

# Online marketplace fuels oil-field asset sales in Oklahoma



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As technology continues to change the oil and natural gas industry, Ethan House is helping bring the internet of things to oil-field asset sales.

Vice president of business development at EnergyNet.com Inc., House helps larger companies sell off unwanted assets that can become a key part of smaller companies or those with a different focus.

"It give you access to a very broad marketplace," House said. "By increasing the number of buyers contacted on a specific asset, you increase competition and benefit the seller."

House compared the effort to moving from a garage sale to eBay.

"As we started working with state and federal agencies on state and federal leasehold, they saw an increase in the number of people looking at the assets," he said. "Instead of taking a small number of people through a room with information on the asset, now people from all 50 states and worldwide can see the assets."

EnergyNet.com Inc. was born in 1999 at the height of the dot-com boom. It has since survived the tech bust and two oil and natural gas industry downturns, but ballooning acreage prices in Oklahoma and west Texas are fueling another boom at the online auction house and showroom.

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The company has grown from small side sales to sales of more than \$750 million last year, House said. Clients include large independent producers, major integrated oil companies and the U.S. Bureau of Land Management.

EnergyNet stays busy whether the market is moving up or down, although sales prices are higher when the industry is improving.

"On the whole, we don't want to see downturns, but they typically force companies to focus and core up," House said. "When they start identifying core assets, they lay off noncore assets. That may be the exact thing another company is looking for as core assets."

Now that the industry is recovering, sales prices are increasing, especially in central Oklahoma's STACK and SCOOP plays.

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"Those areas continue to expand," House said. "A lot of companies are pushing to get acreage positions in those areas. We're finding the plays may start as a thin fairway and then spread out from there."

"It's amazing to see what's taken place there in the last 10 to 15 years."

### Looking for a way in

Asset sales also are boosted by nearby strong individual well results.

"Anytime you see those well results, people's eyes open and they look for a way to get into the play," he said. "Or you have smaller company in the area with acreage held by production. When you have a well result like that, it may be an opportunity for a company to call EnergyNet and say, 'I want to sell my acreage out here.' That's a good time to monetize."

In some cases, the ability to sell acreage online keeps wells operating, he said.

"What one company deems noncore can be a huge deal for a smaller company," House said. "For a long time, you would deem an asset noncore, sell it or plug it and move down the road. By using a marketplace like EnergyNet, those assets live longer. At a large company, it's not a big addition to the bottom line. But when they sell it down to smaller operators, that operator may be able to operate it for 20 years because they have a smaller overhead than a major would have. So we see these wells live on."

EnergyNet last month received an investment from Dallas-based MPK Equity Partners. Details of the investment were not disclosed.

"We believe EnergyNet is extremely well-positioned in the oil and gas marketplace and is experiencing significant momentum, particularly in the larger transaction space," Patrick McGee and Doug Kennealey, managing partners of MPK, said in a statement.



**Adam Wilmoth**



Adam Wilmoth returned to The Oklahoman as energy editor in 2012 after working for four years in public relations. He previously spent seven years... [read more >](#)

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