

Constellation Energy Partners LLC
Form SC 13D/A
April 03, 2014

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

(Amendment No. 4)*

CONSTELLATION ENERGY PARTNERS LLC

(Name of Issuer)

Common Units Representing Class B Limited Liability Company Interests

(Title of Class of Securities)

21038E 10 1

(CUSIP Number)

Casey Bigelow

210 Park Avenue

Oklahoma City, OK 73102

(405) 600-7704

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

March 31, 2014

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. "

1 NAME OF REPORTING PERSON

PostRock Energy Corporation

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) " (b) "

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

..

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF 7 SOLE VOTING POWER:

SHARES

BENEFICIALLY 8 5,503,956 common units
SHARED VOTING POWER:

OWNED BY

EACH

REPORTING 9 0
SOLE DISPOSITIVE POWER:

PERSON

WITH

10 5,503,956 common units
SHARED DISPOSITIVE POWER:

0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

5,503,956 common units

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

..

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

19.38%*

14 TYPE OF REPORTING PERSON CO

(Corporation)

* The calculations in this Schedule 13D are based on the Issuer's disclosure in its Annual Report on Form 10-K for the year ended December 31, 2013, that 28,399,502 shares of Class B limited liability company interests were outstanding as of March 21, 2014.

1 NAME OF REPORTING PERSON

2 Constellation Energy Partners Management, LLC
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

3 (a) " (b) "
SEC USE ONLY

4 SOURCE OF FUNDS

5 OO
CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

6 ..
CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware
NUMBER OF 7 SOLE VOTING POWER:
SHARES

BENEFICIALLY 5,503,956 common units
8 SHARED VOTING POWER:
OWNED BY

EACH
REPORTING 9 0
SOLE DISPOSITIVE POWER:
PERSON

WITH 5,503,956 common units
10 SHARED DISPOSITIVE POWER:

0

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19.38%

14 TYPE OF REPORTING PERSON

OO (Limited liability company)

1 NAME OF REPORTING PERSON

White Deer Energy L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

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..

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands

NUMBER OF 7 SOLE VOTING POWER:

SHARES

BENEFICIALLY 0

8 SHARED VOTING POWER:

OWNED BY

EACH

REPORTING 9 5,503,956 common units
SOLE DISPOSITIVE POWER:

PERSON

WITH 0

10 SHARED DISPOSITIVE POWER:

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5,503,956 common units

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13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

19.38%

14 TYPE OF REPORTING PERSON

PN (Limited Issuer)

1 NAME OF REPORTING PERSON

White Deer Energy TE L.P.

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Cayman Islands

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BENEFICIALLY 0

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OWNED BY

EACH

REPORTING 9 5,503,956 common units
SOLE DISPOSITIVE POWER:

PERSON

WITH 0

10 SHARED DISPOSITIVE POWER:

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PN (Limited Issuer)

1 NAME OF REPORTING PERSON

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BENEFICIALLY 0

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13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

19.38%

14 TYPE OF REPORTING PERSON

PN (Limited Issuer)

1 NAME OF REPORTING PERSON

Edelman & Guill Energy L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

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4 SOURCE OF FUNDS

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Cayman Islands

NUMBER OF 7 SOLE VOTING POWER:

SHARES

BENEFICIALLY 0

8 SHARED VOTING POWER:

OWNED BY

EACH

REPORTING 9 5,503,956 common units
SOLE DISPOSITIVE POWER:

PERSON

WITH 0

10 SHARED DISPOSITIVE POWER:

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14 TYPE OF REPORTING PERSON

PN (Limited Issuer)

1 NAME OF REPORTING PERSON

Edelman & Guill Energy Ltd.

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19.38%

14 TYPE OF REPORTING PERSON CO

1 NAME OF REPORTING PERSON

Thomas J. Edelman

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

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SEC USE ONLY

4 SOURCE OF FUNDS

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CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

6 ..
CITIZENSHIP OR PLACE OF ORGANIZATION

United States
NUMBER OF 7 SOLE VOTING POWER:

SHARES

BENEFICIALLY 0
8 SHARED VOTING POWER:

OWNED BY

EACH
5,503,956 common units
REPORTING 9 SOLE DISPOSITIVE POWER:

PERSON

WITH 0
10 SHARED DISPOSITIVE POWER:

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14 TYPE OF REPORTING PERSON

IN

1 NAME OF REPORTING PERSON

Ben A. Guill

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) " (b) "

3 SEC USE ONLY

4 SOURCE OF FUNDS

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United States

NUMBER OF 7 SOLE VOTING POWER:

SHARES

BENEFICIALLY 0

8 SHARED VOTING POWER:

OWNED BY

EACH

REPORTING 9 5,503,956 common units
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PERSON

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19.38%

14 TYPE OF REPORTING PERSON

IN

SCHEDULE 13D

Explanatory Note: This Amendment No. 4 amends and supplements the Statement on Schedule 13D (the Initial Statement), filed by the reporting persons named in Item 2 thereof (the Reporting Persons) on August 18, 2011, as amended by Amendments No. 1, No. 2 and No. 3 thereto, relating to the Class B limited liability company interests (the Common Units) of Constellation Energy Partners LLC (the Issuer).

Item 1. Security and Issuer.

This Statement is being filed with respect to the Common Units of the Issuer. The address of the principal executive offices of the Issuer is 1801 Main Street, Suite 1300, Houston, Texas 77002.

Item 5. Interests in Securities of the Issuer

Item 5(c) of the Initial Statement is hereby amended and restated as follows:

On March 31, 2014, Constellation Energy Partners Management, LLC, a Delaware limited liability company (CEPM), as the record holder of 484,505 Class A Units of the Issuer and 5,918,894 Common Units, entered into a Settlement Agreement (the Settlement Agreement), among (i) CEPM, Gary M. Pittman and John R. Collins (collectively, the Plaintiffs), (ii) Stephen R. Brunner, Richard S. Langdon, Richard H. Bachmann, John N. Seitz, and the Issuer (collectively, the CEP Defendants), (iii) Sanchez Oil & Gas Corporation, Sanchez Energy Partners I, LP (SEPI), Antonio R. Sanchez III, and Gerald F. Willinger (the Sanchez Defendants and, together with the CEP Defendants, the Defendants), (iv) PostRock Energy Corporation (PostRock), White Deer Management LLC, White Deer Energy L.P. and Thomas J. Edelman (collectively, the White Deer Parties), with respect to litigation brought by the Plaintiffs against the Defendants alleging breach of contract and related claims against the Defendants with respect to certain transactions between CEP and SEPI completed on August 9, 2013.

Pursuant to the terms of the Settlement Agreement, CEPM has (1) transferred its 484,405 Class A Units of the Issuer to SEPI in exchange for the payment by SEPI of \$817,767 in cash to CEPM, and (2) transferred 414,938 Common Units to SEPI in exchange for an aggregate payment from SEPI of \$1 million, based on a per unit purchase price for such Common Units of approximately \$2.41 per unit.

In addition, pursuant to the terms of the Settlement Agreement, CEP has paid \$6,516,103 in cash to CEPM. The Settlement Agreement also contains certain covenants with respect to CEPM selling its remaining Common Units over a period of more than six months following the settlement and certain governance matters.

The foregoing description of the Settlement Agreement is only a summary of certain terms set forth therein, and is qualified in its entirety by the full text of the Settlement Agreement which is attached as Exhibit J hereto.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

The information set forth in Item 5(c) is incorporated into this Item 6 by reference.

Item 7. Material to be Filed as Exhibits.

Exhibit A* Joint Filing Agreement.

Exhibit B Purchase Agreement, dated August 8, 2011, by and among PostRock Energy Corporation, Constellation Energy Commodities Group, Inc. and Constellation Energy Partners Holdings, LLC (attached as Exhibit 2.1 to PostRock Energy Corporation's current report on Form 8-K (File No. 001-34635) filed with the Commission on August 12, 2011 and incorporated herein by reference).

Exhibit C Second Amended and Restated Operating Agreement of Constellation Energy Partners LLC, dated as of November 26, 2006 (attached as Exhibit 3.1 to the Issuer's current report on Form 8-K (File No. 001-33147) filed with the Commission on November 28, 2006 and incorporated herein by reference).

- Exhibit D Amendment No. 1 to the Second Amended and Restated Operating Agreement of Constellation Energy Partners LLC, dated as of April 23, 2007 (attached as Exhibit 3.1 to the Issuer's current report on Form 8-K (File No. 001-33147) filed with the Commission on April 24, 2007 and incorporated herein by reference).
- Exhibit E Amendment No. 2 to the Second Amended and Restated Operating Agreement of Constellation Energy Partners LLC, dated as of July 25, 2007 (attached as Exhibit 3.1 to the Issuer's current report on Form 8-K (File No. 001-33147) filed with the Commission on July 26, 2007 and incorporated herein by reference).
- Exhibit F Amendment No. 3 to the Second Amended and Restated Operating Agreement of Constellation Energy Partners LLC, dated as September 21, 2007 (attached as Exhibit 3.1 to the Issuer's current report on Form 8-K (File No. 001-33147) filed with the Commission on September 26, 2007 and incorporated herein by reference).
- Exhibit G Amendment No. 4 to the Second Amended and Restated Operating Agreement of Constellation Energy Partners LLC, dated as December 28, 2007 (attached as Exhibit 3.1 to the Issuer's current report on Form 8-K (File No. 001-33147) filed with the Commission on December 28, 2007 and incorporated herein by reference).
- Exhibit H* Purchase Agreement, dated December 19, 2011, by and among PostRock Energy Corporation, Constellation Energy Partners Management, LLC, Constellation Energy Commodities Group, Inc. and Constellation Energy Partners Holdings, LLC.
- Exhibit I* Power of Attorney, granted by Ben A. Guill, in favor of the signatory hereto, dated June 25, 2012.
- Exhibit J Settlement Agreement, dated March 31, 2014.

* Previously filed.

SIGNATURES

After reasonable inquiry and to the best of their knowledge and belief, the undersigned certify that the information set forth in this statement is true, complete and correct.

April 2, 2014

POSTROCK ENERGY CORPORATION

By: /s/ Stephen L. DeGiusti
Name: Stephen L. DeGiusti
Executive Vice President,
Title: General
Counsel and Secretary

**CONSTELLATION ENERGY PARTNERS
MANAGEMENT, LLC**

By: /s/ Stephen L. DeGiusti
Name: Stephen L. DeGiusti
Title: Secretary and Treasurer

WHITE DEER ENERGY L.P.

By: Edelman & Guill Energy L.P., its
general partner

By: Edelman & Guill Energy Ltd., its
general partner

By: /s/ Thomas J. Edelman
Name: Thomas J. Edelman
Title: Director

WHITE DEER ENERGY TE L.P.

By: Edelman & Guill Energy L.P., its
general partner

By: Edelman & Guill Energy Ltd., its
general partner

By: /s/ Thomas J. Edelman
Name: Thomas J. Edelman
Title: Director

WHITE DEER ENERGY FI L.P.

By: Edelman & Guill Energy L.P., its
general partner

By: Edelman & Guill Energy Ltd., its
general partner

By: /s/ Thomas J. Edelman
Name: Thomas J. Edelman
Title: Director

EDELMAN & GUILL ENERGY L.P.

By: Edelman & Guill Energy Ltd., its general partner

By: /s/ Thomas J. Edelman
Name: Thomas J. Edelman
Title: Director

EDELMAN & GUILL ENERGY LTD.

By: /s/ Thomas J. Edelman
Name: Thomas J. Edelman
Title: Director

THOMAS J. EDELMAN

/s/ Thomas J. Edelman

BEN A. GUILL

/s/ Thomas J. Edelman
Attorney-in-Fact for Ben A. Guill