

Memorial Resource Development Corp.
Form 8-K
July 16, 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): July 16, 2014 (July 10, 2014)

MEMORIAL RESOURCE DEVELOPMENT CORP.

(Exact Name of Registrant as Specified in Charter)

Delaware (State or Other Jurisdiction of Incorporation or Organization)	001-36490 (Commission File Number)	46-4710769 (I.R.S. Employer Identification No.)
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1301 McKinney, Suite 2100 Houston, Texas (Address of Principal Executive Offices)	77010 (Zip Code)
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Registrant's telephone number, including area code: **(713) 588-8300**

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

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:

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

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- “ 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))

Item 1.01. Entry into a Material Definitive Agreement.

Indenture

On July 10, 2014, Memorial Resource Development Corp., a Delaware corporation (the *Company*), completed its private placement of \$600,000,000 in aggregate principal amount of the *Company*'s 5.875% Senior Notes due 2022 (the *Notes*) to Citigroup Global Markets Inc. and the other initial purchasers (collectively, the *Initial Purchasers*). The *Notes* were issued pursuant to an indenture, dated July 10, 2014 (the *Indenture*), among the *Company*, the subsidiary guarantors named therein (the *Guarantors*) and U.S. Bank National Association, as trustee.

The *Notes* are the general unsecured senior obligations of the *Company*. The *Notes* rank equally in right of payment with all of the *Company*'s existing and future senior unsecured indebtedness and senior in right of payment to any of the *Company*'s existing and future subordinated indebtedness. The *Notes* are effectively junior in right of payment to all of the *Company*'s existing and future secured indebtedness and other secured obligations, including borrowings outstanding under the *Company*'s revolving credit facility, to the extent of the value of the assets securing such indebtedness and obligations. The *Notes* are structurally junior to all existing and future indebtedness and other liabilities of any non-guarantor subsidiaries. The *Notes* are fully and unconditionally guaranteed on a senior unsecured basis by each of the *Guarantors* and by certain future subsidiaries of the *Company*.

Maturity and Interest

The *Notes* will mature on July 1, 2022, and interest is payable on the *Notes* on January 1 and July 1 of each year, commencing January 1, 2015.

Redemption

The *Company* may redeem all or any part of the *Notes* at a make-whole redemption price specified in the *Indenture*, plus accrued and unpaid interest, at any time before July 1, 2017. The *Company* may also, on any one or more occasions, redeem up to 35% of the aggregate principal amount of the *Notes* prior to July 1, 2017 in an amount not greater than the net cash proceeds from certain equity offerings at a redemption price of 105.875% of the principal amount of the *Notes* redeemed, plus accrued and unpaid interest, if any, under certain circumstances. In addition, the *Company* has the option to redeem all or a portion of the *Notes* at any time on or after July 1, 2017 at the redemption prices specified in the *Indenture* plus accrued and unpaid interest, if any. The *Company* may also be required to repurchase the *Notes* upon a change of control.

Certain Covenants

The *Indenture* restricts the *Company*'s ability, and the ability of the *Company*'s restricted subsidiaries, to: (i) pay dividends on, purchase or redeem the *Company*'s common stock or purchase or redeem subordinated debt; (ii) make certain investments; (iii) incur or guarantee additional indebtedness or issue certain types of equity securities; (iv) create or incur certain liens; (v) sell assets; (vi) consolidate, merge or transfer all or substantially all of the *Company*'s assets; (vii) enter into agreements that restrict distributions or other payments from the *Company*'s restricted subsidiaries to the *Company*; (viii) engage in transactions with affiliates; and (ix) create unrestricted subsidiaries. These covenants are subject to a number of important qualifications and limitations, and the *Company*'s unrestricted subsidiaries (including Memorial Production Partners LP and its subsidiaries) will not be subject to these covenants. In addition, most of the covenants will be terminated before the *Notes* mature if at any time no default (as defined under the *Indenture*) exists under the *Indenture* and the *Notes* receive an investment grade rating from both of two specified ratings agencies.

Events of Default

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The Indenture provides that each of the following is an event of default: (i) default for 30 days in the payment when due of interest on the Notes; (ii) default in payment when due (at maturity, upon redemption or otherwise) of the principal of, or premium, if any, on, the Notes; (iii) failure by the Company to comply with

certain covenants relating to merger, consolidation or sale of assets; (iv) failure by the Company for 30 days after notice to comply with certain obligations to repurchase Notes; (v) failure by the Company for 120 days after notice to comply with its reporting obligations; (vi) failure by the Company for 60 days after notice to comply with any of the other agreements in the Indenture; (vii) there occurs with respect to any indebtedness having an outstanding principal amount of \$25.0 million or more of the Company or any of its restricted subsidiaries (a) an event of default which results in such indebtedness being due and payable prior to its express maturity or (b) failure to make a principal, premium or interest payment when due and such defaulted payment is not made, waived or extended within the applicable grace period; (viii) failure by the Company, any of its restricted subsidiaries or other significant subsidiary to pay final judgments aggregating in excess of \$25.0 million, which judgments are not paid, discharged or stayed for a period of 60 days; (ix) certain events of bankruptcy or insolvency described in the Indenture with respect to the Company or any of the Company's restricted subsidiaries that is (or group of restricted subsidiaries that, taken together would be) a significant subsidiary; and (x) any Note guarantee ceases to be in full force and effect or a guarantor of the Notes denies or disaffirms its obligations under its Note guarantee, in each case, other than in accordance with the terms of the Indenture. In the case of an event of default arising from certain events of bankruptcy or insolvency with respect to the Company, all outstanding Notes will become due and payable immediately without further action or notice. If any other event of default occurs and is continuing, the trustee or the holders of at least 25% in principal amount of the then outstanding Notes may declare all the Notes to be due and payable immediately.

The foregoing description of the Indenture is not complete and is qualified in its entirety by reference to the full text of the Indenture, a copy of which is filed as Exhibit 4.1 to this Current Report on Form 8-K and is incorporated into this Item 1.01 by reference.

Registration Rights Agreement

In connection with the issuance and sale of the Notes, the Company and the Guarantors entered into a registration rights agreement (the *Registration Rights Agreement*) with the Initial Purchasers, dated July 10, 2014. Pursuant to the *Registration Rights Agreement*, the Company and the Guarantors have agreed to file a registration statement with the Securities and Exchange Commission so that holders of the Notes can exchange the Notes for registered notes (the *Exchange Notes*) that have substantially identical terms as the Notes. In addition, the Company and the Guarantors have agreed to exchange the guarantees related to the Notes for registered guarantees having substantially the same terms as the original guarantees. The Company and the Guarantors will use commercially reasonable efforts to cause the exchange to be completed within 365 days after the issuance of the Notes. The Company and the Guarantors are required to pay additional interest if they fail to comply with their obligations to register the Notes within the specified time periods.

The foregoing description of the *Registration Rights Agreement* is not complete and is qualified in its entirety by reference to the full text of the *Registration Rights Agreement*, a copy of which is filed as Exhibit 4.3 to this Current Report on Form 8-K and is incorporated into this Item 1.01 by reference.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information included under Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 2.03.

Item 8.01. Other Events.

On July 16, 2014, the entire \$350,000,000 outstanding principal amount of the Company's 10.00%/10.75% Senior PIK Toggle Notes due 2018 (the *PIK Notes*) was redeemed at a redemption price of 102% of the principal amount of the *PIK Notes* plus accrued and unpaid interest. Such redemption amount was previously deposited with the trustee under

the indenture governing the PIK Notes in order to effect the satisfaction and discharge of such indenture (including the termination of the obligations of the Company thereunder).

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
4.1	Indenture, dated July 10, 2014, by and among Memorial Resource Development Corp., the subsidiary guarantors named therein and U.S. Bank National Association, as trustee
4.2	Form of 5.875% Senior Note due 2022 (included as Exhibit A to Exhibit 4.1)
4.3	Registration Rights Agreement, dated as of July 10, 2014, by and among Memorial Resource Development Corp., the several guarantors named therein and Citigroup Global Markets Inc., as representative of the initial purchasers named therein

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.

**MEMORIAL RESOURCE DEVELOPMENT
CORP.**

Date: July 16, 2014

By: /s/ Kyle N. Roane
Kyle N. Roane
Vice President, General Counsel & Corporate
Secretary

EXHIBIT INDEX

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