

PDC ENERGY, INC.  
Form DEF 14A  
April 19, 2018

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

**PDC ENERGY, INC.**

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(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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**PDC ENERGY, INC.**

**1775 Sherman Street, Suite 3000  
Denver, Colorado 80203  
(303) 860-5800**

April 19, 2018

Dear Stockholder of PDC Energy, Inc.:

You are cordially invited to attend the 2018 Annual Meeting of PDC Energy, Inc. to be held on May 30, 2018, at 9:15 a.m. Mountain Time, at the Denver Financial Center at 1775 Sherman Street, Denver, Colorado 80203 (the "Annual Meeting").

The accompanying Notice of Annual Meeting and Proxy Statement provide information concerning the matters to be considered at the Annual Meeting. The Annual Meeting will cover only the business contained in the Proxy Statement and will not include a management presentation.

We hope you will join us at the Annual Meeting. We value your opinion and encourage you to participate by voting your proxy. Whether or not you plan to attend personally, it is important that your shares be represented at the Annual Meeting. You may vote your shares by using the telephone or Internet voting options described in the attached Notice of Annual Meeting and proxy card. If you receive a proxy card by mail, you may cast your vote by completing, signing and returning it promptly. This will ensure that your shares are represented at the Annual Meeting even if you cannot attend in person.

Sincerely,

Barton R. Brookman  
*President and Chief Executive Officer*

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## **PDC ENERGY, INC.**

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### **NOTICE OF ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON WEDNESDAY, MAY 30, 2018**

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April 19, 2018

To the Stockholders of PDC Energy, Inc.:

The 2018 Annual Meeting of PDC Energy, Inc. (the "Company") will be held on May 30, 2018, at 9:15 a.m. Mountain Time at the Denver Financial Center at 1775 Sherman Street, Denver, Colorado 80203, for the following purposes:

To elect the three nominees named in the accompanying Proxy Statement as Class II Directors of the Company, each for a term of three years;

To ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2018;

To approve, on an advisory basis, the compensation of the Company's named executive officers;

To approve the Company's 2018 Equity Incentive Plan; and

To transact any other business that may properly come before the meeting and at any and all adjournments or postponements thereof.

The Board of Directors has fixed the close of business on April 2, 2018 as the record date for determining the stockholders having the right to receive notice of, to attend, and to vote at the Annual Meeting or any adjournment or postponement thereof. The presence in person or by proxy of the holders of a majority of the outstanding shares of the Company's common stock entitled to vote is required to constitute a quorum.

**Please vote by using the telephone or Internet voting options described in the accompanying Notice of Internet Availability of Proxy Materials or, if the attached Proxy Statement and a proxy card were mailed to you, please sign, date, and return the proxy card in the enclosed envelope as soon as possible.**

By Order of the Board of Directors,

Daniel W. Amidon

*Senior Vice President, General Counsel and Secretary*

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## **PDC ENERGY, INC.**

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### **PROXY STATEMENT ANNUAL MEETING OF STOCKHOLDERS**

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**To be held on May 30, 2018 at  
9:15 a.m. Mountain Time at  
The Denver Financial Center  
1775 Sherman Street  
Denver, Colorado 80203**

The accompanying proxy is solicited by the Board of Directors ("Board") of PDC Energy, Inc. ("PDC," the "Company," "we," "us" or "our") to be voted at the annual meeting of the stockholders of the Company (the "Annual Meeting") to be held on May 30, 2018, at 9:15 a.m. Mountain Time and at any and all adjournments or postponements of the meeting, for the purposes set forth in this Proxy Statement and the accompanying Notice of Annual Meeting. On or about April 19, 2018, we began mailing notices containing instructions for accessing this Proxy Statement and our 2017 Annual Report online, and we began mailing proxy materials to stockholders who had previously requested delivery of the materials in paper form. For information on how to vote your shares, see the instructions included on the proxy card or instruction form described under "Information About Voting and the Meeting" herein.

#### **IMPORTANT NOTICE REGARDING THE INTERNET AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING TO BE HELD ON MAY 30, 2018**

**The Notice of Annual Meeting, the Proxy Statement for the 2018 Annual Meeting, and the 2017 Annual Report, which includes the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, are available at [www.proxyvote.com](http://www.proxyvote.com).**

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**INFORMATION ABOUT VOTING AND THE MEETING**

**Who May Vote**

Stockholders of PDC, as recorded in the Company's stock register on the record date of April 2, 2018, may vote at the Annual Meeting. The outstanding voting securities of the Company as of April 2, 2018 consisted of 66,087,319 shares of common stock. Each share of common stock is entitled to one vote on each matter considered at the Annual Meeting.

**How Proxies Work**

The Board is asking for your proxy. Giving the Board your proxy means that you authorize our representatives to vote your shares at the Annual Meeting in the manner you direct. We will vote your shares as you specify. You may vote for, or withhold your vote from, one or more of the three Class II Director nominees. You may also vote for or against the other proposals, or abstain from voting. If your shares are held in your name with our transfer agent (which is sometimes referred to as being a "stockholder of record"), you can vote by completing, signing and dating your proxy card and returning it in the enclosed envelope. If you provide a signed proxy but do not specify how to vote, your shares will be voted (1) in favor of approval of all three of the Class II Director nominees named in this Proxy Statement; (2) in favor of the ratification of the appointment of PricewaterhouseCoopers LLP ("PwC") as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2018; (3) to approve, on an advisory basis, the compensation of the Company's Named Executive Officers (as defined herein); and (4) to approve the 2018 Equity Incentive Plan. If any other business properly comes before the stockholders for a vote at the Annual Meeting, your shares will be voted in accordance with the discretion of the holders of the proxy.

If you hold shares through a broker, bank or other nominee, you will receive material from that firm asking how you want to vote and instructing you of the procedures to follow in order for you to vote your shares. If the nominee does not receive voting instructions from you, it may vote only on proposals that are considered "routine" matters under applicable rules. Without your instruction, the nominee may vote only on the ratification of the appointment of PwC as our independent registered public accounting firm for 2018. A nominee's inability to vote because it lacks discretionary authority to do so is commonly referred to as a "broker non-vote." The effect of broker non-votes may be different for each of the various proposals to be voted upon at the Annual Meeting. For a description of the effect of broker non-votes on each proposal, see "Votes Needed" below.

**Voting 401(k) and Profit Sharing Plan Shares**

If you are a participant in PDC's 401(k) and Profit Sharing Plan and have shares of PDC common stock credited to your plan account as of the record date, you have the right to direct the plan trustee how to vote those shares. The trustee will vote the shares in your plan account in accordance with your instructions. Your vote may not be counted if your proxy card is not received by May 24, 2018. You cannot vote such shares at the Annual Meeting or change your vote.

**Revoking a Proxy**

If you are a stockholder of record, you may revoke your initial proxy vote before it is voted at the Annual Meeting by:

Submitting a new signed proxy with a later date;

Notifying PDC's Corporate Secretary in writing before the meeting that you wish to revoke your proxy; or



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Appearing at the Annual Meeting, notifying the inspector of the election that you wish to revoke your proxy, and voting in person at the Annual Meeting. Merely attending the Annual Meeting will not result in the revocation of your proxy.

If you hold your shares through a broker, bank or other nominee, you must follow their instructions to revoke your initial proxy vote or to otherwise vote at the Annual Meeting.

**Quorum**

In order to carry on the business of the Annual Meeting, there must be a quorum. This means that at least a majority of the outstanding shares eligible to vote must be represented at the Annual Meeting, either by proxy or in person. Treasury shares, which are shares owned by PDC itself, are not voted and do not count for this purpose. Abstentions and broker non-votes will count for quorum purposes.

**Votes Needed**

The following table presents the voting requirements for electing the three Class II Director nominees and for approving the other proposals presented in this Proxy Statement. Under the "Uncontested Elections Policy" contained in Section 3(e) of our Corporate Governance Guidelines, which may be viewed on our website at [www.pdce.com](http://www.pdce.com), any nominee who receives a greater number of "withhold" votes than "for" votes is required to submit to the Board a letter of resignation for consideration by the Nominating and Governance ("N&G") Committee. The Company's website materials are not incorporated by reference into this Proxy Statement. For more information about our Uncontested Elections Policy, see "Corporate Governance Uncontested Elections Policy" below.

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**PROPOSAL**

**VOTE REQUIRED TO ELECT OR APPROVE**

**Proposal No. 1**

Elect three Class II Directors.

The three Class II Director nominees who receive the greatest number of votes will be elected Class II Directors for a three-year term ending in 2021. There is no cumulative voting for Directors. Abstentions and broker non-votes will have no effect on the election of Directors.

**Proposal No. 2**

Ratify the appointment of PwC as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2018.

The affirmative vote of a majority of shares present or represented at the Annual Meeting is required for ratification. Abstentions will be counted as votes against Proposal No. 2. Brokers will have discretionary authority to vote on Proposal No. 2.

**Proposal No. 3**

Approve, on an advisory basis, the compensation of the Company's Named Executive Officers.

The affirmative vote of a majority of shares present or represented at the Annual Meeting is required for approval. Abstentions will be counted as votes against Proposal No. 3. Broker non-votes will have no effect on the vote on Proposal No. 3.

**Proposal No. 4**

Approve the 2018 Equity Incentive Plan.

The affirmative vote of a majority of shares present or represented at the Annual Meeting is required for approval. Abstentions will be counted as votes against Proposal No. 4. Broker non-votes will have no effect on the vote on Proposal No. 4.

**Attending in Person**

Only stockholders or their proxy holders, and PDC guests, may attend the Annual Meeting. For safety and security reasons, no cameras, audio or video recording equipment, large bags, briefcases, packages or other items deemed unnecessary in PDC's discretion will be permitted at the Annual Meeting. In addition, each stockholder, proxy holder, and PDC guest may be asked to present valid, government-issued picture identification, such as a driver's license, before being admitted to the Annual Meeting.

If your shares are held in the name of your broker, bank, or other nominee, you must bring to the Annual Meeting an account statement or letter from the nominee indicating that you beneficially owned the shares on April 2, 2018, the record date for receiving notice of, attending, and voting at the Annual Meeting.

**Conduct of the Meeting**

The Chairman and the Chief Executive Officer have broad authority to conduct the Annual Meeting in an orderly and timely manner. This authority includes establishing rules for stockholders who wish to speak at the Annual Meeting. The Chairman and the Chief Executive Officer may also exercise broad discretion in recognizing stockholders who wish to speak and in determining the extent of discussion on each item of business. In light of the need to conclude the Annual Meeting within a reasonable period of time, there can be no assurance that every stockholder who wishes to speak will be able to do so. The Chairman and the Chief Executive Officer may also rely on applicable law

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regarding disruptions or disorderly conduct to ensure that the Annual Meeting is conducted in a manner that is fair to all stockholders.

**Solicitation of Proxies**

The Company will bear all costs related to the solicitation of proxies. The Company will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable and appropriate expenses incurred by them in sending the Notice of Internet Availability of Proxy Materials to the beneficial owners of the Company's common stock. In addition to solicitations by mail, Directors, officers and employees of the Company may solicit proxies by telephone and, to the extent necessary, other electronic communication and personal interviews, without additional compensation.

**Appraisal Rights**

No action is proposed at the Annual Meeting for which the laws of the State of Delaware or our Bylaws provide a right of our stockholders to dissent and obtain appraisal of or payment for such stockholders' common stock.

**Contact Information**

If you have questions or need more information about the Annual Meeting, you may write to or call:

Corporate Secretary  
PDC Energy, Inc.  
1775 Sherman Street, Suite 3000  
Denver, CO 80203  
(303) 860-5800  
corpsecretary@pdce.com

For information about shares registered in your name, call PDC at (800) 624-3821. You are also invited to visit PDC's website at [www.pdce.com](http://www.pdce.com). The Company's website materials are not incorporated by reference into this Proxy Statement.

**PROPOSALS REQUIRING STOCKHOLDER VOTE**

**PROPOSAL NO. 1 ELECT THREE CLASS II DIRECTORS**

**(Proposal 1 on the Proxy Card)**

As of the date of this Proxy Statement and as permitted by the Company's Bylaws, the Board consists of eight members ("Directors") divided into three classes. Directors are elected for three-year terms. The terms for members of each class end in successive years.

The Board has nominated three continuing Class II Directors, Anthony J. Crisafio, Christina M. Ibrahim and Randy S. Nickerson, to stand for re-election to the Board for three-year terms expiring in 2021. Mr. Crisafio joined the Board in 2006 and currently serves as a member of the Audit Committee, which he chairs, and the Midstream Committee. Ms. Ibrahim joined the Board in 2018 and does not currently serve on any Board Committees. Mr. Nickerson joined the Board in 2017 and currently serves as a member of the N&G Committee and the Midstream Committee, each of which he chairs.

The appointed proxies will vote your shares in accordance with your instructions and for the election of the three Class II Director nominees, unless you withhold your authority to vote for one or more of them. The Board does not contemplate that any of the Director nominees will become unavailable for any reason; however, if any Director is unable to stand for election, the Board may reduce the size of the Board or select a substitute. Your proxy cannot otherwise be voted for a person

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who is not named in this Proxy Statement as a candidate for Director or for a greater number of persons than the number of Director nominees named.

**Board of Directors**

As of the Annual Meeting, the composition of the Board and the term of each Director is expected to be as follows:

NOMINEES	YEAR THE DIRECTOR JOINED THE BOARD	EXPIRATION OF THE DIRECTOR'S CURRENT TERM
<b>CLASS II:</b>		
Anthony J. Crisafio	2006	2018
Christina M. Ibrahim	2018	2018
Randy S. Nickerson	2017	2018
<b>CLASS III:</b>		
Barton R. Brookman	2015	2019
Mark E. Ellis	2017	2019
Larry F. Mazza	2007	2019
<b>CLASS I:</b>		
David C. Parke	2003	2020
Jeffrey C. Swoveland	1991	2020

**Name, Principal Occupation for Past Five Years and Other Directorships****NOMINEES FOR TERM EXPIRING IN 2018 CLASS II**

Name: Anthony J. Crisafio, Director

Age: 65

Committees: Audit (Chair)  
Midstream

Mr. Crisafio, a Certified Public Accountant ("CPA") and a National Association of Corporate Directors Board Leadership Fellow, joined the Board in 2006. Mr. Crisafio has served as an independent business consultant for more than 20 years, providing financial and operational advice to businesses in a variety of industries. He has served as the part-time contract Chief Financial Officer for a number of companies in the past five years including Empire Energy, LLC, MDS Associated Companies, and TruFoodMfg. Mr. Crisafio served as Chief Operating Officer, Treasurer and member of the Board of Directors of Cinema World, Inc. from 1989 until 1993. From 1975 until 1989, he was employed by Ernst & Young LLP, last serving as a partner from 1986 to 1989. He was responsible for several Securities and Exchange Commission ("SEC") registered client engagements and gained significant experience with oil and gas industry clients and mergers and acquisitions. Mr. Crisafio has served as an Advisory Board member for a number of privately held companies. He holds a B.S. from Duquesne University.

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The Board has concluded that Mr. Crisafio is qualified to serve as a Director because, among other things, he is a CPA and brings to the Board more than 30 years of financial accounting business management expertise.

Name: Randy S. Nickerson, Director  
Age: 56  
Committees: Midstream (Chair)  
Nominating and Governance (Chair)

Mr. Nickerson joined the Board in March 2017. Mr. Nickerson most recently served as the Executive Vice President, Corporate Strategy of Marathon Petroleum Corporation and as the Executive Vice President and Chief Commercial Officer of the MarkWest assets of MPLX LP since December 2015. Prior to joining Marathon Petroleum Corporation, Mr. Nickerson served in various capacities of increasing responsibility for MarkWest Energy Partners, L.P. and its predecessor, including most recently as its Senior Vice President, Corporate Development and Chief Commercial Officer from 2006 until December 2015. Prior to his time with MarkWest, Mr. Nickerson served as Senior Project Manager and Regional Engineering Manager for Western Gas Resources, Inc., from 1990 to 1995, and for Chevron USA and Meridian Oil Inc. in various process and project engineering positions from 1984 to 1990. Mr. Nickerson holds a bachelor's degree in Chemical Engineering from Colorado State University.

The Board has concluded that Mr. Nickerson is qualified to serve as a Director because, among other things, he has over 30 years of experience in oil and gas operations, with a focus on midstream asset development and management, a critical element of the Company's current strategy.

Name: Christina M. Ibrahim, Director  
Age: 50  
Committees: None

Ms. Ibrahim joined the Board in January 2018. She currently serves as the Executive Vice President, General Counsel and Chief Compliance Officer of Weatherford International plc ("Weatherford"), a position she has held since May 2015. Prior to joining Weatherford in 2015, Ms. Ibrahim held a number of senior leadership positions of increasing responsibility in the legal department of Halliburton Company since January 2010, including, most recently, as Vice President, Chief Commercial Counsel and Corporate Secretary with responsibility for the global procurement, employment and real estate practice groups and oversight of mergers and acquisitions, securities, regulatory and governance practice groups. Ms. Ibrahim also served as General Counsel and Chief Compliance Officer for WellDynamics, a Halliburton joint venture company. Ms. Ibrahim earned a B.S. in Business Management and Finance from Virginia Tech and a J.D. from Texas Southern University.

The Board has concluded that Ms. Ibrahim is qualified to serve as a Director because, among other things, she is an attorney who brings to the Board a strong legal background and expertise in corporate governance, as well as more than 20 years of management experience in the oil and gas services industry.

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**CONTINUING DIRECTORS WITH TERM EXPIRING IN 2019 CLASS III**

Name: Barton R. Brookman, Director, President and Chief Executive Officer

Age: 55

Committees: None

Mr. Brookman, the Company's President and Chief Executive Officer ("CEO"), was appointed to the Board in January 2015, simultaneous with his appointment as the Company's CEO. Mr. Brookman originally joined the Company in July 2005 as Senior Vice President Exploration and Production; he was appointed to the position of Executive Vice President and Chief Operating Officer in June 2013 and then served as President and Chief Operating Officer from June 2014 through December 2014. Prior to joining PDC, Mr. Brookman worked for Patina Oil and Gas and its predecessor Snyder Oil from 1988 until 2005 in a series of operational and technical positions of increasing responsibility, ending his service at Patina as Vice President of Operations. Mr. Brookman holds a B.S. in Petroleum Engineering from the Colorado School of Mines and a M.S. in Finance from the University of Colorado.

The Board has concluded that in addition to his role as CEO of the Company, Mr. Brookman is qualified to serve as a Director due, among other things, to his many years of oil and gas industry executive management experience, his active involvement in industry groups and his knowledge of current developments and best practices in the industry.