

## Quantum Energy Partners Leads \$300 Million Investment to Form New Oil Company

*By Luis Garcia*

*Jul. 25, 2017*

Quantum Energy Partners led a more than \$300 million investment to form a new oil-and-gas company, as the private-equity firm continues to expand its portfolio beyond the booming Permian Basin.

Based in Denver, Impact Exploration and Production Partners LLC focuses on acquiring, developing and operating oil fields in the Rocky Mountain region, according to a press release.

The investment was made alongside members of Impact's management team, the release said. Company founders Tim Muniz and Randy Natvig will serve as chief executive officer and president, respectively.



GEORGE SPADE/SHUTTERSTOCK.COM

Houston-based Quantum, which is targeting up to \$5.25 billion for a new fund, has been investing in other oil-and-gas exploration regions as intense activity and high asset prices make it more challenging to strike deals in the Permian Basin of West Texas and southern New Mexico. Impact is the second energy company focused on the Rocky Mountain region that Quantum has backed this year. In May, the energy private-equity firm committed more than \$200 million to form Middle Fork Energy Partners LLC.

“We do see the Rockies as an area that has been kind of underserved by private equity,” said Wil VanLoh, Quantum’s founder and CEO.

He added that the Rocky Mountains, a vast area spreading from Canada to New

Mexico, is one of the few U.S. regions where there are oil basins with historical conventional production but that hasn't been explored yet with unconventional, or shale, technology.

Impact and Middle Fork each will target a different set of basins more suitable to their management teams' particular expertise, with Middle Fork leaning toward gas and Impact focused on oil plays, Mr. VanLoh said.

Quantum is backing the deal amid ongoing oil-price volatility that has cast uncertainty over investments in the energy industry. Mr. VanLoh said the firm focuses on the long-term future of oil prices and that the current lower-price environment creates investment opportunities.

"It reduces competition a little bit," he said.

Quantum invests in the upstream, midstream, oil-field services and power sectors. Its investments span different oil-and-gas exploration regions of the U.S. The firm still owns several portfolio companies operating in the Permian Basin, after exiting two deals in the region this year.

Quantum and many other private-equity firms focused on the energy industry usually partner with experienced oil-and-gas executives to form new oil-and-gas companies or expand existing ones. Mr. Muniz is a former vice president of operations at Centennial Resource Production LLC, a subsidiary of Riverstone Holdings-backed Centennial Resource Development Inc., and Mr. Natvig founded and led Iron Horse Energy LLC, according to the release.

Write to Luis Garcia at [luis.garcia@wsj.com](mailto:luis.garcia@wsj.com) and Andrew Scurria at [Andrew.Scurria@wsj.com](mailto:Andrew.Scurria@wsj.com)