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Building an Empire: Bricklaying, Hydraulic Fracturing, and the Wilks' Family Legacy

In a special bonus article for OGGN Perspective, contributing writer Stephen Forrester had a chance to talk to Matt Wilks, President and Chief Financial Officer at ProFrac, about working for his family's masonry business, their tumultuous journey into the world of hydraulic fracturing, and how he and the team at ProFrac are aiming to solve some of the oil and gas industry's biggest ESG challenges.

"There are two types of people. People who have accomplished things and people who have claimed to accomplish things. The first group is less crowded." — Mark Twain

Right from the start, Matt Wilks knew he would be one who would accomplish things. "The concept of working hard to achieve success stretches back generations," says Matt. "Growth and drive must start somewhere, and for us, it was handed down from watching our grandfather, Voy Wilks, put in an honest day's work, all to build a foundation for our family." Following in his father's footsteps, Dan Wilks started Central Masonry and Central Oil & Gas. Dan ran and managed those from 1977 to 1995, finding a love for the oil industry through Central Oil and Gas. During the '80s economic downturn in the oil and gas industry, Dan returned to the masonry business, where he and his brother Farris founded Wilks Masonry in 1995. It was built on a solid reputation for providing clients with quality craftsmanship while adhering to the highest standards of professionalism and safety.

“We’re a family of bricklayers, and I thought I would be a bricklayer my whole life,” Matt explains. Matt was inspired by the work ethic inherent in brick laying, noting “The chance to build something tangible and create a legacy brick by brick made it worth all the long days.” This hard work helped naturally foster the skills necessary to run a successful business. “Most of the things we know about operating a lucrative business, we learned while managing the family masonry business—managing people and supply chains, how to bid work, how to manage financials, and how your operations communicate and flow through.”

Starting in the family business at the age of 12 years old, he agreed to work for free during his vacations to see if he could learn what bricklaying was about. If he could learn quick enough, he could continue as a bricklayer.



Matt established a reputation in Wilks Masonry long before he became an executive, and it’s that ability to understand people, he says,

that helped him succeed. “You learn to identify goals that everyone can get behind.” Matt continued to advance in his career based on his influential leadership skills, ability to negotiate and close deals, and talent for quickly analyzing and understanding financials. During Matt’s time at Wilks Masonry, he helped drive sales and profitability to record highs.

During this period, Dan and Farris began to venture into the oil and gas industry. After acquiring land in the Barnett Shale, the two began a drilling campaign ahead of the play becoming a prolific activity hotspot. Matt remembers a particular well, as he says, “came on screaming” before production quickly declined. “I remember being a kid when they drilled this well and I thought, this is it, we’ve made it! Then, 3 or 4 days later, it fizzled out.”

With demand for services high and fracking rapidly eclipsing drilling in a well’s AFE, Dan and Farris saw an opportunity to enter this burgeoning part of the industry. Due to the high cost of entry into the hydraulic fracturing space, they found a supplier, Warren-Cat, and built the first four units, and then began purchasing parts from a variety of providers. When the assembler they’d hired suddenly quit, they turned their attention to an unusual candidate: Larry Gerhart, a warranty supervisor for the company’s forklifts with a brilliant mechanical mind. He was a farmer who was a self-taught in building and repairing equipment. With no knowledge of hydraulic fracturing pumps, Larry built four fully functional frac pumps in 90 days.

A few years later, Matt began his foray into the Frac Tech business, holding senior positions in finance, operations, and logistics. In these years, Matt continued to differentiate himself with his leadership skills and keen business acumen. Matt admits, “It was a grind because this business is incredibly capital-intensive. It was tough, but we knew everything was on the line.”

A turning point for the business occurred in 2006, when Chesapeake bought roughly 20% of the company for \$250 million, which allowed them to dramatically scale the business. As Matt explains, “We started cranking fleets out like there was no tomorrow.

We ran into supply chain bottlenecks everywhere—we couldn't get pumps or the power ends for them." Matt remembers Dan driving down the highway and seeing the OEM's power ends on trucks, yet mysteriously, Frac Tech couldn't seem to get their shipments. So, he would track the trucks and go back to the OEM, asking them directly where the shipments were headed when Frac Tech had POs opened for months with no delivery. After finding out that the OEM was selling Frac Tech's power ends to other customers at elevated prices due to part scarcity, Dan showed up on their doorstep to demand his product. The sheer tenacity and force of will it took to make this happen stuck with Matt to this day.

The same problem occurred with fluid ends, sand, and chemicals, so Frac Tech took a different approach—they started their own manufacturing, mining, and chemical engineering operations. "We started machining our own fluid ends," Matt says. "We couldn't get any sand, anywhere, so we opened up a sand mine. We couldn't get chemicals, so we started up a chemical division."

Building a company this way wasn't the usual way of doing things, but Matt believes that being a part of the deals and working with his family significantly impacted the way he's approached his career. "Being a part of the Wilks family, you quickly realize that we are determined to get things accomplished," he says. "We were just able to get things done."

There's this perception that you need to get a business plan together, go pitch it to enough people, and if they believe in you, you might get some funding. We've always taken the approach that we'll just get something started and go with it and compound those results."

During Matt's time at Frac Tech, logistics costs and infrastructure constraints became an issue, so Matt transitioned to oversee the supply chain side. The directive was simple: just make it happen. Matt went to railroad companies and negotiated better rates, and Frac Tech built many of its own trans load facilities. "We went from a couple hundred trucks to 600 trucks, which only represented about 60% of the loads we were running," Matt explains. "We had to manage outside vendors, get really close with the underbelly of the business. This was a supply chain-driven business. It's like in war; if you can't keep the supply chain going, you can't win the war. If you don't have sand, you can't frac. If you can't get to the location, you can't frac. We had to work out all these issues right as the industry was dramatically changing, and it was pretty wild."



Much of what Matt learned through the Frac Tech years was related to the power of networking and building meaningful connections. This was a time—one where handshake-driven sales and personal relationships could have more weight than anything else—that has in many ways passed the oilfield by, often buried in organizational hierarchies and red tape.





When Frac Tech brought 24-hour operations to the market, it was a new concept, investment analysts not even fully understanding the calculations. “They’d see our forecasts and say, ‘This can’t be right,’” Matt recalls. “‘With this level of fleet utilization, you should be at 180%. That’s impossible.’ And the thing was, they didn’t understand that this included both the day and night operations.” Matt is proud of these early years with Frac Tech, not only because of the innovations the company brought to the market, but because the company changed the way the industry looked at supply chain.

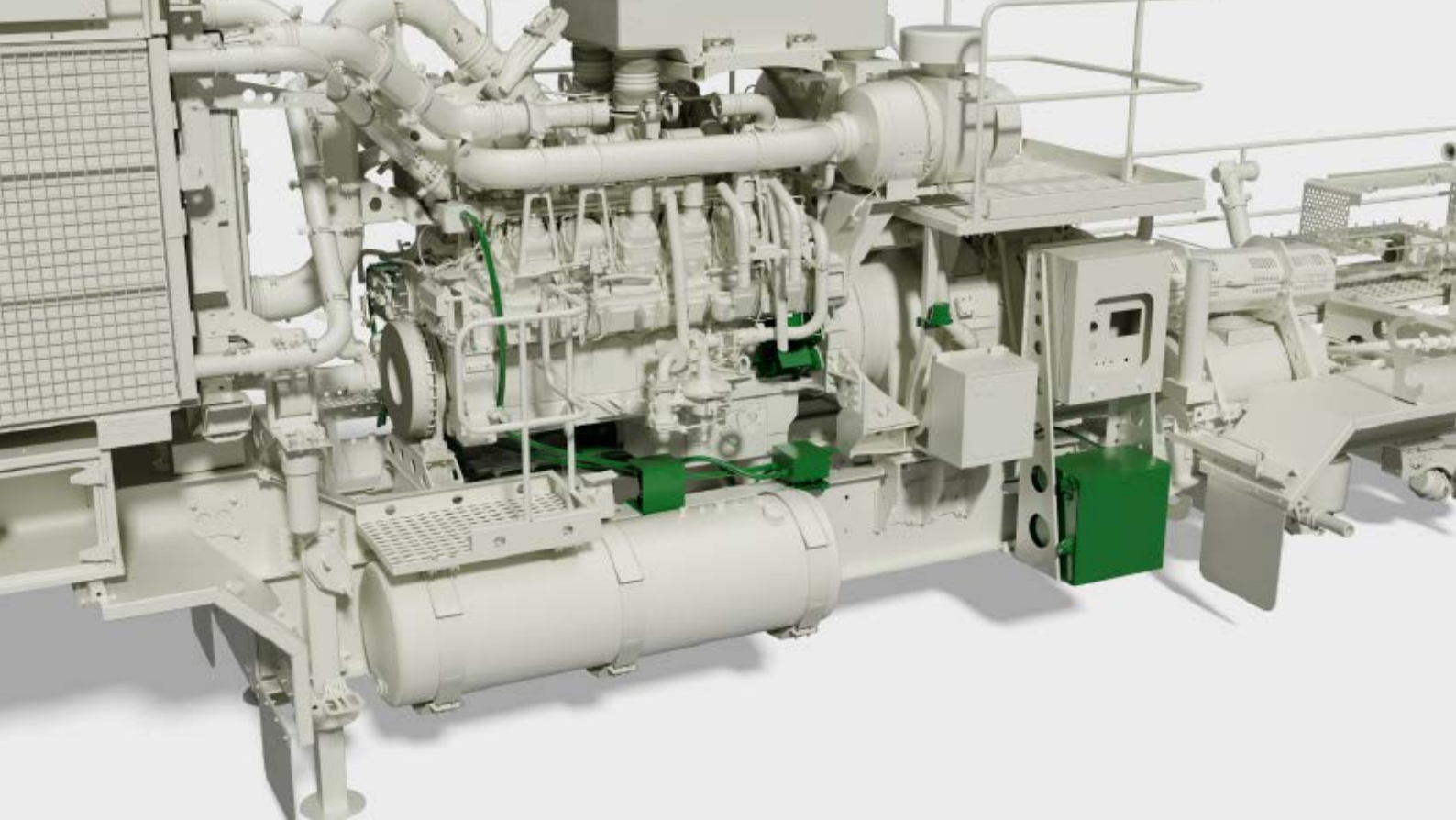
In 2011, Dan and Farris successfully sold Frac Tech, receiving \$3.5 billion of the \$5.5 billion sale. After the sale, Matt found himself back in the heart of the family business at Wilks Brothers, LLC as Portfolio Manager focusing on managing public and private market investments stretching across various other sectors like real estate, construction, agriculture, energy lifecycle, and land development.

In 2016, ProFrac, the Wilks Brothers’ current hydraulic fracturing company, was formed. Matt says that they had to once again rapidly and aggressively scale up, but his years at Frac Tech and with the Wilks Brothers family office had prepared him. “At that point, I had a lot of relationships,” he explains. “I knew bankers, and I was presenting at a lot of different investment and energy conferences. I made sure I told everyone, ‘We’re back! We’ve put the band back together!’” The plan was to build up an incredible amount of horsepower, revive the junk equipment they could, and flood the market with new product.

There were some ups and downs, but the strategy paid off, and in 2018, Matt became the President and CFO of ProFrac. “I was plugged into the pulse of this business from very early on,” Matt says. For Matt, it was always about developing—and at times, acquiring—the assets that were necessary for ProFrac to keep a leg up on the competition. When the market sank and the prolonged downturn began, Matt was ready. When some of the largest competitors attempted to stamp them out, Matt was ready. When they couldn’t get the pricing they were looking for, Matt was ready.

During his time with ProFrac, Matt has continued to showcase his role as a leader and inspire others.

Today, the company is thriving as one of the largest hydraulic fracturing providers in the world, but what ProFrac is doing stretches beyond just providing more horsepower. Matt and the management team are investing in operating the company in a way that reduces environmental impact and improves sustainability, both financially and operationally. Recently, ProFrac invested in a new dual-fuel frac pump system that draws natural gas from existing pipeline infrastructure—the perfect partnership between service provider and operating company. This approach not only impacts each company’s bottom line but allows them to produce the resources that power the world in a safer and more environmentally conscious manner. These units aren’t the least expensive option, nor are they as easy to make—but they prove that ProFrac is invested in making the world a better place.



ProFrac acquired EKV Power Drives, which develops engine standby controllers for oil and gas operations, in 2020. By retrofitting the EKV unit to existing pressure pumping equipment, ProFrac now has equipment that will automatically turn off during non-operating time, shutting down the powertrain when it is not pumping and immediately restarting it to full load upon request. This is akin to some modern automobiles that have a system that briefly powers off the car's engine when at a stoplight. With the frac pumps automatically turned off and on between stages, ProFrac reduces the wear and tear on the equipment and eliminates the emissions and fuel consumption.

Through the years, one thing Matt has always wanted to do is remain humble. It has never been about money or recognition, but rather getting up every day and doing something he loves. In that pursuit, Matt has been very blessed.



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