

NORTHERN OIL & GAS, INC.
Form 8-K
September 19, 2018

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): September 19, 2018

NORTHERN OIL AND GAS, INC.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction

of incorporation)

001-33999
(Commission

File Number)

95-3848122
(IRS Employer

Identification No.)

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601 Carlson Parkway, Suite 990

Minnetonka, Minnesota

55305

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (952) 476-9800

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 (17CFR 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01. Regulation FD Disclosure.
Operational Update

In connection with its previously announced private offering of 8.50% Senior Secured Second Lien Notes due 2023 (the *Senior Secured Notes*), Northern Oil and Gas, Inc. (the *Company*) provided additional information to investors regarding its reserves, swap positions and certain pro forma financial statements as described below (including, where indicated, (i) assets acquired from affiliates of Pivotal Petroleum Partners LP and Pivotal Petroleum Partners II LP (the *Pivotal Acquisition*), namely Pivotal Williston Basin, LP and Pivotal Williston Basin II, LP (together, the *Pivotal Entities*) and (ii) assets subject to our pending acquisition from WR Operating LLC (*W Energy*) that is expected to close no later than October 11, 2018).

The following table provides a summary of certain information regarding our assets:

| | Operational Data (as of June 30, 2018) | | | Reserves (as of June 30, 2018) | | | | | |
|------------------------|---|----------------|--------------|--------------------------------------|-----------------------|---|---|--|-----------|
| | Net Acres | Gross Wells | Net Wells | Proved Reserves (MMBoe) (2) | % Oil Developed | PV-10 SEC Pricing (in thousands) (1) | PV-10 Strip Pricing (in thousands) (2) | PV-10 of PDP Reserves (in thousands) (2) | |
| Northern Historical | 142,248 | 3,510 | 248.3 | 87.4 | 81% | 67% | 1,175,633 | 1,187,475 | 767,342 |
| Pivotal | 444 | 334 | 20.8 | 8.3 | 83% | 87% | 144,344 | 149,236 | 108,475 |
| W Energy | 10,633 | 910 | 27.2 | 19.5 | 79% | 60% | 290,551 | 292,907 | 150,082 |
| Total | 153,325 | 4,408 | 296.3 | 115.2 | 81% | 67% | 1,610,528 | 1,629,618 | 1,025,899 |

- (1) PV-10 is a non-GAAP financial measure. The prices used to calculate this measure were \$57.67 per barrel of oil (WTI-Cushing spot price) and \$2.92 per MMBtu of natural gas (Henry Hub price), which prices were then further adjusted for transportation, quality and basis differentials.
- (2) The prices used to calculate this measure were based on NYMEX strip prices as of June 29, 2018.
- (3) The total gross wells reflects our total gross well count, pro forma for the Salt Creek Acquisition, Pivotal Acquisition and W Energy Acquisition, due to our holding a prior interest in 346 gross wells that were acquired.

Our acreage position, as of June 30, 2018 is presented in the following table:

| Location | Net Acres | | | % Developed |
|----------------------|----------------|---------------|----------------|----------------|
| | Developed | Undeveloped | Total | |
| North Dakota: | | | | |
| Mountrail County | 26,506 | 923 | 27,429 | 97% |
| Dunn County | 16,370 | 668 | 17,038 | 96% |
| McKenzie County | 27,182 | 1,885 | 29,067 | 94% |
| Williams County | 17,844 | 1,656 | 19,500 | 92% |
| Divide County | 15,532 | 1,157 | 16,689 | 93% |
| Other | 14,039 | 3,712 | 17,751 | 79% |
| North Dakota | 117,473 | 10,001 | 127,474 | 92% |
| Montana | 11,238 | 3,536 | 14,774 | 76% |
| Northern Historical | 128,711 | 13,537 | 142,248 | 90% |
| Pivotal | 444 | | 444 | 100% |
| W Energy | 10,592 | 41 | 10,633 | 100% |
| Total(1) | 139,747 | 13,578 | 153,325 | 91% |

(1) Pro forma for the net acreage attributed to the Pivotal and W Energy acquisitions.

The following table summarizes the open oil derivative contracts that we have entered into that settle after June 30, 2018, by year:

| Year | Open Contracts | |
|------------------------|--------------------|--|
| | Swap Volume (Bbls) | Weighted Average Swap Price (\$ per Bbl) |
| 2018 | 2,858,760 | 60.53 |
| 2019 | 4,130,580 | 57.94 |
| 2020 | 2,013,080 | 53.82 |
| 2021 and beyond | 631,600 | 55.67 |

The unaudited pro forma financial statements of the Company for the year ended December 31, 2017 and six months ended June 30, 2018 and 2017, giving effect to the Pivotal Acquisitions and the acquisition of certain oil and gas properties and interests from W Energy, are furnished as Exhibit 99.1 and incorporated by reference herein.

The consolidated financial statements of W Energy for the year ended December 31, 2017 and the period from May 17, 2016 (inception) through December 31, 2016 are furnished as Exhibit 99.2 and incorporated by reference

herein.

The consolidated financial statements of W Energy for the three and six month period ended June 30, 2018 and 2017 and the year ended December 31, 2017 are furnished as Exhibit 99.3 and incorporated by reference herein.

The statement of revenues and direct operating expenses of the Pivotal Entities for the year ended December 31, 2017 and six months ended June 30, 2018 and 2017 are furnished as Exhibit 99.4 and incorporated by reference herein.

The information in this Item 7.01, including Exhibits 99.1, 99.2, 99.3 and 99.4, is being furnished and shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of Section 18, and shall not be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except as set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit

| No. | Description |
|------|--|
| 99.1 | <u>Unaudited Pro Forma Financial Statements for the Year Ended December 31, 2017 and Six Months Ended June 30, 2018 and 2017.</u> |
| 99.2 | <u>Consolidated Financial Statements of W Energy for the Year Ended December 31, 2017 and the period from May 17, 2016 through December 31, 2016</u> |
| 99.3 | <u>Consolidated Financial Statements of W Energy for the Three and Six Month Periods Ended June 30, 2018 and 2017 and the Year Ended December 31, 2017</u> |
| 99.4 | <u>Statement of Revenue and Direct Operating Expenses of the Pivotal Entities for the Year Ended December 31, 2017 and Six Months Ended June 30, 2018 and 2017</u> |

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.

Date: September 19, 2018

NORTHERN OIL AND GAS, INC.

By /s/ Erik J. Romslo
Erik J. Romslo

*Executive Vice President, General Counsel and
Secretary*