
Gulf Coast Western looking for oil asset deals, CEO says
by Chad Watt in Dallas
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Gulf Coast Western, a 46-year-old private oil and gas company, aims to continue making oil and gas acquisitions along the US Gulf Coast, CEO Matthew Fleeger told this news service.

The Dallas, Texas-based company acquired all the assets of Lafayette, Louisiana-based Orbit Energy Partners for an undisclosed sum in January. Gulf Coast Western added 13 producing wells and potential reserves of 30m barrels of oil equivalent in southwest Louisiana as part of the deal.

Low oil prices make for a tremendous buying opportunity right now, Fleeger said, projecting that current price declines will lead to a “slingshot effect” upward later in the year or next year. Further, the cost to drill wells has declined as demand for those services has dwindled, he said.

That said, the company is focused on pursuing opportunities that make sense at lower oil prices. The company prefers a mix of production and reserves that could be drilled later, Fleeger said.

Gulf Coast Western holds non-operated oil and gas assets in Texas, Louisiana, Mississippi, Alabama, Oklahoma and Colorado. The company focuses on conventional reserves and particularly the Gulf Coast region, Fleeger said. “Our bread and butter is Texas and Louisiana,” he said.

The company sources deals with its own business development team and via relationships with numerous well operators, Fleeger said. Gulf Coast Western has annual revenue north of USD 40m, he said. Fleeger’s father began the company in 1970.

The company has made at least four acquisitions since 2013, according to its website. The January 2016 purchase of Orbit was a “medium” sized deal for the company, he said. One appealing feature of the Orbit deal is that it also included a large portion of natural gas production, he noted. Natural gas prices have been very stable as compared to oil prices in the past year.

In instances where it holds a majority position, Gulf Coast Western aims to drill eight to 12 wells this year, depending on prices, Fleeger said. The company has plans for three wells in the first quarter.

Gulf Coast Western launched an energy services division last August, following the acquisitions of Midland, Texas-based Frac Restraints LLC and Weatherford, Texas-based CND Energy Services in late 2014 and early 2015. The timing on that venture could have been better, Fleeger said.