

NORTHERN OIL & GAS, INC.
Form 8-K
July 31, 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): July 27, 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.)

601 Carlson Parkway, Suite 990

Minnetonka, Minnesota
(Address of principal executive offices)

55305
(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 1.01. Entry into a Material Definitive Agreement.

W Resources Acquisition

On July 27, 2018, Northern Oil and Gas, Inc. (the Company) entered into a Purchase and Sale Agreement (the Purchase Agreement) with WR Operating LLC (Seller), pursuant to which the Company has agreed to acquire, effective as of July 1, 2018, certain oil and gas properties and interests (the Assets). Upon closing under the Purchase Agreement, Seller will receive initial consideration of \$100.0 million in cash and 56,371,899 shares of common stock. The cash portion of the initial consideration is subject to adjustment resulting from pre- and post-effective date revenue and expense allocation and procedures relating to customary title and environmental matters.

The obligations of the parties to complete the transactions contemplated by the Purchase Agreement are subject to the satisfaction or waiver of customary closing conditions set forth in the Purchase Agreement. Upon termination of the Purchase Agreement under specified circumstances, generally relating to a failure by the Company to close or fulfill in any material respect any of its obligations under the Purchase Agreement, the Company would be required to forfeit to the Seller a cash deposit in the amount of \$20.0 million.

The foregoing description of the Purchase Agreement and the transactions contemplated thereby does not purport to be complete and is subject to, and qualified by, the full text of the Purchase Agreement, which is filed as Exhibit 2.1 hereto and incorporated herein by reference.

The Purchase Agreement has been included with this report to provide investors and security holders with information regarding the terms of the transactions contemplated therein. It is not intended to provide any other factual information about the Company, the Seller or the Assets. The representations, warranties, covenants and agreements contained in the Purchase Agreement, which are made only for purposes of the agreement and as of specific dates, are solely for the benefit of the parties to the Purchase Agreement, may be subject to limitations agreed upon by the parties (including being qualified by confidential disclosures made for the purposes of allocating contractual risk between the parties to the Purchase Agreement instead of establishing these matters as facts) and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors and security holders. Company security holders should not rely on the representations, warranties, covenants and agreements or any descriptions thereof as characterizations of the actual state of facts or condition of the Company, Sellers, or the Assets. Moreover, information concerning the subject matter of the representations and warranties may change after the date of the Purchase Agreement, which subsequent information may or may not be fully reflected in the Company's public disclosures.

Item 2.02. Results of Operations and Financial Condition.

On July 31, 2018, the Company issued a press release announcing the entry into the Purchase Agreement and certain preliminary estimated results of operations for the quarter ended June 30, 2018. The full text of the press release is furnished as Exhibit 99.1 hereto and is incorporated herein by reference.

Item 3.02. Unregistered Sales of Equity Securities.

Under the Purchase Agreement, the Company has agreed to issue 56,371,899 shares of common stock (the Initial Shares) at closing and may in the future issue up to a maximum of 2,669,937 additional shares of its common stock (the Additional Shares and, together with the Initial Shares, the Shares), representing a total number of shares not to exceed 19.9% of the number of shares of common stock issued and outstanding as of July 27, 2018. The Additional Shares would be issued only if the Company elects to use shares of its common stock to satisfy certain monthly payment obligations that may arise based on the average daily volume weighted average price of a share of the

Company's common stock as measured against specified reference prices for 12 of the 13 calendar months following closing.

The Shares will serve as partial consideration for the acquisition of the Assets and will be issued in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933, as amended (the Securities Act), to a limited number of persons who are accredited investors or sophisticated persons as those terms are defined in Rule 501 of Regulation D promulgated by the U.S. Securities and Exchange Commission, without the use of any general solicitation or advertising to market or otherwise offer the securities for sale. None of the Shares have been registered under the Securities Act, or applicable state securities laws and none may be offered or sold in the United States absent registration under the Securities Act or an exemption from such registration requirements.

Item 7.01. Regulation FD Disclosure.

On July 31, 2018, the Company issued a press release announcing the entry into the Purchase Agreement and certain preliminary estimated results of operations for the quarter ended June 30, 2018. The full text of the press release is furnished as Exhibit 99.1 hereto and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description	Reference
2.1	<u>Purchase and Sale Agreement with WR Operating LLC, dated July 27, 2018*</u>	Filed Electronically
99.1	<u>Press Release dated July 31, 2018</u>	Furnished Electronically

* Certain schedules and exhibits have been omitted in accordance with Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished to the Securities and Exchange Commission upon request.

Cautionary Statements Regarding Forward-Looking Statements

This current report on Form 8-K contains forward-looking statements regarding future events and future results that are subject to the safe harbors created under the Securities Act and the Securities Exchange Act of 1934 (the Exchange Act). All statements other than statements of historical facts, including but not limited to statements in this report regarding the anticipated closings under the Purchase Agreement, potential future payment obligations of the Company thereunder, and issuances of Company common stock are forward-looking statements. When used in this report, forward-looking statements are generally accompanied by terms or phrases such as estimate, project, predict, believe, expect, continue, anticipate, target, could, plan, intend, seek, goal, will, should, or similar expressions that convey the uncertainty of future events or outcomes. Forward-looking statements involve inherent risks and uncertainties, and important factors (many of which are beyond the Company's control) that could cause actual results to differ materially from those set forth in the forward-looking statements, including: risks related to the completion of the transactions contemplated by the Purchase Agreement, changes in crude oil and natural gas prices, the pace of drilling and completions activity on Northern's properties, Northern's ability to acquire additional development opportunities, changes in Northern's reserves estimates or the value thereof, general economic or industry conditions, nationally and/or in the communities in which Northern conducts business, changes in the interest rate environment, legislation or regulatory requirements, conditions of the securities markets, Northern's ability to raise or access capital, changes in accounting principles, policies or guidelines, financial or political instability, acts of war or terrorism, and other economic, competitive, governmental, regulatory and technical factors affecting Northern's operations, products, services and prices. Additional information concerning potential factors that could affect future financial condition and results of operations is included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, as updated from time to time in amendments and subsequent reports filed with the SEC. The Company has based these forward-looking statements on its current expectations and assumptions about future events. The Company does not undertake any duty to update or revise any forward-looking statements, except as may be required by the federal securities laws.

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: July 31, 2018

NORTHERN OIL AND GAS, INC.

By /s/ Erik J. Romslo
Executive Vice President, General Counsel and
Secretary