

Sanchez Energy Corp
Form 8-K
June 11, 2014

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): **June 11, 2014 (June 5, 2014)**

SANCHEZ ENERGY CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

001-35372
(Commission File Number)

45-3090102
(I.R.S. Employer
Identification No.)

**1111 Bagby Street
Suite 1800
Houston, Texas 77002**

(Address of principal executive offices) (Zip Code)

(713) 783-8000

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(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240-14a-12)

 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.

On June 5, 2014, Sanchez Energy Corporation (the *Company*) and its subsidiaries, SEP Holdings III, LLC, SN Marquis LLC, and SN Cotulla Assets, LLC, as Borrowers, and Royal Bank of Canada, as Administrative Agent, and the other Lenders party thereto entered into an amendment (the *Amendment*) to the Company's Amended and Restated Credit Agreement, dated as of May 31, 2013 (the *Credit Agreement*), to (i) remove the current \$600 million limit on the aggregate principal amount of senior unsecured notes that the Company may issue from time to time in private placement transactions and allow the Company to issue the maximum amount of such senior unsecured notes that at the time of issuance could be issued such that, after giving pro forma effect to such issuance, the Company and the other Borrowers would be in compliance with the financial covenant set forth in Section 9.01 of the Credit Agreement and (ii) clarify that issuance related debt will not be deemed incurred for purposes of a reduction in the borrowing base caused by the incurrence of such debt, or issued for purposes of any provision of the Credit Agreement other than the provision described in clause (i) above, until termination or expiration of any escrow or other similar arrangement preventing the Company (or any other issuer of such debt) from having unrestricted access to, and the right to use of, the proceeds of such debt.

From time to time, the Administrative Agents and the Lenders party to the Amendment have provided, or may in the future provide, various investment banking, commercial banking, financial advisory, brokerage and other services to the Company and its affiliates for which services they have received, and may in the future receive, customary fees and expense reimbursement.

This summary of the Amendment does not purport to be complete, and is qualified in its entirety by reference to the Amendment, which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated into this Item 1.01 by reference.

Item 7.01 Regulation FD Disclosure

Certain information with respect to the pending Acquisition (as defined below) is attached to this Current Report on Form 8-K as Exhibit 99.4. Pursuant to Regulation FD, the Company is hereby furnishing Exhibit 99.4 which contains additional information about the Company's business, properties and operations.

In accordance with General Instruction B.2 of Form 8-K, the information in this Item shall not be deemed filed for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing.

Item 8.01 Other Events

As previously disclosed on the Current Report on Form 8-K filed May 22, 2014, the Company executed a definitive agreement on May 21, 2014 to purchase assets (the *Properties*) in Dimmit, LaSalle and Webb Counties in Texas from SWEPI LP and Shell Gulf of Mexico Inc. for approximately \$639 million in cash, subject to customary adjustments (the *Acquisition*). This Current Report on Form 8-K provides certain financial and other information with respect to the pending Acquisition. The statements of revenues and direct operating expenses with respect to the Properties for each of the three years in the period ended December 31, 2013, the three months ended March 31, 2014 and 2013 and the related notes thereto, together with the report of BDO USA, LLP, independent auditors, concerning those statements and related notes, are attached hereto as Exhibit 99.1 to this Current Report on Form 8-K and incorporated by reference herein. Pro forma consolidated financial information of the Company to give effect to the pending Acquisition is attached as Exhibit 99.2 to this Current Report on Form 8-K and

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incorporated by reference herein. Certain estimates of the oil and natural gas reserves and related information of the Properties as of December 31, 2013, together with the report of Ryder Scott Company, L.P., with respect thereto, is attached as Exhibit 99.3 to this Current Report on Form 8-K and incorporated by reference herein.

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The foregoing and certain of the exhibits hereto contain forward-looking statements within the meaning of the federal securities laws. Forward-looking statements include those regarding further expansions in the Company's borrowing base and the availability of the bridge facility, the consummation of the Acquisition, the anticipated benefits of the Acquisition if it is consummated, expected timing of the completion of the Acquisition, successfully obtaining the financing for the proposed Acquisition and other aspects of the proposed Acquisition. No assurance can be given that actual future results will not differ materially from those contained in the forward-looking statements in this Current Report on Form 8-K. Although the Company believes that all such statements contained in this Current Report on Form 8-K are based on reasonable assumptions, there are numerous variables of an unpredictable nature or outside of the Company's control that could affect the Company's future results and the value of its shares including but not limited to, the ability to satisfy all conditions precedent under the relevant acquisition or loan documents and to successfully consummate the transactions contemplated by these documents, assumption of unknown liabilities in the Acquisition, failure of the Properties to produce as anticipated, failure to successfully integrate the Properties, loss of our deposit under the acquisition agreement, continued production of oil and gas at historical rates, costs of operations, delays, and any other difficulties related to producing oil or gas, the price of oil or gas, marketing and sales of produced oil and gas, estimates made in evaluating reserves, competition, general economic conditions and the ability to manage and continue growth and other factors described in the Company's Annual Report for the year ended December 31, 2013 filed March 12, 2014 and any updates to those risk factors set forth in the Company's Quarterly Report on Form 10-Q filed May 12, 2014 or any Current Reports on Form 8-K. Each investor must assess and bear the risk of uncertainty inherent in the forward-looking statements contained in this Current Report on Form 8-K. Please refer to the Company's filings with the Securities and Exchange Commission for additional discussion of risks and uncertainties that may affect the Company's actual future results. The Company undertakes no obligation to update the forward-looking statements contained herein.

Item 9.01 Financial Statements and Exhibits.

Exhibit	Description of Exhibit
10.1	Sixth Amendment to Amended and Restated Credit Agreement, dated as of June 5, 2014, among the Borrowers named therein, SN Operating, LLC, SN TMS, LLC, the Lenders party thereto and Royal Bank of Canada, as Administrative Agent.
23.1	Consent of BDO USA, LLP.
23.2	Consent of Ryder Scott & Company, L.P.
99.1	Audited Statements of Revenues and Direct Operating Expenses of the Properties for the three years in the period ended December 31, 2013 and Unaudited Statements of Revenues and Direct Operating Expenses of the Properties for the three months ended March 31, 2014 and 2013.
99.2	Unaudited Pro Forma Consolidated Financial Statements of the Company.
99.3	Reserve report letter as of December 31, 2013, prepared by Ryder Scott Company, L.P. and dated May 9, 2014.
99.4	Summary of Certain Acquisition Information.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SANCHEZ ENERGY CORPORATION

Date: June 11, 2014

By:

/s/ Michael G. Long
Michael G. Long
Executive Vice President and
Chief Financial Officer

EXHIBIT INDEX

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