

## Quantum Energy Pledges \$450 Million to New Oil-and-Gas Company

By Luis Garcia

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Quantum Energy Partners committed \$450 million in equity to form a new oil-and-gas company focused on the Eagle Ford shale, the latest of a series of investments the energy private-equity firm made outside the more crowded Permian Basin.

The company, Vitruvian Exploration IV LLC, will begin to operate in the Eagle Ford shale of South Texas during the fourth quarter of 2017, according to a press release. Vitruvian

IV acquired or agreed to acquire around 120,000 net acres of undeveloped leasehold in the area, including nearly 70,000 in the Javelina field from publicly traded producer Sanchez Energy Corp., the release said. A press release Sanchez issued early this month said it sold the Javelina assets for around \$105 million in cash.

The Vitruvian IV deal marked the third time Quantum backed the company's management team, which is led by Richard Lane as executive chairman, John Thaeler as chief executive and Brian Rickmers as chief financial officer, according to the release. The three energy-industry veterans previously founded Quantum-backed Vitruvian Exploration II and Vitruvian Exploration III, the release said. It added that the two companies operated in the Oklahoma's SCOOP and STACK plays, respectively, and recently sold their assets to other producers.

Houston-based Quantum, which is targeting up to \$5.25 billion for a new fund, concentrates on the upstream, midstream, oil-field services and power sectors. Its portfolio companies span different oil-and-gas exploration regions in the U.S.,



FILE PHOTO - An oil rig drilling a well at sunrise, near Midland, Texas, U.S. on May 3, 2017. REUTERS/Ernest Scheyder/File Photo REUTERS

including California, the Rocky Mountains, the Permian Basin of West Texas and Southern New Mexico, as well as the Northeast's Appalachian Basin.

The firm has been investing actively this year, particularly in areas outside the Permian Basin, where intense drilling and higher asset valuations are making more difficult to find deals at attractive prices.

For example, Quantum in late July led a more than \$300 million investment to form Impact Exploration and Production Partners LLC, an oil-and-gas company focused on the Rocky Mountain region. A week later, the firm announced that Rockcliff Energy II LLC, one of its portfolio companies, bought \$525 million in assets in East Texas and North Louisiana from Samson Resources II LLC.

“It's harder to put money to work intelligently today in the Permian than it was a couple of years ago, so we're being more selective” there, Wil VanLoh, Quantum's founder and chief executive, said in late July.

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