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WHO'S WHO IN MINERALS

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CLEAR FORK ROYALTY LLC

FOUNDED IN 2010, CLEAR FORK Royalty LLC is a family business with a long-term focus on evaluating and buying mineral, royalty and overriding royalty interests.

The Fort Worth, Texas-based company grew out of co-founder and CEO Joseph P. DeWoody's knowledge gained while working for his family's E&P company.

During the oil market crash of 2008-2009, he saw an opportunity to begin acquiring mineral interests. That led to joining with his father, Michael DeWoody, and brother-in-law, Ryan Haggerty, to form Clear Fork.

The company has accumulated and manages interests in 25 states from the Rockies and Appalachia to Texas, predominantly under producing properties, for its own portfolio and that of a select group of quality partners, rather than being backed by institutional funds or private equity.

"Clear Fork specializes in acquiring large, often complicated asset portfolios, whether held in trust or as a part of someone's estate," Joseph DeWoody said. It specializes in working with a variety of individual sellers: families, trusts and estates.

"We haven't traditionally paid top dollar for nonproducing acreage in order to get ahead of the drillbit like some of the larger private-equity-backed mineral companies do," he explained. "We've been a little more risk-averse than other mineral and royalty companies, so we have focused on cash flow and protecting our downside by acquiring producing mineral assets," he said.



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—JOSEPH P. DEWOODY,
Co-Founder, CEO

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The portfolio is not focused on any one basin or play, but is more diverse. "We are slow and steady and so we're not necessarily chasing the latest play. Our focus with acquiring larger portfolios provides us exposure to many different basins."

Clear Fork's current focus areas include the Permian Basin and Scoop/Stack plays, but DeWoody emphasized that across the board, the aim is to acquire mineral rights in developed, producing plays in areas with unconventional resource upside. Clear Fork especially understands Texas and Oklahoma, and so concentrates its interests in producing conventional wells there, he added.

Meeting market challenges

One challenge Clear Fork encounters when working with conventional minerals is that the sellers' perceived value and asking prices will vary. Reports of the steeper prices paid for acreage in the so-called hot plays can be very real. The higher prices paid in the Permian Basin and the Stack are creating a domino effect in other basins, according to DeWoody.

However, these factors are just part of "preconceived notions and perceptions" that potential sellers have. The Clear Fork team is adept at evaluating the minerals' worth, and working with sellers to close a deal quickly, sometimes in days or weeks.

"Many sellers we work with have heard about the large dollar amounts and oftentimes come to the negotiation with a figure in mind that does not work economically

for us,” he said. “We run everything through our models and engineering and determine, based on our return needs, the price that works for both us and the seller.”

DeWoody acknowledged that in some areas where Clear Fork works, “the rise in unconventional exploration and development has provided thousands of landowners new and/or increased royalty payments and has created a lot of excitement for both owners and acquirers.” These areas include the Permian, the Mid-continent Scoop/Stack/Merge and the East Texas Basin.

Since production began in the shales the market of royalty owners has grown, DeWoody said, noting, “Out of the 2.27 billion acres of land that span the U.S., private individuals own approximately two-thirds.”

To pursue this vast opportunity, the faces of Clear Fork’s team, John “Jammer” Moncrief and Matt Autry, work daily with mineral owners from across the U.S. Moncrief, a partner and acquisitions landman, primarily handles Texas acquisitions while Autry primarily handles Oklahoma transactions. Both are seasoned and experienced landmen



From left, Ryan Haggerty, Joseph DeWoody, and Michael DeWoody at a Fort Worth/Tarrant County Better Business Bureau gala.

that have worked in multiple basins and handled hundreds of transactions. Jammer is the fourth-generation member of the Moncrief family to work in the oil and gas business.

Vision and values

Clear Fork’s company values include being community-minded and civic-oriented, and it has received several awards recognizing this commitment. In 2014, it received the Greater Tarrant Business Ethics Award from the Fort Worth Chamber of Commerce. It also received the Torch Award for Marketplace Excellence from the Fort Worth/Tarrant County Better Business Bureau.

“Being recognized by these awards has meant a lot to our team. We are humbled and greatly honored that the way we do business is recognized in such a way. We appreciate and value being recognized for these awards. Honesty and integrity are key pillars of our company values, and being recognized for ethics in the workplace does reinforce our vision and values.” ■



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ethics in oil and
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acquisitions.

