

The TURNING POINT

The UT PGE Legacy of Entrepreneurship in the 21st Century

The Travis Peak (Hosston) formation has been tackled by many companies going back to the 1940s. But when Jim Addison, BSPE '85, decided to leave an executive-track career with a prominent oil and gas company to form Travis Peak Resources, LLC in 2013, going into an East Texas and Louisiana gas play was the farthest thing from his mind.

"My wife, Meg, and I were driving west of Austin, not too far from our home on Lake Travis," said Addison. "We were talking about what it would mean for me to start a company, and we drove past a sign for the small, rural community of Travis Peak, Texas. I knew that day we would start a company and call it Travis Peak Resources."

Just under one year later, Travis Peak Resources has grown from four founders to a team of 12 — where half the company bleeds burnt orange. Co-founder Clint Calhoun, BSPE '99, and Acquisitions & Reservoir Engineer Greg Balash, BSPE '05, both worked with Addison at Newfield Exploration Company and knew that the launch of Travis Peak Resources was not just an opportunity, but a turning point.

"It was a distant dream in college — to start a company," said Calhoun, whose family recently welcomed a second child just prior to relocating to Austin from Tulsa. "First, I

needed to gain a great deal of experience. After talking with Jim, I realized this was the opportunity for me and my family; it was the right time and the right team."

Balash knew it was the ideal next chapter for him as well.

"Travis Peak's pioneering attitude and positive mindset mirrored mine, so the decision to join was an easy one," said Balash. "We are creating our own culture and controlling our own destiny."

NEW GENERATION OF OIL AND GAS ENTREPRENEURS

Travis Peak Resources is just the latest in a long line of energy industry companies bootstrapped by Longhorn PGE's over the past eight decades. Many of the earliest alumni to graduate from

UT PGE founded companies, such as Ernest Cockrell, Jr.'s Producer's Oil, Charles Grant's Grant Corporations, J. C. Anderson's Anderson Energy, and Joe Parsley's Parker and Parsley Petroleum Company. It is a tradition that includes consulting firms like Ronny Platt and Don Sparks' Platt, Sparks and Associates, and Autry Stephens's Big Dog Drilling and Endeavor Energy Resources, just to name a few. Every generation of UT PGE graduates has its fair share of entrepreneurs.

Today, a new generation of alumni who graduated at the beginning of the most recent industry upturn are starting to emerge as the next wave of entrepreneurs.

Among them are Oscar Torres, BSPE '99, who co-founded Tower Rock Oil and Gas with UT mechanical engineer Tim Holland, and Steve Skinner, BSPE '01, who co-founded Ursa Resources II, LLC. Both Torres and Skinner are classmates of Calhoun.



Clint Calhoun, Jim Addison and Greg Balash

For Torres, who began at a small mineral rights company, Royalty Clearinghouse, part-time right out of UT PGE, the turning point didn't come until after he became president. "A couple years ago, I started to realize there was a different way to approach the mineral acquisition and management business, and started talking with Tim about it," said Torres. "Royalty Clearinghouse was growing rapidly and doing well, but I wanted to head in another direction and start a company based on my own ideas. That's when we got serious about launching Tower Rock."

The market conditions that turn-of-the-millennium graduates faced played no small role, said Skinner. "When I got out, my fellow vintage and I were getting to do really unique things early in our careers because there weren't many students choosing to study petroleum engineering at that time; many more were going into mechanical and chemical engineering, and those of us who

chose petroleum engineering talked often about starting our own companies. When we graduated, we were expected to perform right along with 30-year veterans as the shale resource plays got going. With all of those responsibilities early on, there was a lot of incentive to leverage that experience by going out on your own."

EXPERIENCE BEFORE INDEPENDENCE

While the undergraduate classes of the early 2000s are starting to produce a large number of new start-ups, a few core attributes still define the quintessential UT PGE entrepreneur.

Across the board, alumni who found companies say the key to becoming a successful oil and gas entrepreneur is experience, even in today's technology- and data-saturated environment.

Unlike the computer software and hardware arenas, where a great idea in college can lead to a dorm-room startup, having a deep well of practical field and business management experience is essential.

Chuck Farmer, BSPE '80, co-founder of Saga Petroleum, advises recent graduates interested in starting a company to gain a breadth of experience first. Farmer acknowledges that unique opportunities exist for today's new entrepreneurs that were not applicable when he entered the industry, thanks in no small part to the unprecedented expansion in equity financing. Still, there is no substitute for practical experience. "It's great, for example, to immerse yourself in drilling engineering as a focus early in your career as I did, but in the long run you must become knowledgeable in all facets of our industry to be a successful independent," said Farmer. "You have to be alert, bright and interested. Ask questions of your peers in different disciplines and



Myra Dria

thoroughly understand their tasks. Spend quality time with land owners and regulators. Make sure you understand and acknowledge their needs and express yours in a pleasant professional manner when possible. Never forget, warmth and humor are powerful tools toward a successful outcome."

Myra Dria, Ph.D. '88, founder of Ristra Energy LLC, Pearl Resources, and Opal Resources, said, "To help me on my entrepreneurial path, I moved jobs to get exposure – I made that a mission." After starting her career at Sohio and Shell, Dria discovered her path to becoming a successful entrepreneur involved taking on risk and responsibility. "Always have P&L (profit and loss statement) responsibility, be in a leadership role, and be able to learn every aspect of the oil and gas business - make the most out of it."

PRINCIPLES PREVAIL OVER RISK

A breadth of experience will only get entrepreneurs so far towards founding and growing a successful business. Like many others, Wayne Greenwalt, BSPE '72, attributes a great deal of his success to adopting — and adhering to — clearly defined business principles. While every company goes through the process of developing a mission, vision and values, Longhorn PGEs distinguish themselves through setting a standard for professional ethics and responsible leadership.

"(UT PGE Professor Emeritus) Ben Caudle taught and lived by an exemplary philosophy that had a positive effect on my life and my role as a leader: first, give back, and second,

how you treat a person is important," said Greenwalt. He credits his success with EnergyQuest and other ventures to his team of partners and all of his employees, stressing that starting and running a business also means Dr. Caudle's message applies to external stakeholders, too. "It's about people — employees and neighbors. When thinking about how we'll approach a project in a new community, the goal is to realize financial gains for investors, founders and employees, while mitigating risk and to accomplish this goal in a manner that's responsible and ethical."

"If we don't have enough pride in the project to put our sign on it, we don't want to do it," said Farmer, who often directs his colleagues at Saga to think deeply about the impact their business decisions today will have on the future. "I want to leave the properties the best they can be for the next guy, but it's more importantly about Saga's reputation, our relationship with land owners, regulators and within the business community. We never compromise our ethics and the decision to do the right thing."

REWARDS BEYOND RICHES

One of the hallmarks of being an entrepreneur is, despite all of the daily challenges, the benefits reaped go well beyond great income potential.

"I really enjoy having my own company; it's like having a family environment," said Dria. "It's more of a concentrated effort. And if you do well, you see the direct impact of what your work develops. That's the biggest reward."

Like Skinner, Calhoun and others who graduated in the early 2000s, Torres agrees with the UT PGE alumni entrepreneurs who came before him. "I love the challenge of holding myself accountable for the productivity that is necessary to succeed, and balancing it with the freedom to work under my own terms and set of circumstances. Achieving that balance is rewarding in and of itself."

A world of opportunity exists today for new companies like Travis Peak Resources. All the Longhorn PGE's there know that the road to success will be paved with many trials and challenges. But like the generations of entrepreneurs before them, Addison, Calhoun and Balash are focused. "We don't want to put our ideas on a shelf," said Addison. "We want to act on them."