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## Meet Chad Willis

Not yet 30, Chad Willis is an astute business-builder.

Article By Stephen Payne  
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When it comes to successful company-builders, most people don't picture someone under the age of 30. Yet for the past five years, Chad Willis has been running his own oil and gas company, Texas Energy Holdings Inc., of which he is co-founder, president and chief executive.

Offered a lucrative job with a Silicon Valley-based dot-com firm, EarthLink, while still in college, he worked as a business-sales assistant.

Following the dot-com bust, Willis started looking at other employment options. A friend suggested the oil and gas industry, where Willis' technical skills could come in handy. He joined a small, Dallas-based E&P where he could work closely with executive management and get a multi-faceted experience, working as an advisor on raising capital.

He left the company 14 months later when he felt it was not as ethical and disciplined as most would expect. This gave him experience in what not to do when running a company, he says.

Willis then co-founded Texas Energy Holdings in June 2003, seeking out young, motivated staff members like himself to rapidly build a successful company. Texas Energy Holdings has since grown to 110 employees, with many in the accounting and executive groups being in their late 20s and early 30s. Willis credits this youthful drive with helping the company grow as quickly as it has. It has acquired several E&P businesses, oilfield operations and even a construction company in a relatively short period.

That youthful outlook is also helping him score deals. The company recently closed on a \$33-million purchase, in which the sellers told him that, in the midst of potential capital-gains taxes and the current credit crisis, oil and gas is a "young man's game."

Now 29 years old, Willis has not only Texas Energy Holdings but several other businesses, including an entertainment company, a bomb-detection company in California and an earth-friendly renewable-fuel company in Nevada. He spoke with Oil and Gas Investor about his experiences, his mentors and what has allowed his company to flourish.

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*Investor* How has the company evolved since you started it?

*Willis* It's always evolving. There's always a challenge, because of science and technology incentives. There's never a dull moment. We used to stress about \$500,000 projects and today we stress over \$50-million projects.

Minute parts of any deal can always change. It can be a joint-venture partner. It can be the best due diligence we've ever had that didn't turn out to be the actual result. Most of the technology coming out is for waking up these old fields, and that's always exciting. You're actively developing fields that were discovered in 1911 and getting the results they were getting 80 years ago.

*Investor* What do you expect from the M&A market in 2009?

*Willis* I think it's going to be exciting. There will be a lot of companies acquired. You're also going to see a lot of hurt in the marketplace. Many companies will bust at \$50 oil. The \$50 benchmark is going to stress companies that were thinking \$80 was too low. Companies that didn't buy hedges and derivatives are now in a different world.

*Investor* What is your business profile?

*Willis* We've run \$60 oil on all of our objectives. Even when oil was \$147 we were buying derivatives to protect our pricing. We have absolutely no debt and that's on purpose. I had to be a history buff and learn about the industry. People don't realize these trends are cyclical. I don't know if we'll see \$20 again, but it's now \$40.

*Investor* You've done well at your age.

*Willis* There are huge advantages. I've surrounded myself with good mentors. I get to learn about their fears, mistakes and successes. I get to find out why they made them at the time, and I'm benefiting from their hindsight. It helps me learn without having to live through it or lose money.

*Investor* Where do you see yourself in five years?

*Willis* We've had many lucrative offers. I won't sell in five years. First, because I would be 34 years old, and second, because we generate a great deal of profit every year. When we see the profitability ahead of us, then what amount of money is worth our company?  
In five years, I'll probably be doing more of the same but on a much larger level.

*Investor* Whom do you admire?

*Willis* My mother is most instrumental to who I am—my conservative business nature and my mathematical abilities. The second is Lary Knowlton, the executive vice president of Basa Resources. He was instrumental in getting me into the oil and gas business and introduced me to attorneys in the industry. The third is Steve Holmes, who owns the Carter Holmes law firm and was my attorney since inception, before we had internal representation. He taught me to be optimistic and was the voice of reason that prevented me from just jumping in. Fourth, Charles Gameros taught me the litmus test and was another voice of reason. The last is Marc Kalpakis. He is the CEO and founder of Joint Resources. He was one of our predominant operators when we started and he taught me a lot of the aggressive creativity.



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