

*Norman H. Foster Outstanding Explorer Award*

# Exploring Opportunities and Breaking Ground

By DAVID BROWN, EXPLORER Correspondent

**D**ick Stoneburner will forever be linked to two words.

You might think those two words are “exploration geologist” – which are appropriate, but not necessarily the two words that best honor his unique legacy.

This year, after a four-decade career as an exploration geologist, Stoneburner will receive AAPG’s Norman H. Foster Outstanding Explorer Award.

The award is given in recognition of distinguished and outstanding achievement in exploration by AAPG members who have shown a “consistent pattern of exploratory success.”

Through the years, Stoneburner has epitomized the exploration geologist who deciphers regional geology, generates oil and gas plays and works at all levels of the industry, from staff geologist to independent operator to company executive.

In reality, the two words Stoneburner’s name will always be most associated with are “Eagle Ford.”

He was instrumental in discovering the potential of the Eagle Ford shale in southwest Texas, one of the largest accumulations of petroleum in the United States.

### The Front Line

Born in New Orleans, Stoneburner spent most of his early years in Houston. His father Roger also worked as an exploration geologist in the oil and gas industry.



“My father was a geologist, so that certainly had a bearing on my career. But he in no way, shape or fashion led me into the business,” Stoneburner said.

After considering other academic options, he earned a degree in geology from the University of Texas in 1976. Geology was a natural interest for him, and the university had close ties to the petroleum industry.

“That program has a lot of opportunity to focus on petroleum geology, compared to some other programs,” he noted.

After joining Texas Oil and Gas in Wichita, Kan., Stoneburner went on to get his master’s degree from Wichita

State University.

Texas Oil and Gas was not a random choice for the aspiring explorationist.

“It was common knowledge that if you went to work there, you’d be on the front line from day one, generating prospects,” he said.

Shortly afterward, Stoneburner formed an association with investor and businessman Floyd Wilson, a relationship that would significantly affect his later career. Wilson bought small oil companies, developed them into larger companies, then sold them.

That selling habit also would affect Stoneburner, who had gone to work for

Wilson as a staff geologist in the Kansas Oil Company.

“Floyd sold one of his private companies in October 1985. And that put me out of a job,” Stoneburner recalled.

By the mid-’80s, the oil and gas industry was mired in a deep slump. Stoneburner started his own independent company and spent a decade bringing in revenue the best he could, including serving as a consultant to other companies.

“It was an interesting time, to say the least. I learned a lot. I learned a lot about perseverance,” he said.

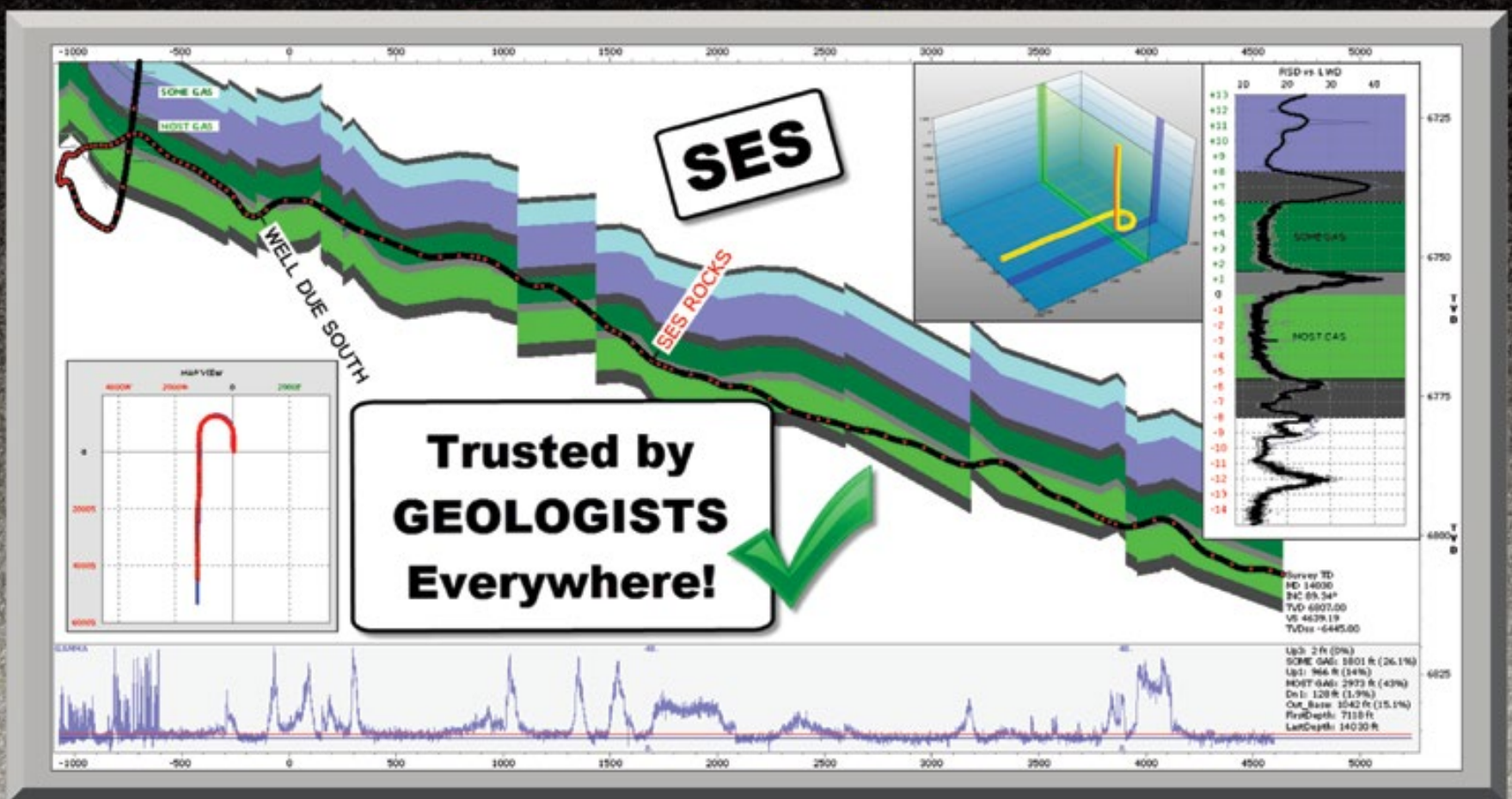
Despite the depth and duration of the current industry downturn, Stoneburner thinks the 1980s oil bust might have been worse, and definitely was different from today.

“In my opinion it was a totally different time. We weren’t very effective at oil and gas exploration. Adding significant oil and gas reserves to our country just wasn’t happening,” he said. “That’s why I think today is different, because we’re very effective.”

While the ‘80s were challenging, Stoneburner also considered them a productive time for professional development. He was exposed to operational challenges and learned about the importance of capital investment, landman activities and working with partners.

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Stoneburner's trophy commemorating the discovery of the Eagle Ford shale.

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Stoneburner continued to work in the Midcontinent and Texas, building a deeper understanding of regional geology.

"The Midcontinent and East Texas is where I spent my career before I got into the public arena. I had not worked the Gulf Coast, so that was a new area for me," he said.

In 1996, Stoneburner rejoined Wilson. He began developing prospects and plays for a series of companies, which led to the formation of Petrohawk Energy Corp. in 2003.

### Shale Explosion and the Eagle Ford

Unconventional plays soon began to dominate the attention of the American oil

and gas industry.

"If you plot production from all the shale fields in the United States, 2006 is when it really exploded," he observed.

Attractive shale plays had begun to emerge beyond the Barnett shale in north Texas, the birthplace of horizontally drilled, hydraulically fractured shale production.

"Our company got into the Haynesville shale and the Fayetteville shale," he said. "The Fayetteville was discovered by Southwestern Energy. Our company was third to the party. Chesapeake (Energy Corp.) was second," Stoneburner said.

By the start of 2008, the company was convinced of the large potential of unconventional plays.

"That's when we were charged by our CEO, Floyd, to find another one," Stoneburner said.

Several clues pointed to a major opportunity in the Eagle Ford.

"There were really three things. First, we knew it was a regional source rock," he said.

Second was well data. Well logs showed that the formation had the right potential for shale production.

Then Stoneburner and his team were able to find a set of cuttings from a well drilled in 1952.

"We got those cuttings analyzed and that supported the belief that the Eagle Ford had the right thermogenic characteristics," he said.

Third, seismic indicated attractive drilling opportunities, including a Hawkvill facies up to 300 feet in thickness.

At the time, the shale boom seemed to be unfolding at a leisurely pace. But looking back today, the principal players are amazed at how quickly events moved.

Petrohawk jumped into leasing in the Eagle Ford and immediately put together a 160,000-acre position, followed by an initial test well that produced 7.6 million cubic feet of gas and 251 barrels of oil per day.

"We did all that through the first six months of 2008. To actually have a well on production by October and also have 160,000 acres under lease is just an incredible thing. It's unheard of," Stoneburner marveled.

In 2011, Petrohawk received an unsolicited buyout offer from BHP Billiton Ltd., the Anglo-Australian mining and energy conglomerate, Stoneburner said. The deal ultimately was valued at more than \$11 billion and closed by August that year, "which again is just an incredible timeline," he noted.

He stayed with the acquiring company for more than a year as president of its North American Shale Division, to assist in the transition and to help it acquire more knowledge about shale production.

"They had no experience in onshore operations, and they had just made a very substantial investment onshore," he said.

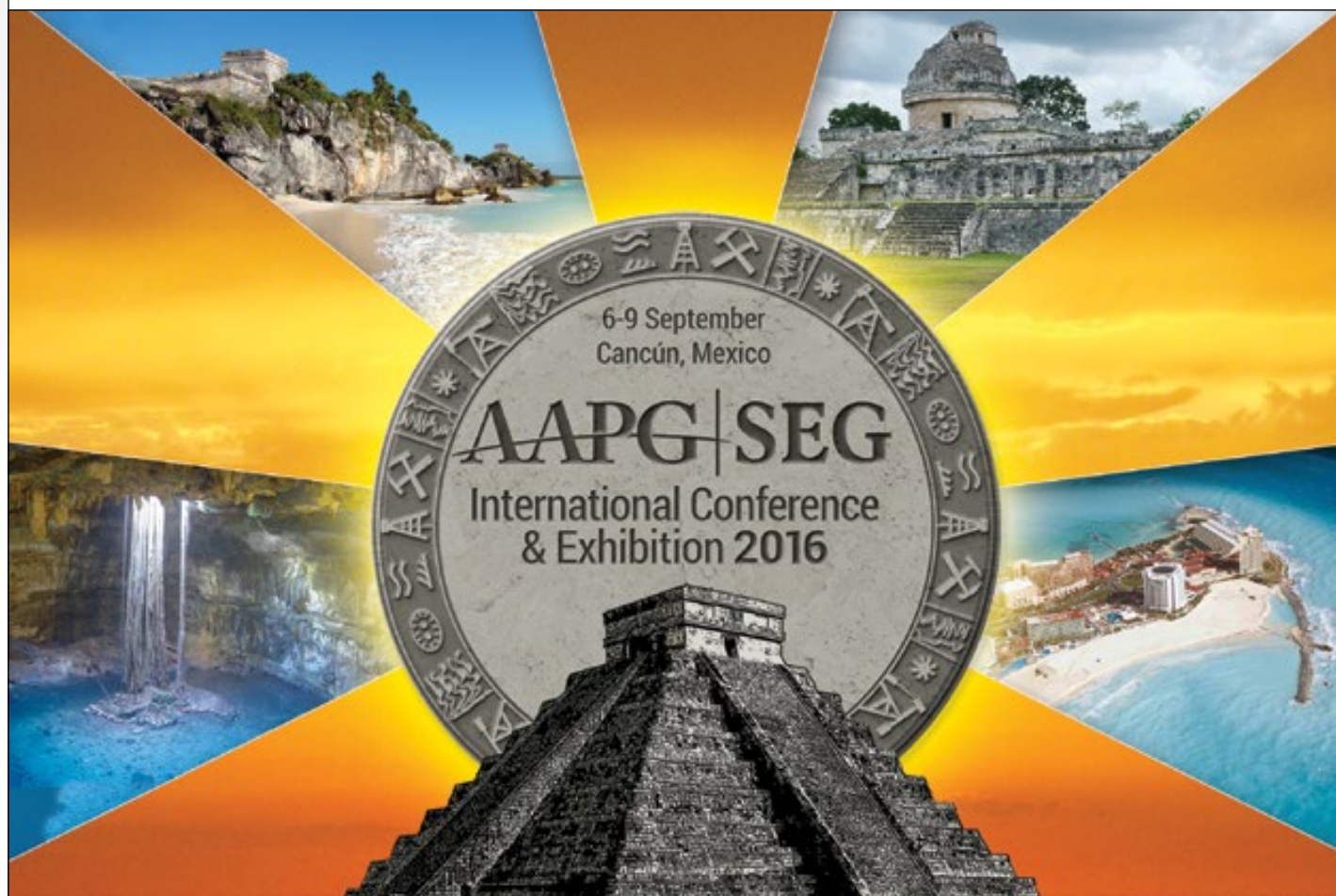
### 'Never Burn a Bridge'

Stoneburner is now managing director for the energy investment team of Pine Brook Partners. He joined the New York private equity company in 2013 and opened a Houston office for the firm in April that year.

He said his recipe for success is to have good people aligned with you and sufficient capital aligned with your effort.

"Relationships matter, so you can never accomplish what you want to accomplish without working with good people and a well-capitalized organization," Stoneburner said.

"Never burn a bridge – you never know what's going to happen," he added. "I never knew that Floyd Wilson would call me back in 1996 and say, 'Let's go to work again.'"



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