



# Oil & Gas Investors Since 1992

IPAA Private Capital Conference  
January 21, 2014

# Overview

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## E&P Investment Firm

- Funded by Management, Institutional Investors, HNW, etc.
- Managing Partners are E&P professionals
- Invests as “Industry Partner” (WI, JOA, Letter Agreement)

## Technical Focus

- 16 person team; G&G, Engineering, Land, Accounting, etc.

## Experienced and Committed

- Founded in 1992 to invest Partners’ capital. \$235 million assets under management.

## Committed Capital

- Fund I - \$163 million. Actively seeking investment/partnership opportunities.

# Key Differentiators

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Partnership

**We are your Partner, NOT your Boss**

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Niche Focused/  
Opportunistic

**Focus on small projects/acquisitions**

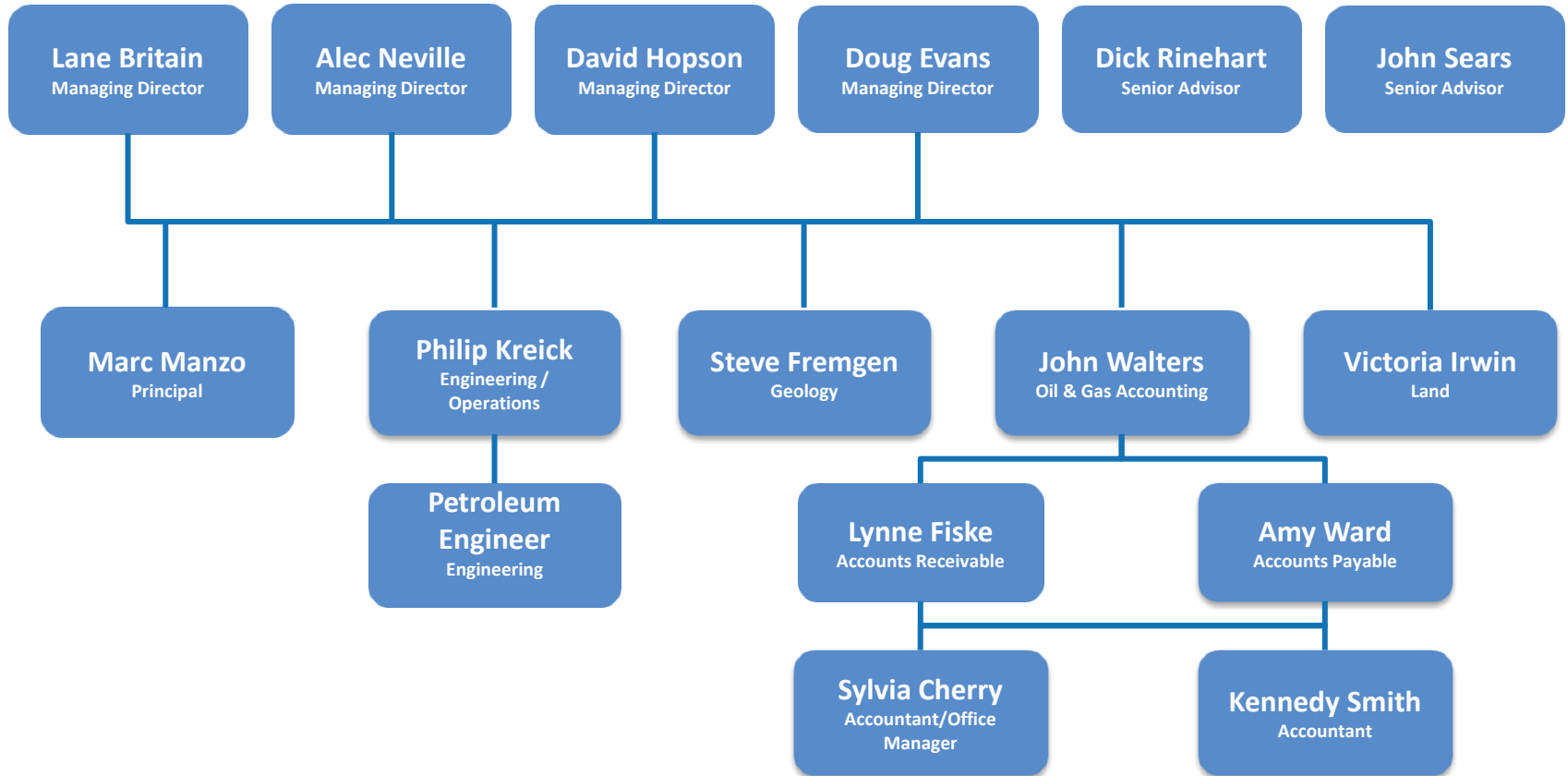
- \$50 Million net to PetroCap
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Risk  
Management

**PUD/Development Drilling Risk Appetite**

- Want strong analogs or some PDP
- Existing projects or acquisitions

# PetroCap Team in Dallas, Texas



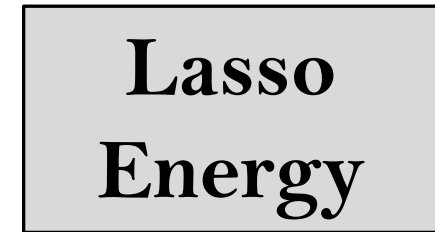
# Benefits for Partner

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- Keep operations**
- Retain working interest and capital structure**
- Participate in the upside (Back-In)**
- Project specific exclusivity**
- Simple, Standard Documents**
  - JOA, Side Letter, PSA
- Work with an experienced industry partner**

# Our Partners

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Nine acquisitions across four states in three years

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# Fund I Case Study

# Case Study: BVX Operating



San Andres and Clearfork development project on 1250 acres in Andrews and Ector Counties, Texas

- Two wells drilled successfully on one section.
- BVX frustrated by lack of funding for development plan of up to 14 wells.
- PetroCap committed to the development plan with BVX as operator
  - Entered project with \$1.7 million acquisition of WI
  - Spent additional \$9.5 million (net) in 18 months
  - 9 successful wells grew production 16 fold
- BVX and PetroCap exit 12/31/12 for \$26 million (gross), returning 135% of capital.
- Earns full back-in and receives cash at closing.



# Biographies

## **Lane Britain**

### **Managing Director**

Mr. Britain is a Managing Director of PetroCap and a member of the Board of Managers for Fund I. Mr. Britain continues to serve as a partner with Highland Capital Management, L.P. and oversees its natural resources investments. Prior to joining Highland in 2006, Mr. Britain was a Vice President at Ewing Management Group (formerly Carlyle Management Group) in Dallas, Texas, a private equity firm that specializes in acquiring and restructuring companies. Prior to Ewing, Mr. Britain was an investment banking analyst in Salomon Smith Barney's Southwest office as well as a member of the team hired to open the office. Prior to Salomon, Mr. Britain was an investment banking analyst in Donaldson, Lufkin and Jenrette's Dallas office. At both Salomon and DLJ, Mr. Britain focused on M&A transactions and debt/equity financings. Mr. Britain attended both London School of Economics and Rice University, receiving his undergraduate degree in Economics and Managerial Studies from Rice. Mr. Britain is a director of Blackwell BMC LLC, a Texas-based exploration and production company and serves on the board of Carey International. Mr. Britain currently serves on the Museum Council for the Perot Museum of Nature and Science and is a member of the Dallas Zoological Society Board of Directors.

## **Doug Evans**

### **Managing Director**

Mr. Evans is a Managing Director of PetroCap and a member of the Board of Managers for Fund I. Immediately prior to joining PetroCap in 1995, he was, for nine years, President and Chief Executive Officer of Woodbine Petroleum, Inc., which was a publicly-traded oil and gas company until it was taken private through a merger in September 1992. Prior to his tenure at Woodbine, Evans was President and Chief Operating Officer of a privately held oil and gas company, Penn Resources, Inc. Before being named President, he held other executive positions with the company. Before he joined Penn Resources, he worked for three years at the SMU Business School as Director of an entrepreneurial training program funded by the Department of Commerce. Immediately prior to attending business school at SMU, Mr. Evans was a Deep Sea Diving and Salvage Officer in the US Navy and served a tour of duty in Vietnam. Mr. Evans holds an MBA from Southern Methodist University and a BA from the University of North Carolina. He was a member of the Edwin L. Cox School of Business Associates Board at SMU, and he has served on the Board of Directors of the North Texas Region IPAA, the Dallas Wildcat Committee and the Dallas Petroleum Club. Mr. Evans, for ten years, was an independent Director of a publicly reporting REIT.

## **Alec Neville**

### **Managing Director**

Mr. Neville is a Managing Director for PetroCap and a member of the Board of Managers for Fund I. Prior to joining PetroCap in 2008, he was the CFO of Aspect Abundant Shale LP, executed a private equity raise for Adexco, Inc. and was CFO of BuildPoint Corporation. Mr. Neville began his career as a field geologist before moving into finance, banking and investment management. He worked with clients such as The Williams Companies, Halliburton, Hunt Oil Company, Mesa Petroleum and Bass Brothers Enterprises on a variety of financing, capital formation and portfolio issues while at Citibank, Wells Fargo, SG Cowen and Smith Barney. Mr. Neville holds a BA in Geology from Skidmore College and an MS in Mineral Economics from the Colorado School of Mines.

## David Hopson

### Managing Director

Mr. Hopson is a Managing Director of PetroCap. Before joining PetroCap in 2009, Mr. Hopson worked for 18 years at Hyperion Resources, Inc. as Vice President, Land and Acquisitions. While at Hyperion, Mr. Hopson was instrumental in the formation and ongoing management of the \$200 million Helios Energy Partners fund, raised in 2002 with Morgan Stanley. Helios sold its assets to a large energy private equity fund. Prior to Hyperion, Mr. Hopson worked at Hudson, Ball & Hopson from 1988 to 1990. Prior to that, he was with Pecos Resources. Before working as an Independent Petroleum Landman from 1986 to 1987, Mr. Hopson was a Staff Landman for six years with Sabine Corporation. Mr. Hopson began his career with Mitchell Energy where he worked as a Landman from 1977 to 1980. Mr. Hopson received a Bachelor of Business Administration, Petroleum Land Management from The University of Texas at Austin. He is a member of the Interstate Oil and Gas Compact Commission, American Association of Petroleum Landmen, Dallas Wildcat Committee, ADAM Energy Forum and the Board of Directors of the Dallas Petroleum club.

## Dick Rinehart

### Senior Advisor

Mr. Rinehart is a Senior Advisor to PetroCap and a member of the Board of Managers for Fund I. He is a founding principal of PetroCap and has 50 years of industry experience. He has served as Director of Coopers & Lybrand's Energy Systems and Services Division. Prior to joining Coopers & Lybrand, he was a principal of Dawn Information Resources, Inc., the largest independent, fee-based oil and gas asset administration and software service organization. Mr. Rinehart served as CEO of Terrapet Energy Corporation, which was active in property acquisitions. Prior to the formation of Terrapet, he was employed as President of the Terrapet Division of E.I. DuPont de Nemours and Company. He was responsible for all aspects of the Terrapet Division, which managed DuPont's participation in the oil and gas industry. Before its acquisition by DuPont, he served as CEO of Terrapet Corp., a privately owned E & P company. Before the formation of Terrapet Corp., he was manager of supplementary recovery methods and senior evaluation engineer with H. J. Gruy and Associates, Inc. Prior to his association with the Gruy firm, he was a partner of Petroleum Engineering Associates of Laramie, Wyoming, specializing in the presentation of short courses related to advanced recovery techniques. During this period, Mr. Rinehart served as a faculty member of the Department of Petroleum Engineering at the University of Wyoming. Mr. Rinehart has received Bachelor of Science degrees in Mechanical Engineering and Business Management from the University of Colorado and a Master of Science degree in Petroleum Engineering from the University of Wyoming. He is a registered professional engineer, currently in an inactive status, in the state of Wyoming.

## John Sears

### Senior Advisor

Mr. Sears is a Senior Advisor to PetroCap and a member of the Board of Managers for Fund I. He is a founding principal of PetroCap and has 39 years of industry experience. From 1986 until founding PetroCap, he was Vice President/CFO of R. Reid Investments, Inc. (now Energy Spectrum Advisors), a private investment banking firm concentrated exclusively in oil and gas M&A and financing/restructuring transactions. Prior to that, Mr. Sears served for eleven years in various financial capacities at American Petrofina, Incorporated, a Fortune 500 listed integrated energy company, reporting directly to the CFO. He participated in negotiations of a broad variety of financings and other transactions, and he served as a member of the corporate acquisitions team. He received a BA from the University of North Carolina and an MBA from Southern Methodist University.

## Marc Manzo

### Principal

Mr. Manzo is a Principal of PetroCap and a Managing Director of Highland Capital Management, L.P. While at Highland, Mr. Manzo has focused on private oil and gas and leveraged credit investing. Prior to joining Highland in 2007, Mr. Manzo was an Analyst in the energy investment banking group of A.G. Edwards Capital Markets, where he was involved in a wide variety of capital markets financings and mergers and acquisitions strategic advisory for clients engaged in the oil and gas, midstream and oilfield services sectors of the energy industry. Mr. Manzo graduated with honors from the University of Michigan's Ross School of Business with a B.B.A. in Finance and Accounting. Mr. Manzo serves on the Board of Managers of Blackwell BMC, LLC, a Texas-based exploration and production company.

Contact Us

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