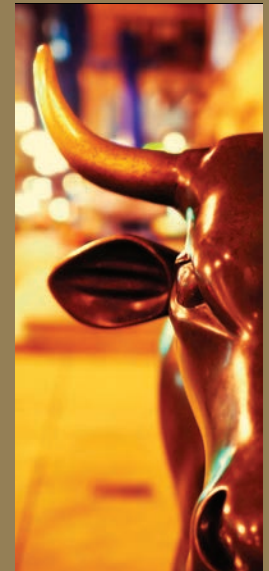


Opportune

WE BRING ENERGY TO BUSINESS



CELEBRATING A DECADE OF CLIENT SUCCESS

Oil and Gas
Investor

A SUPPLEMENT TO

Oil and Gas Investor

1616 S. Voss, Suite 1000
Houston, Texas 77057-2627
713-260-6400 Fax: 713-840-8585

www.oilandgasinvestor.com

EDITOR-IN-CHIEF

Leslie Haines

lhaines@hartenergy.com

GROUP MANAGING EDITOR

Susan Klann

sklann@hartenergy.com

CONTRIBUTING EDITOR

Nissa Darbonne

CORPORATE ART DIRECTOR

Alexa Sanders

PRODUCTION DIRECTOR

Jo Pool

VICE-PRESIDENT OF PUBLISHING

Shelley Lamb

slamb@hartenergy.com

DIRECTOR, BUSINESS DEVELOPMENT

Nella Veldran

nveldran@hartenergy.com

For additional copies of this publication,
contact customer service at
713-260-6442.
custserve@hartenergy.com

HARTENERGY

Copyright 2015, *Oil and Gas Investor*
Hart Energy Publishing LP,
Houston, Texas

Information contained herein is believed to be accurate; however, its accuracy is not guaranteed. Investment opinions presented are not to be construed as advice or endorsement by Oil and Gas Investor. This report was underwritten by Opportune.

A DECADE OF SERVICE

This year Opportune LLP will mark its 10th anniversary by continuing to do exactly what it has always done: serve its oil and gas clients in the upstream, midstream, downstream and power sectors throughout the oil patch. With around 300 employees operating from six domestic offices and one in London, the Houston firm has grown steadily over its first decade and can readily meet its clients' needs for professional energy services.

These include a wide variety of services, from reserves analysis and chemical engineering capabilities, to providing financial reporting resources, SEC compliance and financial restructuring advice.

In this day and age of complex processes and lengthy mission statements, Opportune cuts to the chase, for itself and for clients. Its mission statement says it all: "Add value to clients."

The approach is to first understand what a client needs or what is worrying its executive team, then figure out what Opportune's teams can do to help.

Of course, how that plays out makes all the difference in the world. That's why Opportune has diversified its offerings over the years, yet always in order to meet clients' concerns. In 2007 it started a process and technology group; in 2009 it began its tax practice and acquired a back-office firm for outsourcing, which today serves more than 100 upstream clients.

Opportune is not resting on its laurels. Just this year, it acquired two companies: the 90-year-old Ralph E. Davis Associates Inc. for reserves analysis and engineering, and chemical engineering firm Nexidea Inc.

It all speaks to the multiple ways the company can handle complex client problems and collaborate with the end goal in mind: Provide successful outcomes for continued growth. Add value to clients.



—Leslie Haines, Editor-in-chief,
Oil and Gas Investor



TABLE OF CONTENTS

OPPORTUNE AT 10	3-4
A CELEBRATION OF CLIENT SUCCESS	5-6
OPPORTUNE: WHO WE SERVE, WHAT WE DO	7
OPPORTUNE LOCATIONS	BACK COVER

OPPORTUNE AT 10

The birth of Opportune LLP was on June 5, 2005. The partnership formation papers were filed, and, as luck (or some higher authority) would have it, David Baggett, the Managing Partner (big title for a then one-person firm) of Opportune, received his first lead for a client. A college friend of his needed an expert in an oil and gas royalty dispute and had four firms in.

“I remember walking into the meeting with no business cards and looking at the glossy brochures on the table from the firms that preceded me,” recalled Baggett. “After about 30 minutes, the principals left the room, returning shortly to tell me that they canceled the upcoming interview with one last firm so that we could start immediately.”

From these humble, albeit auspicious beginnings, over the past 10 years Opportune has grown into a leading energy professional services firm, serving energy clients worldwide through offices in the U.S. and Europe.

Baggett has six partners now. Years ago one of the partners said Opportune needed a mission statement. It was more than a page. “All the right words were in there,” Baggett says. “We shortened it to just this: ‘Add value to clients.’”

“With this client-centric focus in mind, staff training isn’t about effective selling, communication or time management. It is 100% focused on adding value to clients,” he says.

When Baggett was a partner at Deloitte & Touche, Deloitte’s Managing Partner would begin each meeting with the same speech—that is, what was the team’s purpose. “I took comfort in that,” Baggett recalls, “so I start every meeting with our mission statement and core values. It is the foundation of the firm that doesn’t waiver.”

Large-group meetings are rare, though. “There is not a standing meeting on the calendar. We don’t have Monday-

morning management meetings. Our revenues are only happening if we’re working with clients. We’ve done a good job of keeping it market-facing, keeping it externally focused.

“Internally, I have very few non-negotiables. One is that we’re not going to have revenue goals. If you’re doing the right things, with the right people, in the right markets, the revenue comes. We don’t have score cards. Teamwork is very important to us. We celebrate every success as a team success—and we only deem it a success if the client finds success as a result of our work.”

diligence work slowed to next to nothing as deal-making slowed for almost a year.

“Our diversity was a good thing at the time,” he says. “That was our first big bet. We’ve made several since, and they’ve all been good bets. We have over a dozen service lines now.”

Opportune took on a restructuring job during the 2008-09 cycle and is working again on restructuring projects as a result of the downturn in commodity pricing. Also in 2009, it commenced a tax practice, added valuation services and acquired PetroAcct (now Opportune’s

∞

**“If you’re doing the right things,
with the right people, in the right markets,
the revenue comes.”**

—David Baggett



SERVICE LINE EXPANSION

During the past 10 years, Opportune has diversified its service offerings but continues to work exclusively within the energy sector.

“In 2007, we were doing great. We had grown organically,” he says. “Most of our work was around financial due diligence on M&A and other deals, but there are cycles. We needed to diversify.” Opportune started a process and technology group, originally offering energy trading risk management-related services. “It was a big investment for a small company. We struggled out of the gate with that. Within the year, however, we landed some big projects. When the financial-market crisis commenced in the second half of 2008, the firm’s due-

outsourcing practice), which handles back-office accounting and land administration for upstream clients. Half of the acquisition was from an affiliate of Houston-based EnerVest Ltd., which owned 50% and then represented some 70% of the firm’s business.

“We’ve built outsourcing from something small and totally dependent on EnerVest to more than 100 upstream clients with over 30,000 oil and gas wells.”

This year, Opportune acquired 90-plus-year-old, petroleum engineering firm Ralph E. Davis Associates Inc. and purchased chemical-engineering firm Nexidea Inc. “In both cases,” Baggett



says, “they could understand how—on our platform in terms of capabilities and client base—we could be more successful together.”

With petroleum and chemical engineering capabilities, “now, when doing valuations, due diligence or restructurings, we not only have the financial expertise but also the engineering and operational expertise.”

Opportune has kept the Ralph E. Davis name on the reserves-analysis business unit. “Ralph E. Davis has been around over 90 years and has a great reputation,” Baggett says.

Nexidea’s name has been changed to Opportune, meanwhile. “We’ve been around longer, and I didn’t want to confuse people about whether they’re being served by Nexidea or Opportune. We are one firm.”

ENERGY SECTORS

What makes Opportune unique is that it only works in the energy space. “I didn’t originally form it to be an energy-only professional services firm, but since about year two, all we have done is energy,”

Baggett says. “I have found that companies and private equity firms don’t want to hire generalists—certainly not in Houston. The only people we have here are experienced energy people.

“Our revenues are fairly equally weighted among upstream, midstream and downstream,” Baggett comments. “Many companies in the marketplace think that a predominance of our work is upstream, but that is not the case. Not surprisingly, we have more upstream clients, but our midstream and downstream assignments are typically larger.”

Opportune is also aggressively expanding its presence in power and oil field services, with several recent wins to show for it.

“Our initial meetings with clients and prospects usually consist of our industry leaders with the company’s executives,” Baggett says. “We typically don’t come in the door to sell a particular service line. Our objective is to understand the company’s needs and educate the company on what tools we may have to help them.

“One of our biggest challenges is getting our clients and contacts up to

speed on our current capabilities, which are constantly expanding,” Baggett says. “I can’t tell you how many times companies have said they would have used us for a particular assignment if they had known we had that specific capability.”

EXPERIENCE

Friends helped him start the firm and have helped him grow it, including Jim Vanderhider of EnerVest. “I believe most start-ups need a steady source of revenues, and in the early days, EnerVest provided it.

“People have had faith in us to hire us for very important projects and initiatives when Opportune hadn’t done it before—faith that we could bring the right resources to bear. They hired a firm that didn’t have an established name at the time; they took a chance on us. This anniversary is a celebration of our clients.”

At 29, Baggett was the then-youngest partner in the history of Deloitte, which he joined in 1981 and where he worked for 15 years. From there, he worked under retired Shell Oil Co. President John Bookout as his Senior Vice President and CFO at Contour Energy. Subsequently, as President, COO and CFO, he built Round Rock, Texas-based construction consolidator American Plumbing & Mechanical Inc. that grew to some 6,000 employees. It became under water in 2003 under the weight of too much debt. “I knew business failure for the first time in my life,” Baggett says, “which gave me a different perspective.”

Baggett keeps an empty bottle of Silver Oak wine in his office; it had been signed during an office Christmas party in 2008 by every Opportune employee and his or her spouse. All of their names fit—and not written in small format, either. The firm now has around 300. Three of the Big 4 accounting firms have offered to buy Opportune along with a handful of private equity firms. Baggett doubts Opportune will ever do that. “We are having too much fun. The best is yet to come.” ■



Standing, L-R: John Vanderhider, Dean Price, Josh Sherman, David Baggett, Matt Flanagan, Don Jefferis, John Echols



PRACTICAL, ACTIONABLE SOLUTIONS

“EnerVest was one of Opportune’s first clients and has been a value-add partner for 10 years. During this time, we have been the beneficiary of Opportune’s due diligence, valuation, SEC and process and technology services. In each case, Opportune’s seasoned group of energy professionals offered practical, actionable solutions.”

—**John Walker**
CEO, EnerVest

DEEP ENERGY EXPERTISE

“Based upon several recommendations, we engaged Opportune to help us with our financial restructuring at GMX Resources. They quickly mobilized an energy team led by an industry veteran. Opportune’s deep energy industry expertise, along with their capabilities in restructuring, tax and valuation, have played an integral role in positioning Thunderbird for future success.”

—**Mike Rohleder**
CEO, Thunderbird Resources
(formerly GMX Resources)



QUICK SOLUTIONS AND QUALITY WORK

“As our company was pursuing a huge acquisition with a nearly impossible deadline, we needed quick solutions and quality work. Opportune provided both. They worked alongside us through the entire project, increasing efficiency and playing a critical role in our success. Since then, we have continued to use them for consulting, technical financial disclosures and even taxes. Choosing the Opportune team was the right choice and one that we would make again.”

—**Tracy Poole**
President, New Gulf Resources

IPO READINESS AND EXECUTION

“During 2014 NGP had six companies in our portfolio successfully complete initial public offerings. The transition from a private to a public company required an incredible amount of work and preparation. Opportune provided the expertise to assist several management teams that were working to comply with rigorous SEC accounting and reporting obligations. Natural Gas Partners, RSP Permian Inc., Rice Energy Inc., Parsley Energy Inc. and Memorial Resource Development Corp. are thankful for our relationship with Opportune and the assistance and advice they provided to us during the IPO process.”

—**Chris Carter**
Managing Partner, Natural Gas Partners



INSTRUMENTAL PART IN PBF’S ESTABLISHMENT

“Opportune has been partnering with PBF Energy since 2010 to support the start-up phase of PBF as well as the subsequent acquisitive growth of the company. In addition to helping our CIO implement an IT strategy for the company, the Opportune team has successfully supported the acquisition and transition of three refining assets, installed HR/Payroll processes and systems, and deployed an ERP application backbone. Opportune has also been an instrumental part in PBF’s establishment and growth of its commercial supply and marketing business, assisting us with defining and deploying critical business processes and solutions, as well as supporting the trading and risk management function for our daily commercial activities. Opportune’s expertise, their understanding of our business objectives, and their ability to successfully team with PBF have enabled us to build a scalable platform for continued growth.”

—**Matthew Lucey**
President, PBF Energy



EXPERTISE TO HANDLE COMPLEX PROBLEMS

"I have worked with the folks at Opportune for many years. They have always provided exceptional solutions that met our schedule and budget, and more importantly, provided very creative and customized alternatives that provided more eloquent solutions than we would have developed on our own. They have the expertise to handle complex problems and the practical know-how to make the solutions work in the real world."

—James Stump
Senior VP, Refining, HollyFrontier

APPROPRIATE PEOPLE AND EXPERIENCE

"We engaged Opportune to help us integrate certain financial and operational platforms, processes and procedures inherited through acquisitions. Opportune brought the appropriate people and experience to collaboratively work with us to develop and execute a work plan that helped us reach our goal."

—Jim Ulm II
Senior VP and CFO, Fieldwood Energy



OUTSTANDING CUSTOMER SERVICE

"Opportune offers outstanding customer service and provides deep industry experience and insight in all aspects of E&P financial reporting. Opportune has been a key business partner for us, WildHorse Resources Management Co. LLC, as we have grown our business."

—Terence Lynch
CFO, WildHorse Resources

RECOMMENDED VALUE-ADDED IMPROVEMENTS

"Recognizing the potential of University Lands' assets in the Permian Basin, Opportune was engaged to conduct a comprehensive strategic study comparing the effectiveness and efficiency of our operations to those of other public and private organizations with similar assets. Opportune recommended value-added improvements to the Lands' business practices and processes. Opportune's expertise in business strategy and planning, organizational design, change management and corporate governance combined with their deep understanding of upstream operations, risk management and technology allowed them to quickly assess our current strengths and identify key areas of opportunity. We have begun to implement some of these improvements and are excited to keep moving forward."

—Mark Houser
CEO, University Lands



VERY EFFECTIVE HANDLING OF OUR FINANCIAL REPORTING FOR INCOME TAXES

"Opportune has been very effective in handling our financial reporting for Income Taxes needs for the past five years, bringing significant experience in upstream E&P investment, M&A, and complex financial reporting for SEC registrants to the table. Their ability to work with our internal staff, external auditors, tax preparers, legal counsel and the SEC is a key for us in providing the high-quality financial reporting results demanded by the marketplace."

—Hugh Menown
Executive VP and CAO, Energy XXI

WHO WE SERVE

- Commercial banks/energy lenders
- Company boards & committees
- Independent oil & gas companies
- Independent power producers
- Independent refiners
- Independent system operators
- International companies
- Investment banks
- Large federal and state agencies
- Law firms
- Marketing and trading companies
- Oilfield service providers
- Petrochemical companies
- Pipeline companies
- Private capital
- Retail energy providers
- Standards and safety bureaus
- Startup companies
- Terminating companies
- Utilities

WHAT WE DO

- Chemical Engineering
- Complex Financial Reporting
- Corporate Finance
- Dispute Resolution
- Enterprise Risk
- Outsourcing
- Process & Technology
- Reserve Engineering & Geosciences
- Restructuring
- Strategy & Organization
- Tax
- Valuation

ENERGY SECTOR EXPERTISE



Upstream



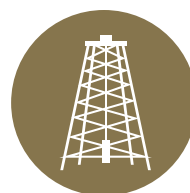
Midstream



Downstream



Power



**Oilfield
Services**



**Commodities
Trading & Logistics**



Opportune

NORTH AMERICA

CORPORATE HEADQUARTERS

711 Louisiana, Suite 3100
Houston, Texas 77002
Office: 713.490.5050

DENVER OFFICE

1050 17th Street, Suite 1450
Denver, Colorado 80265
Office: 303.606.7576

OUTSOURCING OFFICE

8323 Southwest Freeway, 9th Floor
Houston, Texas 77074
Office: 713.772.0664

NEW YORK CITY OFFICE

340 Madison Avenue, 19th Floor
New York City, New York 10173
Office: 212.220.9466

DALLAS OFFICE

5001 Spring Valley Road, Suite 500E
Dallas, Texas 75244
Office: 214.276.1160

TULSA OFFICE

401 South Boston Avenue, Suite 3000
Tulsa, Oklahoma 74103
Office: 918.994.5440

EUROPE

LONDON OFFICE

4-6 Throgmorton Avenue
London EC2N 2DL
United Kingdom
Office: +44 20 7849 3110