



A Portrait of a True Houston Oil Man

Danny Davis rides the ups and downs of the industry and leads a small independent oil company to achieve really big things

Intro to Danny Davis

Danny Davis is a Houston oilman through and through. He was around when the industry was riding high in the late 1970s and early '80s. When the market bottomed out a few years later, Davis' company, like many others, was left with nothing. But Davis never lost his enthusiasm for the business. He started again from scratch and today, because of his resilience and keen business sense, he and his independent oil company, Escopeta Oil, appear to be on the verge of a discovery that would represent a huge boost to the nation's oil and natural gas reserves.

Two missing giants may finally be found

Escopeta Oil recently became the first independent oil and gas company to receive a Jones Act Waiver from the United States Department of Homeland Security. The waiver allows Escopeta to use a foreign vessel to transport a drilling rig to Alaska, where the company holds leases for areas identified by the U.S. Department of Energy and the U.S. Geological Survey as likely locations for the two largest concentrations of oil and natural gas to be drilled in more than 40 years. The potential find could boost U.S. reserves of crude oil by up to 10 percent.

A survivor, in business and in life

Davis started his career in 1977 as an oil and gas landman, working on contract for companies that hired him to acquire leases for their drilling efforts. In 1979, he went to work for a small oil company headed up by Walter Wells, a professional geologist and independent oil operator.

In 1981, Davis began obtaining his own leases and started Texas Ranger Oil Company. There, he started drilling at wells in Kansas and along the Texas Gulf Coast. In 1986, the price drop hit and the price of oil that previously sold for \$40 dropped to \$9 a barrel. Suddenly, companies owing Davis couldn't pay him and he in turn couldn't pay others and his company was forced into bankruptcy in 1988.

Bankruptcy seemed like the worst possible thing that could have happened, but in May 2001, doctors found a tumor under Davis' arm and diagnosed him with Stage 3 melanoma cancer that had spread to his lymph node system. He battled the cancer into remission, but was re-diagnosed with Stage 4 cancer – a tumor in his left lung – in 2004. Doctors were able to completely remove the tumor with several cyberknife treatments. Today he is in great health.

Back from the brink – a new booming business

After emerging from bankruptcy, rather than consider a change in career, Davis just started all over again from the bottom and created Escopeta Oil, a small Houston independent oil and gas company. In 1990, he

again focused his sights on obtaining and selling leases in south Texas. In 1993, his partner, Walter Wells, traveled to Anchorage, Alaska, and realized there were great opportunities there. Davis and Wells partnered in various oil and gas ventures in Alaska including helping Stewart Petroleum build a pipeline and drill more wells on its West McArthur field. Escopeta then began its own oil & gas leases in 1994 and is presently the third largest lease holder in the Cook Inlet Basin with 130,000 acres.

In late 1993, Escopeta commenced a geological study of Cook Inlet Basin where there were a number of abandoned oil & gas wells that demonstrated great remaining potential. This study eventually led to the discovery of the 200 million barrel Cosmopolitan oil field in the lower Cook Inlet Basin

Based upon this, Escopeta and Stewart Petroleum purchased 6,800 acres of leases in the 1994 Alaska State Cook Inlet Basin lease sale. ARCO-Alaska bought these leases in 1997, with Escopeta and its partners retaining a royalty interest. After acquiring Arco-Alaska, ConocoPhillips drilled in 2001 and tested 1000 BOPD, under Escopeta's original leases. These leases now represent the highest structural areas of the Cosmopolitan field structure.

Escopeta employed the same successful approach in developing its East Kitchen program and acquired 106,000 acres of leases in the water approximately 70 miles north of the Cosmopolitan field discovery. In house reserves for East Kitchen are 450 million barrels of oil and 2.5 TCF of gas.

Drilling is planned at East Kitchen in March 2007. After the discovery and development drilling, oil production is expected to be 50,000 BOPD, and gas production is expected to be 92 MMCFGPD from Escopeta's Shotgun Platform for the East Kitchen area alone. The 1.3 billion barrel Kitchen prospect will be tested in the summer of 007.



Escopeta Oil

Escopeta Oil is a Houston-based independent oil and gas company that owns significant drilling leases in the Cook Inlet Basin, Alaska.



Danny Davis, President

Danny Davis is the President of Escopeta Oil, a Houston-based independent oil and gas company. He is accomplished in all aspects of leasing, drilling and operating an independent oil company.

Davis started in the oil business in the late 1970s and focused on buying and selling leases in Kansas and south Texas. In the early 1990s, he started focusing his sights on drilling opportunities in the Cook Inlet Basin, Alaska, where the majority of Escopeta's focus currently lies. Presently Escopeta is the third largest leaseholder in the Cook Inlet Basin with 130,000 acres under lease.

Escopeta recently became the first independent oil and gas company in the history of the United States to receive a Jones Act Waiver from the U.S. Department of Homeland Security. The waiver allows Escopeta to use a foreign vessel to transport a jack-up drilling rig to Alaska, where the company holds leases for areas identified by the U.S. Department of Energy and the U.S. Geological Survey as likely locations for the two largest concentrations of oil and natural gas to be drilled in the U.S. in more than 40 years.

Prior to launching Escopeta, Davis was the principal of Texas Ranger Oil Company, which focused its efforts on drilling in Kansas and along the Texas Gulf Coast. In 1979, at another oil company, Davis worked with Walter Wells, a renowned professional geologist and independent oil operator. The two struck up a strong friendship and professional partnership that continues today. Over the years the two have participated in various oil & gas ventures in Alaska, including helping Stewart Petroleum finance and construct an oil & gas pipeline and development wells at the West McArthur field and put together Escopeta's 130,000 acre position in the Cook Inlet Basin, Alaska. Davis and Wells are still working together in the Cook Inlet Basin to develop their Kitchen and East Kitchen projects, where their drilling efforts could increase the United States oil reserves by up to 10 percent.

Davis' career in the oil and gas industry started in 1977, when he started learning the ins and outs of leases, contracts and drilling as a contract landman for various industry corporations.

Davis is a lifelong Texan, born and raised in Houston, and graduated from Memorial High School and the University of Texas in 1975.