

Amplify's credit terms stricter in 'challenging' redetermination

Amplify Energy Corp. said its operating subsidiary entered into a borrowing base redetermination that reduced availability to \$285 million from \$450 million, effective June 1. There will be monthly reductions of \$5 million thereafter until the borrowing base is reduced to \$260 million.



Lenders increased the amount of first-priority liens on

all assets to at least 90% from 85%, and decreased permitted cash and equivalents to \$25 million from \$30 million. The limit for transaction-related expenses that are added back into the company was raised to \$20 million from \$5 million. Amplify will also be required to increase hedging, per terms of the updated credit facility.

"Amplify's spring borrowing base redetermination process was challenging," interim CEO and CFO Martyn Willsher said. "Despite this pricing disparity, we were able to work collaboratively with our bank group to deliver a solution that moderately reduces our leverage over a reasonable time period while also providing the company with sufficient liquidity to effectively manage through this cycle."

➤ [Continues On PG.6](#)

Lenders dealing with unprecedented, possibly game-changing loan market.

Equitrans absorbs EQM Midstream, which issues \$1.6B in debt

EQM Midstream Partners LP, now a subsidiary of **Equitrans Midstream Corp.**, sold two new series of notes with a combined aggregate principal amount of \$1.6 billion: \$900 million of 6.5% notes due 2027 and \$700 million of 6% notes due 2025. Both series of notes are senior, subordinated and unsecured. The principal amount of notes sold is double the initially contemplated offering amount of \$800 million.



Just one day earlier, Equitrans and EQM

announced the completion of Equitrans' buyout of EQM. Under terms of the deal, Equitrans bought the entire 40.1% stake of EQM in the public float for \$1.88 billion in equity, on the basis of 2.44 new Equitrans common shares for each EQM common unit. The deal included the assumption of \$1.95 billion of existing long-term debt and an \$8.4 million working capital deficit. With the new notes and an existing senior secured term loan for \$600 million, Equitrans moves forward post-buyout with \$5.7 billion of debt. Equitrans also bought half of EQM's \$1.2 billion in Series A perpetual convertible preferred shares outstanding, while the other half became convertible preferred shares in Equitrans.

➤ [Continues On PG.9](#)

Sells \$900 million of seven-year notes & \$700 million of five-year notes.

PG&E pushes over \$16B of securities in pre-emergence sales

PG&E Corp. announced concurrent public offerings of common stock and equity units, seeking to raise \$4 billion and \$1.23 billion of gross proceeds, respectively. The proceeds will help fund its expected emergence from Chapter 11 at the start of July, as will the proceeds from the dizzying array of debt that it has sold since the middle of June.



The common stock and equity units are being offered separately. PG&E seeks to sell up to \$4

billion worth of its NYSE-listed shares, which have been trading in the \$10-\$12 range during Q2. Underwriters led by **Goldman Sachs** and **JP Morgan** reserved up to \$1.25 billion of the common shares in the offering for certain investors who beneficially owned at least 1 million PG&E common shares on June 19 as part of a reserved allocation program. There are 58 investors who own over 1 million PG&E common shares in the public float, according to S&P.

PG&E equity units for sale consist of a pre-paid stock contract and an undivided beneficial ownership interest in specified zero-coupon US treasury strips that mature on a quarterly basis from and including Aug. 15, 2020, through Aug. 15, 2023. They will trade on the NYSE under the symbol PCGU.

➤ [Continues On PG.17](#)

\$1.25B of the \$4B common stock sale reserved for large shareholders.

High-yield Comstock add-on brings debt load to \$2.5B

Comstock Resources Inc. offered \$500 million aggregate principal amount of 9.75% senior unsecured notes due 2026. The June 16 offering was upsized from an initially contemplated \$400 million principal amount. The company said the new 2026 notes will have substantially identical terms to the \$850



New 2026s offered on substantially same terms as existing \$850MM amount.

million of 9.75% senior notes due 2026 that it issued in August 2018, but will not trade interchangeably with the original notes because they were issued under a separate indenture.

Owing to the existing 2026 notes' trading price in the low 90s, the new notes were deeply discounted at 90% of par, netting Comstock about \$441 million in estimated proceeds after expenses. The yield to worst for initial buyers of the new 2026 notes is 12.0962%. Adjusted for the new sale, Comstock has about \$2.5 billion of debt outstanding.

Net proceeds from the sale will be used to repay bank debt. ➤ [Continues On PG.5](#)

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Company	Category	Primary Activity	PG.
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Antero Resources	M&A	Sells ORRIs for \$402MM to Sixth Street Partners	18
Apergy	Credit	Now ChampionX, says deal was funded with \$537MM term loan	14
Ares Management	Equity	IGS Resi Solar III fund raises \$150MM for new projects	16
Basic Energy Services	Credit	ABL credit facility reduced to \$75MM from \$120MM	14
Black Stone Minerals	Debt	Using sales proceeds to bring debt under \$200MM	7
Bonanza Creek Energy	Credit	Borrowing base and elected limit reduced to \$260MM	7
Brigham Minerals	Equity	PE backers realize over \$90MM through stock sale	3
Bristow Group	M&A	Combines with Era Group in all-stock transaction	15
Cheniere Energy	Credit	Gets new three-year delayed-draw term loan for around \$2.5B	11
Chisholm Oil & Gas	Bankruptcy	Looks to cut \$517MM in debt via Chapter 11	8
Cimarex Energy	Credit	Reduced commitment from lenders of \$1.25B from \$1.3B	7
Comstock Resources	Debt	Offers new 2026 notes, brings debt outstanding to \$2.5B	1
CSI Compresso	Debt	Accepted \$215.2 million of its 7.25% notes in exchange offer	15
DCP Midstream	Debt	Closes \$500MM debt sale to pay down revolver borrowings	11
EQM Midstream Partners	M&A, Debt	Equitrans absorbs EQM Midstream, which issues \$1.6B in debt	1
Equitrans Midstream Corp.	M&A, Debt	Equitrans absorbs EQM Midstream, which issues \$1.6B in debt	1
Era Group	M&A	Combines with Bristow Group in all-stock transaction	15
Eversource Energy	Equity	Raising almost \$600MM to fund \$1.1B gas asset buy	16
Extraction Oil & Gas	Bankruptcy	Files for bankruptcy to restructure \$1.7B in debt	6
Exxon Mobil corp.	Debt	Issues €4.5 billion in first euro-denominated bond sale	3
FirstElement Fuel	Equity	Raises \$48MM in funding round with Japanese investors	17
Floatel International	Debt	Reviewing business plan, looking to restructure debt	15
Forbes Energy Services	M&A	Cancel all-stock combination deal	14
Green Plains Partners	Credit	Credit facility down to \$135MM from \$200MM	17
Hyllion Holdings	M&A	Combining with SPAC Tortoise Acquisition Corp.	17
Idemitsu Renewables	Equity, debt	Receives \$85MM in new financing for solar project	17
Independence Contract Drilling	Equity	Launches \$11MM at-the-market equity offering	16
Mid-Con Energy Partners	Equity	Recapitalizes & makes new operatorship arrangements	5
Mirage Energy	Credit	Borrows \$4B to build Mexican gas & crude projects	9
Moody's	General	Downgrades midstream for first time on expected EBITDA	8
New Fortress Energy	Equity	Creates single class of common shares	11
Nine Energy Service	Equity	Regains compliance with NYSE listing standards	9
Northern Hemisphere Logistics	Credit	Borrows \$4B to build Mexican gas & crude projects	9
Northern Oil & Gas	Equity	Plans to reverse split its common stock	4
Occidental Petroleum Corp.	M&A	Considers selling stakes in its Oman assets to reduce debt	7
Oil States International	Credit	Converts to asset-based facility, sees reduction	16
Oneok	Equity	Mounts largest midstream equity offering in 2.5 years	9
Par Pacific Corp.	Debt	Closes private placement of 2026 notes	11
PG&E	Equity, Debt	Pushes over \$16B of securities in pre-emergence sales	1
Phillips 66	Debt	\$1B bond sale includes 2025 add-on and new 2030s	11
Plains All American Pipeline	Debt	Sells \$750MM of 10-year notes to repay upcoming 2021s	11
QEP Resources	Credit	Credit agreement down to \$850MM from \$1.25B	7
Quidnet Energy	Equity	Closes a \$10MM Series B funding round	17
Ring Energy	Credit	Borrowing base reduced to \$375MM from \$425MM	7
Schlumberger Ltd.	Debt	Sells 2030 notes, launches \$1.6B tender offer	15
Seacor Marine Holdings	M&A	Buying remaining 50% stake of Seacosc Offshore	16
Seadrill	Debt	Engages advisers, finds itself in debt restructuring mode again	15
Sempra Energy	Equity	Sells 900,000 perpetual preferred shares	17
Sixth Creek Energy	Equity	Will seek \$250MM-plus investments	3
Sixth Street Partners	M&A	Buys \$402MM worth of ORRIs from Antero Resources	18
SM Energy	Debt	Reduces debt outstanding with exchange offers	5
Southwest Gas	Debt	Sells new 10-year notes to redeem 2020 maturity	11
Subsea 7	Capex	Implementing \$400MM in cost-cutting measures	16
Superior Energy Services	M&A	Cancel all-stock combination deal	14
Talos Energy	Debt	Swaps debt for equity, enhances stakes in GOM assets	7
Templar Energy	Bankruptcy	Selling Midcon assets through Section 363	7
Texas Pacific Land Trust	General	Reorganizing into a Delaware corporation	4
Titan Energy	Bankruptcy	Selling Eagle Ford assets, winding down the company	8
Torchlight Energy Resources	Equity	Closes 7.9 million-common share sale for \$3MM	4
Tortoise Acquisition Corp.	M&A	Will become Hyllion Holdings through qualifying transaction	17
Ultra Petroleum	Bankruptcy	Amended terms of its DIP financing	8
Valaris	Debt	Gets waiver to skip June interest payment on notes	16
Viking Energy Group	Credit	Amended several ratios related to \$63.6MM credit agreement	8
WPX Energy Inc.	Debt	Completes 2028 notes offering, extends tender offer	5

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WEST COAST

CALIFORNIA PROPERTY SALE
38-Producing Wells
SANTA BARBARA & ORANGE COUNTIES
Monterey, Point Sal Sandstone, Chapman & Upper Kraemer Formations
Identified ~191 Wells As RTP Candidates
Proj Net Prod (Apr-2020): 485 BOPD
Brought Several Wells Back To Production
Chapter 11 US Bankruptcy Code
Deal ID: 12450

KERN CO., CA PROPERTY
270-Net/Gross Acres. (80% HBP)
SAN JOAQUIN BASIN
Tulare & Diatomie Formations
18-Wells In RTP Program
10-Wells Brought Online
8- Wells Candidates For RTP
100% WI (79.86% NRI)
Projected Net Prod (Apr-2020): 60 BOED
Upside Potential In Tulare, Diatomie & -- Sub-Monterey Formations
Under Section 363, US Bankruptcy Code
Deal ID: 12431

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There's no masking the spread of debt flotation

As has been the pattern, bonds continue to be the preferred way for energy companies to raise cash. As Q2 comes to an end, the industry is closing in on \$120 billion principal amount of bond sales YTD, more than triple the \$35 billion principal amount of bonds issued in the same time frame last year, according to data compiled by **Enverus' Capitalize** platform.

Upstream bond issuers this cycle include **Comstock Resources (PG.1)** and **WPX Energy (PG.3)**. Midstream issuers include **Plains All American (PG.11)** and **DCP Midstream (PG.11)**. **Phillips 66 (PG.11)** and **Southwest Gas (PG.11)**

Tortoise SPAC finds a qualifying transaction in a truck (PG.17).

flowed some downstream debt into the market, and **Schlumberger (PG.15)** issued its fourth bond this year. Not following the pattern at all, but certainly welcome, **Oneok (PG.9)** hit the equity market with midstream's biggest common stock sale in 2.5 years. The last one for the sector was also Oneok's.

In lending, this spring's redetermination season has been particularly harsh. Borrowing bases were cut by an average 23%, and credit commitments decreased by an average 15%, according to S&P. Many banks also reduced level thresholds on the covenants. **Amplify Energy's** redetermination illustrates the trend (**PG.1**). **Bonanza Creek Energy (PG.7)**, **Cimarex Energy (PG.7)**, **QEP Resources (PG.7)** and **Ring Energy (PG.7)** all got lower borrowing bases.

New bankruptcies hit this cycle, including **Extraction Oil & Gas (PG.6)**, which is currently negotiating for support to restructure \$1.7 billion of debt, **Chisholm Oil & Gas (PG.8)**, backed by **Ares Management** and **Apollo Global Management** but still \$517 million in the hole, and **Templar Energy (PG.7)** and **Titan Energy (PG.8)**, which plan to sell their assets. **PG&E (PG.1)** is coming out of bankruptcy in a week or two and sold about \$16 billion of securities to help it emerge. **Seadrill (PG.15)** is once again considering bankruptcy, a spokesman told *The Wall Street Journal*.

Upstream

Exxon surprises markets with new euro-denominated bond sale

Exxon Mobil Corp. dared to go where it hasn't gone before—into eurobonds. It issued €4.5 billion (\$5.24 billion) of notes in four separate tranches on June 23. The eurobonds are a departure from Exxon's usual corporate debt raising—the first eurobonds among the \$46.6 billion in notes currently outstanding on the AA rated issuer's balance sheet. Including these notes, the US' largest oil and gas company has floated over \$23 billion worth of debt YTD.

A 23-bank syndicate sold €1.5 billion principal amount of 0.142% Notes due 2024, and €1.0 billion each of 0.524% Notes due 2028, 0.835% Notes due 2032 and 1.408% Notes due 2039. All notes were sold at 100. The margins over mid-swaps ranged from 81.4 bps for the four-year notes up to 160.1 bps for the 19-year notes. The notes were sold in initial €100,000 blocks and multiples of €1,000 thereafter. Proceeds will be used for general corporate purposes.

Joint book-running managers **Barclays, Deutsche Bank, HSBC** and **Société Générale** each sold 19% allocations of the offering while remaining joint book-running managers **BNP Paribas, Citi, JP Morgan** and **Merrill Lynch** each sold 4.25%. The remainder was split among a geographically diverse syndicate, which included **Banca IMI, Santander, Crédit Agricole, Goldman Sachs, Mizuho, Morgan Stanley, RBC, SMBC Nikko, Scotia, Standard Bank of South Africa, Standard Chartered, US Bancorp** and **Wells Fargo**. Apart from the eurobonds, Exxon has foreign currency debt outstanding in the form of over \$18 million of zero coupon debentures issued by Canadian subsidiary **Imperial Oil**.

Brigham's PE backers realize over \$90MM through stock sale

Funds owned by **Warburg Pincus, Yorktown Energy Partners** and **Pine Brook Road Advisors** sold off almost \$91 million of **Brigham Minerals'** common stock in a 6.6 million-share sale on June 9. The Warburg-affiliated funds also offered a 990,000-share overallotment option that will raise another \$13.6 million if fully exercised. The offering price was \$13.75/share. The three private equity groups were financiers from the formation of the company through its initial public offering on April 17, 2019.

The eight Warburg funds, four Yorktown funds and two Pine Brook Road funds are reducing their collective voting power in Brigham to 23.9% from 36.1% as a result of the offering and full exercise of the greenshoe. Brigham has an implied 56.9 million shares outstanding, which includes shares outstanding plus shares held by non-controlling interest holders without accounting for dilutive securities.

Brigham also announced that the borrowing base on its revolving credit facility was reduced to \$135 million from \$180 million in its semi-annual borrowing base redetermination at the end of May. It also reduced its elected commitment to \$135 million.

Startup Sixth Creek Energy will seek \$250MM-plus investments

Denver-based **Sixth Creek Energy**, which just formed this quarter, said it will pursue the addition of institutional investors to its capital base if the size of an opportunity dictates. The company disclosed in an investor presentation that initial capital commitments from management, friends and family will total around \$50 million. The company is working with



Houston-based investment and merchant bank **Rivington Holdings**.

Sixth Creek said its strategy was to acquire low-risk PDP reserves with associated upside, maximum field-level cash flow and implement a hedging program. It plans to seek investments with a longer-term horizon and spend more than \$250 million per transaction. The company will focus on mature basins. Prior to entering into any acquisition agreement, Sixth Creek will provide pre-emptive rights to management, friends and family to increase their commitment levels.

The company was formed by industry veterans Michael Starzer and Patrick Graham, the team responsible for **Bonanza Creek Energy** and **Fifth Creek Energy**, which was backed by private equity group **Natural Gas Partners** and combined with **Bill Barrett Corp.** in March 2018 to form **HighPoint Resources**.

Establishes a euro curve as it continues to accumulate cash.

The US Upstream Top 40

Company	Exchange: Ticker	Market Cap (\$MM)	Shares Out (MM)	Share Price	52-Week Share Price	
					High	Low
Exxon Mobil Corp.	NYSE:XOM	\$188,155	4,228.20	\$44.50	\$77.93	\$30.11
Chevron Corp.	NYSE:CVX	\$163,622	1,867.00	\$87.64	\$127.00	\$51.60
ConocoPhillips	NYSE:COP	\$43,959	1,072.40	\$40.99	\$67.13	\$20.84
EOG Resources Inc.	NYSE:EOG	\$28,491	582.00	\$48.95	\$95.29	\$27.00
Occidental Petroleum Corp.	NYSE:OXY	\$16,200	900.00	\$18.00	\$54.05	\$9.00
Pioneer Natural Resources Co.	NYSE:PXD	\$15,194	164.90	\$92.16	\$159.01	\$48.62
Hess Corp.	NYSE:HES	\$14,939	305.10	\$48.96	\$74.11	\$26.06
Concho Resources Inc.	NYSE:CXO	\$10,075	195.20	\$51.61	\$105.94	\$33.13
Cabot Oil & Gas Corp.	NYSE:COG	\$7,143	398.60	\$17.92	\$24.12	\$13.06
Diamondback Energy Inc.	NasdaqGS:FANG	\$6,613	157.80	\$41.90	\$111.84	\$14.55
Continental Resources Inc.	NYSE:CLR	\$5,446	360.20	\$15.12	\$43.57	\$6.90
Apache Corp.	NasdaqGS:APA	\$4,933	377.40	\$13.07	\$33.77	\$3.80
Marathon Oil Corp.	NYSE:MRO	\$4,576	790.30	\$5.79	\$14.70	\$3.02
Noble Energy Inc.	NasdaqGS:NBL	\$4,442	479.70	\$9.26	\$27.31	\$2.73
Texas Pacific Land Trust	NYSE:TPL	\$4,437	7.76	\$572.00	\$838.50	\$295.05
Devon Energy Corp.	NYSE:DVN	\$4,306	382.70	\$11.25	\$29.36	\$4.70
Parsley Energy Inc.	NYSE:PE	\$3,987	377.60	\$10.56	\$20.80	\$3.92
WPX Energy Inc.	NYSE:WPX	\$3,463	559.40	\$6.19	\$14.43	\$1.94
EQT Corp.	NYSE:EQT	\$3,064	255.60	\$11.99	\$17.16	\$4.21
Cimarex Energy Co.	NYSE:XEC	\$2,677	99.80	\$26.82	\$61.16	\$12.15
Ovintiv Inc.	TSX:OVV	\$2,439	259.80	\$9.39	\$28.02	\$2.17
Murphy Oil Corp.	NYSE:MUR	\$1,955	153.60	\$12.73	\$28.12	\$4.50
CNX Resources Corp.	NYSE:CNX	\$1,676	187.10	\$8.96	\$14.19	\$4.26
Southwestern Energy Co.	NYSE:SWN	\$1,379	540.90	\$2.55	\$3.90	\$1.06
Black Stone Minerals LP	NYSE:BSM	\$1,317	206.70	\$6.37	\$15.73	\$4.04
PDC Energy Inc.	NasdaqGS:PDCE	\$1,316	99.50	\$13.22	\$37.11	\$4.51
Range Resources Corp.	NYSE:RRC	\$1,308	234.00	\$5.59	\$8.25	\$1.61
Comstock Resources Inc.	NYSE:CRK	\$1,027	231.80	\$4.43	\$10.70	\$4.05
Matador Resources Co.	NYSE:MTDR	\$1,009	116.60	\$8.66	\$20.57	\$1.11
Magnolia Oil & Gas Corp.	NYSE:MGY	\$931	166.60	\$5.59	\$13.29	\$3.23
Diversified Gas & Oil PLC	LSE:DGOC	\$841	707.10	\$1.19	\$1.46	\$0.66
Kosmos Energy Ltd.	NYSE:KOS	\$709	405.20	\$1.75	\$7.55	\$0.50
Viper Energy Partners LP	NasdaqGS:VNOM	\$705	67.80	\$10.40	\$33.10	\$4.98
Antero Resources Corp.	NYSE:AR	\$695	268.40	\$2.59	\$5.68	\$0.64
Talos Energy Inc.	NYSE:TALO	\$598	65.30	\$9.15	\$31.34	\$5.00
Callon Petroleum Co.	NYSE:CPE	\$472	397.00	\$1.19	\$7.01	\$0.38
Brigham Minerals Inc.	NYSE:MNRL	\$462	39.30	\$11.75	\$23.29	\$5.86
SM Energy Co.	NYSE:SM	\$414	113.00	\$3.66	\$12.91	\$0.90
Sabine Royalty Trust	NYSE:SBR	\$396	14.60	\$27.19	\$49.25	\$23.02
Contango Oil & Gas Co.	AMEX:MCF	\$395	129.10	\$3.06	\$4.79	\$0.84

Note: Data includes US-listed public companies operating in upstream oil & gas, limited to >\$1.00 share.
Source: Capital IQ (as of 06/24/20)

Upstream

■ **Northern Oil & Gas Inc.** will ask its shareholders to vote sometime in Q3 to reverse split its NYSE-traded common shares. It is considering ratios ranging from 1:6 to 1:10. A change in authorized shares will accompany the reverse split. Northern's 430 million shares outstanding have been trading mainly in the \$0.60-\$1.00 range in Q2.

■ **Texas Pacific Land Trust** is moving forward with plans to reorganize into a Delaware corporation and has filed an initial draft registration statement on Form 10 with the SEC. The new corporation will be named **Texas Pacific Land Corp.** In connection with the planned reorganization, the trust entered into a stockholders' agreement with **Horizon Kinetics LLC, SoftVest LP** and **Mission Advisors LP**. Horizon and Softvest own about 22% and 1.5%, respectively, of the trust's current equity. The Dallas-based trust was started in 1888.

■ **Torchlight Energy Resources Inc.** closed an offering of 7,894,737 common shares, or 8% of its shares outstanding, to an investor for gross proceeds of about \$3 million, before expenses. The Plano, Texas-based E&P company also issued warrants to the investor exercisable for up to 3,157,895 shares of common stock. The company intends to use net cash proceeds for drilling obligations, debt interest payments and general corporate purposes. The sale brings Torchlight's new total to 94.2 million shares outstanding.

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Mid-Con recapitalizes & signs new operatorship agreement

Mid-Con Energy Partners LP announced a series of transactions that will recapitalize and reorganize the structure of the struggling producer, and change the way it will—or won't—operate moving forward. To kick it all off, Mid-Con will no longer operate its properties through its **Mid-Con Energy Operating** subsidiary. Instead, it has contracted that task to **Contango Resources Inc.**, subsidiary of **Contango Oil & Gas Co.**, which will charge a flat fee and receive warrants to buy Mid-Con's equity. The move is expected to save Mid-Con \$6.5 million YOY on a pro forma basis this year and launches Contango's new property management-style business.



Contango Resources agrees to operate Mid-Con's properties for a flat fee.

The partnership's preferred equity holders converted all Series A and B preferred units into common units at \$3.12 each, relieving Mid-Con of \$3.2 million of annual payments related to the preferred. Also, general partner **Mid-Con GP LLC** is now owned by the partnership, paving the way for a new board of directors elected by a majority of the common unitholders.

Goff Capital, which owned many of the preferred units and now owns well over 55% of Mid-Con, and **ING Fund Distributor** elected a new board consisting of Robert Boulware, Travis Goff and Fred N. Reynolds. Former chairman Charles Olmstead also resigned as CEO.

Mid-Con's credit facility now has a \$64 million borrowing base, down from \$95 million. The reduction caused a deficiency for which the partnership has been put on a payment schedule. It said it is looking to achieve a \$10 million debt reduction by the November redetermination.

"These actions simplify our capital structure and align the ownership and governance of the partnership through a board of directors elected by the holders of a single class of common units," president and COO Chad B. Roller said. "Our new board members will collectively represent beneficial ownership of more than 50% of the partnership's units."

Credit & Debt

SM Energy reduces debt outstanding with exchange offers

SM Energy Co. issued almost \$447 million of new 10% second-lien notes due 2025 in exchange for an aggregate \$719 million principal amount of older notes, including \$107 million of its 1.5% convertible notes due 2021 and varying amounts of five separate issuances that were tendered through SM's recent exchange offer.

SM

As of the tender offer's June 12 expiration date, around \$296 million of the old notes had been validly tendered and not withdrawn. This amount does not include principal amounts that were negotiated for exchange with other holders that backstopped the offer. The CCC+ rated company said the offers were made only to US noteholders believed to be qualified institutional buyers.

After giving effect to the exchange offers and private exchanges with the backstop group, SM said it expects to reduce its overall senior debt outstanding by nearly \$272 million. At the end of Q1, SM had over \$2.58 billion of long-term debt outstanding, all in the form of senior notes.

Upstream

WPX completes 2028 notes offering & extends tender offer

WPX Energy Inc. closed a public offering of \$500 million of 5.875% senior unsecured notes due 2028 at 100. The company wrapped up the sale June 17 and plans to use proceeds to buy back up to \$500 million outstanding of three series of notes due 2022 through 2024.

The company launched tender offers on June 3 to

Using proceeds to pay for offer to buy back up to \$500MM on three notes.

repurchase around 45% of the aggregate principal amounts outstanding of the three notes. It extended the early tender deadline to June 30 and doubled the cap on its third-priority 5.25% senior notes due 2024 to \$100 million after receiving tenders for \$254 million, or 39%, of the \$647 million outstanding of that series by the old early tender deadline. Its first-priority 8.5% senior notes due 2023 drew a 35% response rate with \$143 million tendered out of the \$405 million outstanding. Holders of WPX's second-priority 6% notes due 2022 have so far tendered about \$30 million, or 41% of the notes outstanding. The new notes and assumed full tender price will not change WPX's \$3.18 billion of long-term debt outstanding.

Wells Fargo, BofA and TD Securities led a 21-member syndicate for the offering. Allocations ranged from 27.5% and two 12.5% portions for lead underwriters down to 1.25%. The company also signed a definitive agreement to sell about 320 acres of Williston Basin properties to **Northern Oil & Gas, Inc.** for \$1.5 million in cash. The deal is expected to close by July 1.

High-yield Comstock add-on brings debt load to \$2.5B < From Pg.1

The company had \$1.29 billion outstanding under its credit facility, which now has a \$1.4 billion borrowing base, down from \$1.575 billion. It has used borrowings to pay down debt owed by **Covey Park Energy** in connection with the acquisition of the company last July.



The company said it could redeem up to 35% of the notes by Aug. 15, 2021. It would be limited to an amount equal to or less than cash proceeds it may receive from certain equity offerings. If Comstock sells certain assets and does not reinvest the proceeds or repay senior debt, or if there are certain changes of control, the company must offer to repurchase the notes.

The offering follows Comstock's \$206 million sale of 41.325 million common shares to the public in May, which was the largest upstream equity issue of 2020 to date. Comstock used net proceeds, totaling \$197 million including the underwriters overallotment, to pay down bank debt and help redeem all 210,000 shares outstanding of its Series A 10% convertible preferred stock for \$210 million plus accrued and unpaid dividends of around \$2.9 million.

Bank of America, BMO and Wells Fargo led a 14-member offering syndicate for the notes. Allocations of the sale ranged from 35% for BofA down to 1.5% for banks including **CIT Capital** and **Citizens Capital**, according to data compiled by **Enverus' Capitalize** platform.

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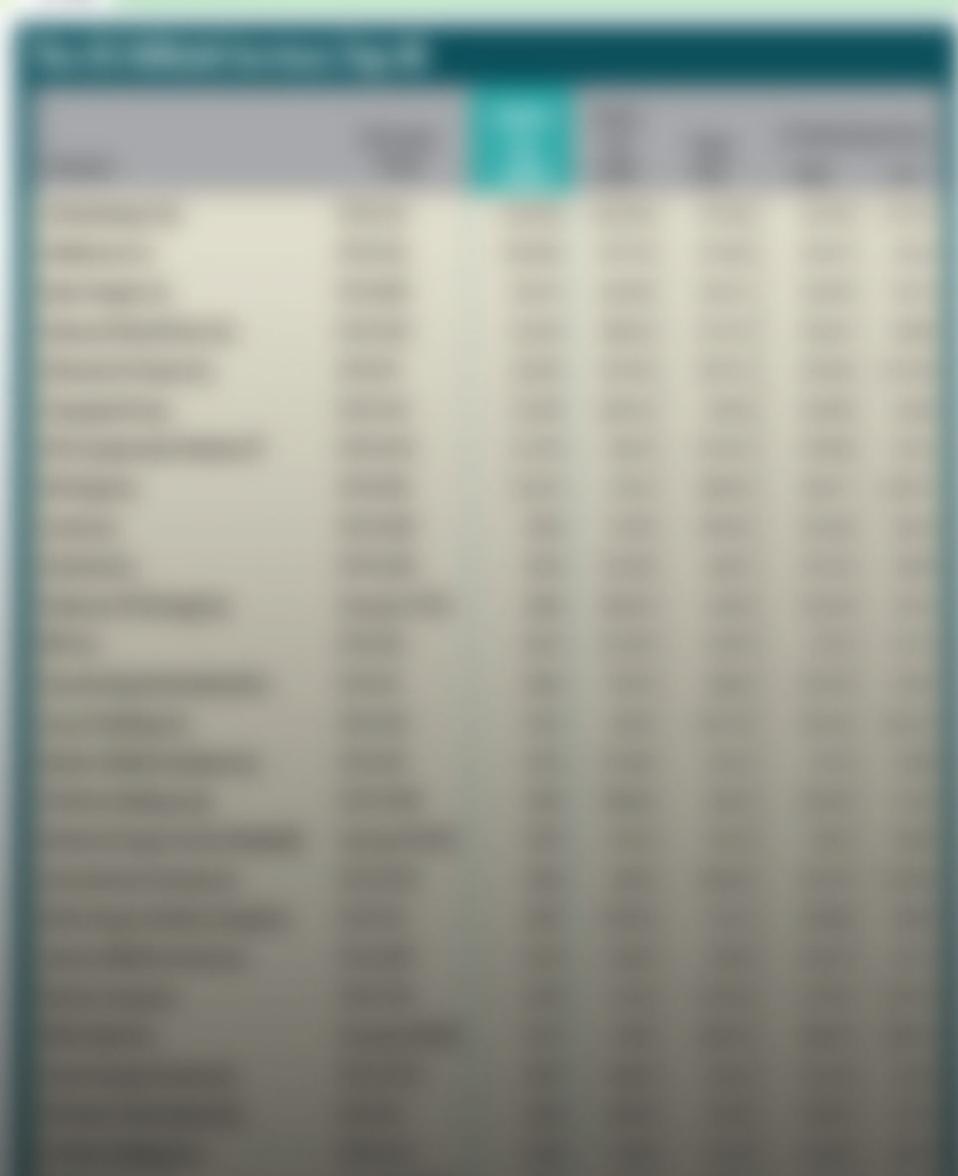


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