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BoomTown Oil, sponsor Juniper focused on building Eagle Ford position, MD says

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Story

BoomTown Oil LLC and **Juniper Capital** are scouring the South Texas Eagle Ford formation for oil and gas assets to add to a 6,000-acre position Juniper has assembled, said Edward Geiser, Juniper's CEO and managing director.

BoomTown is led by partners Michael Rozenfeld and Sean Fitzgerald. Its executives previously worked with companies including **Rosetta Resources** and **Shell E&P**. Rozenfeld said BoomTown will look at the Eagle Ford and consider opportunities in other basins.

Juniper in November completed raising USD 500m for its second fund. The company didn't disclose a total commitment to BoomTown, but is generally looking to put USD 25m to USD 75m in equity to work in each deal it backs, Geiser said.

Rozenfeld said the Eagle Ford is appealing thanks to low well costs and advances in how wells are completed, which is yielding strong results. "There are a lot of levers to make the Eagle Ford be more attractive," he said.

Juniper built its 6,000-acre position in the northeastern portion of the Eagle Ford by leasing, and will work with BoomTown to lease or acquire additional acreage, Geiser said. The two would prefer to negotiate directly with asset owners to find acquisitions, but they will look at assets coming to market in auction processes. BoomTown and Juniper will also consider larger packages that come with existing production, he said.

In addition to acquisitions, BoomTown will look at all options, including farm-ins to build a position, Rozenfeld said.

BoomTown's prior experience in the Eagle Ford provides an opportunity to leverage relationships with other operators and landowners in the region, he said. The company views itself as more of a boutique who will work with mineral owners as opposed to a manufacturing operation looking to establish hundreds of wells, he said.

Negotiating private deals might be tough when it comes to public company sellers, said an industry banker. PE-backed companies are not likely to have a chance to negotiate direct deals because company boards will require broadly marketed auctions, the industry banker said. Public companies could be an important source of assets, however.

Many public companies with Eagle Ford holdings that are focusing efforts elsewhere. This news service reported in August that **SM Energy** [NYSE:SM] would retain an advisor to divest non-operated holdings in the Eagle Ford. That came after SM announced a deal to acquire assets in the Permian Basin, where it plans to deploy most of its capital.

Anadarko Petroleum [NYSE:APC] is focused on Delaware Basin portion of the

Permian, D-J Basin and Deepwater Gulf of Mexico, but still holds 388,000 gross acres in the region. **Pioneer Natural Resources** [NYSE:PXD] has a 230,000 gross acres in the Eagle Ford that's also taking a back seat to its Permian holdings.

A *Wall Street Journal* report in October stated that **Sanchez Energy**[NYSE:SN] was in talks with Blackstone and GSO Capital Partners to acquire Anadarko's Eagle Ford position, although no deal has subsequently been announced.

Competition for assets

BoomTown will not be alone in its pursuit of Eagle Ford assets. PE-backed operators have been attracted to South Texas and the Eagle Ford by the advent of multiple layers of production in the region and decreasing well costs, said Michael De Voe Piazza, an energy-focused lawyer at Wilkie Farr & Gallagher. He advised Juniper on the BoomTown partnership.

Multiple pay zones are well established in the Permian Basin, and "there's optimism that will [also] ring true in the Eagle Ford," he said.

The industry banker said that parts, but not all, of the Eagle Ford have the potential for production from three Eagle Ford zones and the Austin Chalk formation.

Many PE-backed operators in the region are looking to engage in grassroots leasing and directly negotiated deals, said Piazza. The industry banker concurred that many private equity teams are looking to buy in the Eagle Ford, but the volume of buyers is offset by many potential acquisition targets and leasing opportunities in the region.

by Chad Watt in Dallas, Texas