What is success?
What does your scorecard look like?

2X  3X  4X
How do you get there?

• Right team
• Right financial partner
• Right strategy
• Right exit
Right Team

• The most important thing.
• Bad partners will ruin you.
• Best engineers, geologists, land, and financial people.
• Smart, hardworking, entrepreneurial, A players.
• Pay up to get them. Don’t settle.
Right Financial Partner

• They are not all the same.

• Need to understand a partner’s:
  – Investing philosophy
  – Control practices
  – Reporting expectations
  – Technical assistance
Deal sheet not as important as fit.

- **Equity partner will be constant companions for years.**
- **Don’t trade a few points for worse quality of life.**
- **Bad fit with team or strategy will make things unpleasant for a long time.**
- **Team and equity partners have to work together to succeed.**
Right Strategy

• Drill or acquire, or both?
• Oil or gas?
• Big deals or small deals?
• Focused area or play everywhere?
• Data rooms or find your own deals?
Know what you are good at.

- Everybody has money.
- Lots of people chasing deals.
- Focus on areas where your knowledge and skills give you an advantage.
- Your strategy must fit the strengths of your team.
- Be flexible as market and commodity prices change.
Right Exit

- Team has built up a group of assets.
- When is the right time to sell?
- Asset sale or stock?
- IPO?
- All at once or piece by piece?
- Hire a broker or sell it yourself?
Financial partner is critical to exit.

- Work closely with financial partner to determine exit strategy.
  - They are always selling someone.
  - Real time market intel.
  - Plugged into broker network.
Take away

• Build the right team.
• Find the right financial partner.
• Together, buy and develop the best assets efficiently.
• Sell at right time, maximize return.