



# ENERGY

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## Mark Hiduke takes it one well at a time

Mark Hiduke celebrated his 28th birthday this week by putting the finishing touches on his new corner office on the 49th floor of the Chase Tower in downtown Dallas.

Six months ago, he and three other partners received \$100 million from private equity firm Natural Gas Partners to start PCORE Exploration & Production LLC, an oil and gas company focused on the Wolfcamp Shale in the Permian Basin.

The 5,000-square-foot office sits on the east side of Chase Tower's famed hole, giving the millennial a stunning view of Dallas Love Field, as well as the vibrant Uptown and Lakewood neighborhoods.

Since the company started in May, it has been on a buying spree, acquiring more than 2,000 acres in West Texas. It's eyeing 5,000 to 10,000 more.

Hiduke marvels at PCORE's early success in buying land. "To be able to come out of the gate and have an acquisition in the summer when oil prices were above \$100, to be able to find anything so quickly," he said.

It has certainly been a rollercoaster of a year for Hiduke, who worked for Irving-based Pioneer Natural Resources (NYSE: PXD) for four and a half years before venturing out on his own in April.

At Pioneer, Hiduke was responsible for divesting the company's assets from Africa to Alaska so it could redouble its efforts in the red-hot Permian Basin.

He has seen firsthand the success Pioneer had there.

"Every couple months or so a new well result would come on and it would change your idea and understanding of



A 49th-floor vantage point gives Mark Hiduke a clear view of downtown Dallas.

JAKE DEAN

the play," said Hiduke, who got his undergraduate and MBA degrees from Southern Methodist University. "It became something bigger and better each time. That resource is fantastic."

Now, he and his fellow managing partners, who range in age from 30s to 50s, are going it alone.

The recent drop in crude oil prices has slowed the momentum to drill costly \$8 million to \$10 million horizontal wells, at least for now.

"Essentially, you're looking at \$78 to \$80 prices for the next four or five years that are in the commodities market,"

Hiduke said. "With that, you need to have flexibility to be able to say, 'OK, can I hold off on the drilling program until some later point in time or do I have to drill something today?' Luckily, we have no obligation to drill today."

That's not to say PCORE won't be drilling wells when the time is right.

"We're definitely an operator. We have staffed up to be an operator," Hiduke said. "We have the capital commitment to do so and the financial firepower from NGP to do so."

And, after the company has successfully proven up the acreage with some

oil wells, it will sell it, likely to a bigger operator.

The company has grown to nine employees and plans to add another soon.

"We don't plan on trying to grow to be some large, big entity that would rival Pioneer," Hiduke said. "We want to be small, nimble and live within our means as a 10-person company."

After all, there are advantages of having 10 employees instead of thousands.

"We'll be able to throw ideas off of each other and just have this small office space here and work on one well at a time," Hiduke said.

### ► NEWS TICKER

#### SHERMCO ACQUIRES MINNESOTA FIRM, PLANS WIND SERVICES

Shermco Industries will strengthen its position in Minnesota with the acquisition of Electrical Mechanical Services Inc., a 35-year-old company based in Vadnais Heights outside St. Paul. Irving-based Shermco will add wind energy services to EMS' existing capabilities, which include repairing electric motors and other equipment. Shermco has a partnership with GFI Energy Group, part of Oak Tree Capital Management LP that provides money for mergers and acquisitions.

#### NORTH TEXAS COMPANIES WIN SOUTHWEST OIL, GAS AWARDS

Four North Texas companies took home awards at the second annual Southwest Oil & Gas Awards program in October. The Oct. 23 event featured a keynote address by Barry Smitherman, Texas Railroad Commissioner. Local winners were Dallas-based Enlink Midstream, Fort Worth-based FTS International, Dallas-based Breitling Energy Corp. and Addison-based Bridger LLC.

### ► CLOSER LOOK

#### TXU GIVES MAKEOVER TO ITS MYENERGY DASHBOARD

TXU Energy will give its MyEnergy Dashboard a complete makeover thanks to a partnership with California tech startup Bidgely.

Dallas-based TXU Energy will debut the new look to its 1.5 million customers throughout 2015. TXU Energy will be the largest customer yet for Bidgely.

"We're bringing information to the consumer that they've never had before," said Abhay Gupta, CEO and founder of Sunnyvale, California-based Bidgely. "It helps people understand where the money is going."

The system uses "hardcore analytics" to tap into customers' smart meters to display supplied data in an easy-to-read manner, Gupta said. For example, it can tell which appliances are sucking the most power and how that compares to others in their zip



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Bidgely converts smart meter data into easy-to-read energy use charts.

code. It does this by looking at the fingerprints those devices leave when they turn on and off, he explained.

Other than the smart meters, no

other upgrades are needed. The system can be accessed through an online browser or through an app.

"We are not limited to that one percent of the market (that has smart thermostats)," Gupta said.

For the retail electric provider, whose parent company Energy Future Holdings is in Chapter 11 bankruptcy, the enhanced dashboard will help the company stand out amid 50 other competitors in North Texas, said Jennifer Pulliam, a senior director at TXU Energy.

With more information at their fingertips, customers can make smart choices with their electricity use.

"We're doing all the work on behalf," Pulliam said. "Being a higher and higher quality service, especially on the customer side, we need to continue to move to the next level."