skittle Map

Deal Flow & Execution
- Fundraising
- Basin Evaluation
- Dial for Deals
- Operations

Results

Next Steps
- Offset Results & Development Plan
- Wellbore Placement
- Completion Design
- Relationships with offset operators
OneEnergy Partners, LLC Overview

• Formed by a trio of partners in March 2016 with an equity commitment from Carnelian Energy Capital Management, L.P.

• Founders blended financial, investment, technical, and operational experience across most major US basins

• Didn’t have specific geographic focus and had flexibility in deal type

• Aggregated over 12,000 acres in the Delaware Basin in New Mexico, USA

• Exited position throughout 2018 via three primary transactions
Tools Utilized

• Networking starts with people
• Pipedrive
  • Customer Relationship Management (CRM) Tool modified to serve as Deal Tracker
  • Allowed tracking of deals, meetings, news, intelligence, etc.
• Screen Share / Video Chat
  • 8 people working in 4 separate cities across United States
  • Best in class professionals
  • Leveraged relationships across the country
Tools Utilized

• “Skittle” Map
  • Utilized public data aggregated by data vendor (Nav Port – now RSEG)
  • Declined wells to target high bbl/ft EUR areas that had seen limited activity
  • Triangulated highest producing regions
  • Resource plays work because they’re low risk and geo-engineering driven

• Granular Map
  • Built map in MS Excel with every state and fed record title holder by section
  • Added in fee sections overlaid with county lease history to identify areas unleased
Deal Flow & Execution – First Phase

**Basin Evaluation**

Deal centric view: trying to find areas where entry price to NAV was most heavily discounted (removes a lot of “RISK”)

Spoke to everyone and declined areas by county to prioritize target basin

Triangulated to Delaware Basin within the Permian in Southeast New Mexico

**Hustle to Access Deals**

Called every private operator with vertical operated wells

Called every historical fed and state sale winner

Found areas that had unique circumstances leading to their availability (aka entry)
Deal Flow & Execution – Operations

• Closing Deals Quickly
  • Market awareness was key
  • Expiring lease required rapid drilling development
  • Small team executed faster than any large organization

• Collaboration with previous engineers, field supervisors, and contractors

• Solved problems with the best solutions given available information
Results

• Started with 0 acres in March of 2016
• By summer of 2017, team had aggregated over 12,000 acres & two producing wells
• Surrounding wells are some of the best in North America
• Almost all deals were “off-market”
  • Offset parts of the position have been transacted for >$95,000 per acre
Results

- Producing ~500 bopd
- Sold to three separate surrounding operators
- Final sale resulted in transition of core team to Franklin Mountain Energy
Next Steps: Franklin Mountain Energy

- Patient and strategic capital plans to develop the asset
- Estimate ~100 gross locations available to drill in the next 4 to 6 years
- Intend to own and grow the asset as a long-term investment
- Drill your returns!
Next Steps: Drill your returns!

• Evaluate Wellbore Spacing
  • Conduct initial analysis to determine optimal spacing for long term development
  • Utilize first wells, reservoir modeling, or other tools to evaluate correct spacing solution

• Precise Cluster Placement
  • Design cluster placement based on rock properties, improved wireline calibration, and geologic modeling

• Relationships with offset operators
  • Share infrastructure costs (roads, water pits, pipeline, etc.)
  • Share knowledge and learnings about operations
Thank you.

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