

HALCON RESOURCES CORP
Form S-3
March 21, 2012
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As filed with the Securities and Exchange Commission on March 21, 2012

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-3
REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

HALCÓN RESOURCES CORPORATION

(Name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of

20-0700684
(I.R.S. Employer

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incorporation or organization)

Identification No.)

1000 Louisiana, Suite 6700

Houston, Texas 77002

(832) 538-0300

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Floyd C. Wilson

Chairman of the Board, President and Chief Executive Officer

1000 Louisiana, Suite 6700

Houston, Texas 77002

(832) 538-0300

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

William T. Heller IV

Thompson & Knight LLP

333 Clay Street, Suite 3300

Houston, Texas 77002

(713) 654-8111

(713) 654-1871 (Fax)

Approximate date of commencement of proposed sale to the public: From time to time after this Registration Statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

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If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. "

If this form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. "

CALCULATION OF REGISTRATION FEE

Title of each class	Amount	Proposed	Proposed	
	to Be	maximum	maximum	Amount of
securities to be registered	registered	offering price	aggregate	registration fee
Common Stock, par value \$0.0001	44,444,511	per share (1) \$10.02	offering price (1) \$ 445,334,000	\$ 51,036

- (1) Estimated solely for purposes of calculating the registration fee, based on the average of the high and low prices for our common stock as quoted on the Nasdaq Global Market on March 16, 2012, in accordance with Rule 457(c) under the Securities Act of 1933, as amended.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED MARCH 20, 2012

PROSPECTUS

HALCÓN RESOURCES CORPORATION

44,444,511 Shares

Common Stock

This prospectus relates to the offer and sale from time to time of up to an aggregate of 44,444,511 shares of our common stock for the account of the stockholders named in this prospectus. All of the shares covered by this prospectus are issuable upon the conversion of our outstanding 8% automatically convertible preferred stock. A selling stockholder may sell none, some or all of the shares offered by this prospectus. We cannot predict when or in what amounts a selling stockholder may sell any of the shares offered by this prospectus. We will not receive any proceeds from sales by selling security holders.

On March 5, 2012, we sold 4,444,451 shares of 8% automatically convertible preferred stock, par value \$0.0001 per share, to certain institutional accredited investors in a private offering exempt from registration under the Securities Act of 1933, as amended. We entered into a registration rights agreement with one of the placement agents in the offering in which we agreed, for the benefit of the holders of the preferred stock, to file a registration statement with the U.S. Securities and Exchange Commission with respect to resales of the common stock issued upon the conversion of the preferred stock. We also agreed to use our reasonable best efforts to keep the registration statement effective, subject to certain exceptions, for up to two years or such earlier date as all of the common stock issued upon the conversion of the preferred stock has been sold. This prospectus is part of a registration statement filed by us as required by the registration rights agreement.

Our common stock is currently quoted on the Nasdaq Global Market under the symbol **HK**. On March 16, 2012 the last reported sales price for our common stock was \$10.11 per share.

Investing in our common stock involves risks. Please read carefully the information under the headings Risk Factors beginning on page 3 and Forward-Looking Statements on page 19 of this prospectus before you invest in our common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

, 2012

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You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized anyone to provide you with different information. You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front of this prospectus.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission (the SEC) utilizing a shelf registration process or continuous offering process. Under this shelf registration process, the selling stockholders may, from time to time, sell the securities described in this prospectus in one or more offerings. This prospectus provides you with a description of the securities which may be offered by the selling stockholders. Each time a selling stockholder sells securities, the selling stockholder is required to provide you with this prospectus and, in certain cases, a prospectus supplement containing specific information about the selling stockholder and the terms of the securities being offered. That prospectus supplement may include additional risk factors or other special considerations applicable to those securities. Any prospectus supplement may also add, update, or change information in this prospectus. If there is any inconsistency between the information in this prospectus and any prospectus supplement, you should rely on the information in that prospectus supplement. You should read both this prospectus and any prospectus supplement together with additional information described under Where You Can Find More Information; Incorporation By Reference.

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THE COMPANY

Halcón Resources Corporation (Halcón or the Company) is an independent energy company engaged in the acquisition, production, exploration and development of onshore oil and natural gas properties in the United States. Our producing properties are located in highly prolific basins with long histories of oil and natural gas operations. We have been active in our core producing areas of Texas, Oklahoma and Louisiana since our inception in 1987 and have grown through a balanced strategy of acquisitions, development and exploratory drilling. Through December 31, 2011, we have drilled or participated in the drilling of 907 gross oil and natural gas wells, approximately 94% of which were successfully completed and produced hydrocarbons in commercial quantities. Our management team has extensive technical and operating expertise in all areas of our geographic focus.

Our oil and natural gas assets are characterized by a combination of developing and mature reserves and properties. We have mature oil and natural gas reserves located primarily in Wichita, Wilbarger and Starr Counties, Texas, Pontotoc County, Oklahoma, and in several parishes in Louisiana.

As of December 31, 2011, our estimated net proved reserves were 21.1 million barrels of oil equivalent, or MMBoe, of which approximately 59% were crude oil, 32% were natural gas, and 9% were natural gas liquids, or NGLs, based on benchmark prices of \$96.19 per barrel, or Bbl, of oil and \$4.12 per thousand cubic feet, or Mcf, of natural gas. The benchmark prices reflect the unweighted arithmetic average of the first-day-of-the-month price for oil and natural gas during each month of 2011, as required by SEC rules. At December 31, 2011, our proved developed reserves comprised 64% of our total proved reserves.

At December 31, 2011, we owned interests in approximately 4,000 gross wells and were the operator of leases upon which approximately 3,200 of these wells are located. We also own a drilling rig, various gathering systems, a natural gas processing plant, service rigs and a supply company that services our properties.

During the twelve months ended December 31, 2011, we drilled or participated in the drilling of 61 gross wells on our oil and natural gas properties, 49 of which were successfully completed as producing wells, five of which were abandoned wells and seven of which were either drilling or waiting to be completed at the end of that period. For the twelve months ended December 31, 2011, we produced 1,504 MBoe, averaging approximately 4,100 Boe per day.

Halcón is a Delaware corporation formerly known as RAM Energy Resources, Inc. Our principal offices are located at 1000 Louisiana Street, Suite 6700, Houston, Texas 77002, telephone number (832) 538-0300, and our website can be found at www.halconresources.com. Unless specifically incorporated by reference in this prospectus, information that you may find on our website is not part of this prospectus.

Recent Developments

We have recently completed several transactions:

Recapitalization by Halcón Resources, LLC

On February 8, 2012, Halcón Resources, LLC, a newly-formed company led by Floyd C. Wilson, former Chairman and Chief Executive Officer of Petrohawk Energy Corporation, recapitalized us with a \$550.0 million investment structured as the purchase of \$275.0 million in new common stock, a \$275.0 million five-year 8% convertible note and warrants for the purchase of an additional 36,666,667 million shares of our common stock at an exercise price of \$4.50 per share. At closing, Floyd C. Wilson was appointed as our Chairman, President and Chief Executive Officer, and our name was changed to Halcón Resources Corporation. Mark J. Mize was also appointed as our Executive Vice President, Chief Financial Officer, and Treasurer and was designated as our

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principal accounting officer, and the composition of our board was altered to consist of 10 new individuals: Floyd C. Wilson, Tucker S. Bridwell, James W. Christmas, Thomas R. Fuller, James L. Irish III, E. Murphy Markham IV, David B. Miller, Daniel A. Rioux, Stephen P. Smiley and Mark A. Welsh IV. Mr. Wilson was elected Chairman of the Board and Mr. Irish was named Lead Independent Director. The Audit Committee of the Board is composed of Mr. Irish (Chairman) and Messrs. Christmas and Smiley. The Nominating and Corporate Governance Committee is composed of Mr. Christmas (Chairman) and Messrs. Fuller, Rioux and Welsh. The Compensation Committee is composed of Mr. Smiley (Chairman) and Messrs. Bridwell, Markham and Rioux. Additionally, the Board established a Reserves Committee composed of Mr. Fuller (Chairman) and Messrs. Bridwell and Welsh.

In connection with the closing of the Halcón Transaction, we entered into a Senior Revolving Credit Agreement (the "credit agreement") with J.P. Morgan Chase Bank, N.A., as administrative agent, and the other lenders named therein on February 8, 2012. The credit agreement provides for a \$500.0 million facility with an initial borrowing base of \$225.0 million. Amounts borrowed under the credit agreement will initially mature on February 8, 2017. The borrowing base will be redetermined semi-annually, with the company and the lenders each having the right to one interim unscheduled redetermination between any two consecutive semi-annual redeterminations. The borrowing base takes into account our oil and natural gas properties, proved reserves, total indebtedness, and other relevant factors consistent with customary oil and gas lending criteria. The borrowing base is subject to a reduction equal to the product of 0.25 multiplied by the stated principal amount (without regard to any initial issue discount) of any notes or other long-term debt securities that we may issue.

Following the recapitalization, our primary focus is to expand our leasehold position in areas we have determined are prospective for oil or liquids-rich resource plays. We have identified several target resource plays for potential leasehold acquisition, including the Utica Shale/Point Pleasant formations in Ohio and Pennsylvania, the Mississippian Lime formation in Northern Oklahoma and Southern Kansas, the Wilcox formation in Southwest Louisiana and the Woodbine/Eagle Ford formations in East Texas. In addition to our ongoing lease acquisition efforts in our targeted resource plays, we have identified several new exploratory areas we believe are prospective for oil and liquids-rich hydrocarbons.

Private Placement of Convertible Preferred Stock

On March 5, 2012, we sold in a private placement to certain institutional accredited investors 4,444.4511 shares of convertible preferred stock, each share of which will convert into 10,000 shares of our common stock (or a proportionate number of shares of common stock with respect to any fractional shares of preferred stock), subject to certain adjustments, for approximately \$400.0 million, or \$9.00 per share of common stock, before offering expenses. The convertible preferred stock will convert into common stock automatically on the 20th calendar day after we mail a definitive information statement to holders of our common stock notifying them that our majority stockholder has consented to the issuance of common stock upon conversion of the convertible preferred stock. No dividend will be paid on the convertible preferred stock if it converts into common stock on or before May 31, 2012.

Our Business Strategy

We are an independent energy company engaged in the acquisition, production, exploration and development of onshore oil and natural gas properties located in the United States. Our primary objective is to increase stockholder value by growing reserves, production and cash flow. To accomplish this objective, we intend to execute the following business strategies:

Pursue Strategic Acreage Positions in Liquids-Rich Regions. Our management intends to employ a process, based on analysis of the best available geologic and engineering data, to identify and lease or acquire acreage with economically attractive hydrocarbon potential. We intend to aggressively pursue acreage in our key focus areas.

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Develop Acquired Acreage Positions Using Our Development Expertise. We plan to leverage our management team's expertise and the latest available technologies to explore and develop our properties. We will also evaluate industry drilling results to improve our operating practices, and we expect that our drilling and completion techniques will continue to evolve.

Pursue Asset and Corporate Acquisitions. We plan to continually review opportunities to acquire assets in liquids-rich resource plays. We will rely on our technical expertise to evaluate the geology in various regions and identify highly prospective acreage. We will then use our business development teams to acquire acreage in the most economic manner possible. This could include leasing or acquiring acreage, as described above, or the acquisition of asset packages or existing operating companies.

Manage Our Property Portfolio Actively. We continually evaluate our property base to identify non-core, higher cost or lower volume producing properties with limited development potential. This strategy allows us to focus on a portfolio of core properties with significant potential to increase our proved reserves and production. We expect that divestitures of non-core assets will provide us with cash to reinvest in our business, reducing our reliance on the capital markets for financing.

Maintain Financial Flexibility. We have significant cash available for potential acquisitions, exploration and development drilling, and other corporate purposes. We believe our cash, internally generated cash flows, borrowing capacity and access to the capital markets will provide us with sufficient liquidity to execute our current capital program and strategy. We could also generate additional funds by divesting non-core assets. We intend to use a hedging program to protect our cash flow that will be used for capital spending.

RISK FACTORS

An investment in our common stock involves risks. Before you invest in our common stock, you should carefully consider the risk factors discussed or incorporated by reference in the applicable prospectus supplement, together with all the other information contained in the applicable prospectus supplement, this prospectus, or incorporated by reference, including the risk factors and other cautionary statements described under the heading "Risk Factors" included in our most recent Annual Report on Form 10-K, and, to the extent applicable, in subsequently filed Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. If any of these risks were to materialize, our business, results of operations, cash flows and financial condition could be materially adversely affected. In that case, the trading price of our common stock could decline and you could lose all or part of your investment.

USE OF PROCEEDS

This prospectus relates to the offer and sale from time to time of up to an aggregate of 44,444,511 shares of common stock for the account of the selling stockholders referred to in this prospectus. We will not receive any of the proceeds from the sale of any shares of common stock by the selling stockholders. Please read "Selling Stockholders" for a list of the persons receiving proceeds from the sale of the common stock covered by this prospectus.

DESCRIPTION OF HALCÓN CAPITAL STOCK

Set forth below is a description of the material terms of our capital stock. However, this description is not complete and is qualified by reference to our certificate of incorporation (including our certificate of designation) and bylaws. Copies of our certificate of incorporation (including our certificate of designation) and bylaws have been filed with the SEC and are incorporated by reference into this prospectus. Please read "Where You Can Find More Information; Incorporation by Reference." You should also be aware that the summary below does not give full effect to the provisions of statutory or common law that may affect your rights as a stockholder.

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Authorized Capital Stock

Our authorized capital stock consists of 366,666,666 shares of common stock, par value of \$0.0001 per share, and 1,000,000 shares of preferred stock, par value \$0.0001 per share. As of March 16, 2012, we had approximately 99.4 million shares of common stock and 4,444.4511 shares of preferred stock outstanding.

Selected provisions of our organizational documents are summarized below, however, you should read the organizational documents, which are filed as exhibits to our periodic filings with the SEC and incorporated by reference, for other provisions that may be important to you. In addition, you should be aware that the summary below does not give full effect to the terms of the provisions of statutory or common law which may affect your rights as a stockholder.

Common Stock

Voting rights. Each share of common stock is entitled to one vote in the election of directors and on all other matters submitted to a vote of stockholders. Stockholders do not have the right to cumulate their votes in the election of directors.

Dividends, distributions and stock splits. Holders of common stock are entitled to receive dividends if, as and when such dividends are declared by the board of directors out of assets legally available therefor after payment of dividends required to be paid on shares of preferred stock, if any. Our existing debt arrangements restrict our ability to pay cash dividends.

Liquidation. In the event of any dissolution, liquidation, or winding up of our affairs, whether voluntary or involuntary, after payment of debts and other liabilities and making provision for any holders of its preferred stock who have a liquidation preference, our remaining assets will be distributed ratably among the holders of common stock.

Fully paid. All shares of common stock outstanding are fully paid and nonassessable.

Other rights. Holders of common stock have no redemption or conversion rights and no preemptive or other rights to subscribe for our securities.

Preferred Stock

Our board of directors has the authority to issue up to 1,000,000 shares of preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof, including dividend rights, dividend rates, conversion rates, voting rights, terms of redemption, redemption prices, liquidation preferences and the number of shares constituting any series or the designation of that series, which may be superior to those of the common stock, without further vote or action by the stockholders. One of the effects of undesignated preferred stock may be to enable our board of directors to render more difficult or to discourage an attempt to obtain control of us by means of a tender offer, proxy contest, merger or otherwise, and as a result to protect the continuity of our management. The issuance of shares of the preferred stock by the board of directors as described above may adversely affect the rights of the holders of common stock. For example, preferred stock issued by us may rank superior to the common stock as to dividend rights, liquidation preference or both, may have full or limited voting rights and may be convertible into shares of common stock. Accordingly, the issuance of shares of preferred stock may discourage bids for our common stock or may otherwise adversely affect the market price of our common stock.

Automatically Convertible Preferred Stock

Each share of preferred stock will automatically convert into 10,000 shares of common stock and each fractional share of preferred stock will convert into a proportionate number of shares of common stock on the day following the occurrence of certain events described below. If conversion has not occurred on or before May 31,

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2012, holders of the preferred stock will be entitled to receive quarterly dividends accruing from the date of initial issuance at a rate of 8% per annum. The following discussion summarizes some, but not all, provisions of the certificate of designation governing the preferred stock. A copy of the certificate of designation governing the preferred stock is filed with the SEC as Exhibit 3.1 to our Form 8-K filed on March 5, 2012.

Ranking. The preferred stock ranks, with respect to dividend rights and rights upon liquidation, dissolution or winding up:

Junior to any other class or series of stock that has terms providing that such class or series will rank senior to the preferred stock;

On parity with any other class or series of stock that has terms providing that such class or series will rank on a parity with the preferred stock (which we refer to as parity securities); and

Senior to our common stock, and each other class or series of stock that has terms providing that such class or series will rank junior to the preferred stock (which we refer to as junior securities).

Dividend Rights. No dividends will be payable on the preferred stock if automatic conversion occurs on or before May 31, 2012. See

Conversion. However, if the preferred stock has not been converted into common stock on or before May 31, 2012, then each holder of preferred stock will be entitled to receive dividends at an annual rate of 8% of the initial liquidation price per share from the date of issuance. If a cash dividend is not declared and paid on any dividend payment date, then the liquidation price per share of preferred stock will be increased by the amount of the unpaid dividend. An increase in the liquidation price will have the effect of increasing the number of shares of common stock into which the preferred stock is convertible, the price at which it is redeemable and the amount of the liquidation preference. Upon such an increase in the liquidation price, we will have no further obligation with respect to the dividend that was accrued and payable with respect to the applicable dividend payment date.

Dividends will be payable quarterly on March 31, June 30, September 30 and December 31 of each year, beginning June 30, 2012 (each, a dividend payment date), to holders of record as they appear in our stock records at the close of business on the tenth business day immediately preceding the respective dividend payment date, or such other record date as may be fixed by our board of directors in advance of a dividend payment date. Dividends payable on shares of preferred stock for any period other than a full quarterly period are computed on the basis of a 360-day year consisting of twelve 30-day months.

We may not, without the prior consent of the holders of a majority of the preferred stock voting as a separate class, declare or pay any dividend or distribution, whether in liquidation or otherwise, to the holders of, or purchase, redeem or otherwise acquire for value prior to its stated maturity:

any junior securities, or

any parity securities, unless such dividends or distribution is allocated (i) to pay all accrued and unpaid dividends on the preferred stock and the parity securities, pro rata, based on the unpaid amount thereof, if there are any accrued and unpaid dividends on the preferred stock or such parity securities, and (ii) to pay the holders of preferred stock and the parity securities, pro rata based on their respective liquidation preferences, if there are no accrued and unpaid dividends on the preferred stock or such parity securities.

Liquidation Rights. Upon our voluntary or involuntary liquidation, dissolution or winding up, holders of preferred stock will be entitled to receive a liquidation preference equal to the original issuance price, plus the amount attributable to any increase in the liquidation preference as described under *Dividend Rights*, together with any accrued and unpaid dividends to the date of payment, before any payment or distribution is made to holders of common stock or other junior securities. If, upon our voluntary or involuntary liquidation, dissolution or winding up, the amounts payable with respect to shares of preferred stock and all parity securities

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are not paid in full, the holders of shares of preferred stock and the holders of the parity securities will share equally and ratably in any distribution of our assets in proportion to the full liquidation preference and the amount equal to all accrued and unpaid dividends to which each such holder is entitled.

Unless the holders of two-thirds of the outstanding preferred stock agree otherwise, each of the following events would be deemed a liquidation, dissolution or winding up for purposes of determining the rights of holders of preferred stock:

the sale of substantially all of our assets (or our approval to do so);

approval by our stockholders of our merger or consolidation with another entity in certain circumstances; or

the acquisition by any person or group, other than a holder of 5% or more of our common stock on the initial issue date of the preferred stock, of securities (excluding shares of common stock issuable upon conversion of the preferred stock) representing more than 35% of the voting power of our equity securities.

Conversion. The preferred stock will automatically convert into common stock on the 20th calendar day after we mail a definitive information statement to our stockholders notifying them that our majority stockholder has consented to the issuance of common stock upon conversion of the preferred stock. In accordance with Nasdaq Marketplace Rule 5635(d), our majority stockholder, prior to the sale of shares of preferred stock in the private offering, consented to the issuance of common stock upon conversion of the preferred stock.

Each share of preferred stock will be convertible into a number of shares of common stock determined by dividing the liquidation preference of the preferred stock, which is equal to the liquidation price plus the amount of any accrued and unpaid dividends through the date of conversion, by the conversion price. Initially, the liquidation price is equal to the initial issue price of the preferred stock, or \$90,000.00, and the conversion price is \$9.00. Thus, initially, each share of preferred stock will be convertible into 10,000 shares of common stock and each fractional share of preferred stock will be convertible into a proportionate number of shares of common stock. The initial conversion price is subject to adjustment in certain circumstances, including stock splits, stock dividends, rights offerings, or combinations of our common stock. The liquidation price will be increased if any accrued dividend is not paid in cash on the applicable dividend payment date, by an amount equal to the amount of the unpaid dividend, as described under *Dividend Rights*. Any decrease in the conversion price or increase in the liquidation price will result in a corresponding increase in the conversion rate of the preferred stock, and any increase in the conversion price will result in a corresponding decrease in the conversion rate. Upon conversion of the preferred stock, the holders will surrender to us or the transfer agent the certificate or certificates for the shares to be converted, and we will deliver to each such holder the certificate or certificates for the number of shares of our common stock to which the holder is entitled.

No fractional shares of common stock will be issued upon conversion of shares of preferred stock. All shares, including fractional shares, of common stock issuable to a holder of preferred stock will be aggregated. If after such aggregation, the conversion would result in the issuance of a fractional share of common stock, the fraction will be rounded up or down to the nearest whole number of shares.

Upon any reorganization or reclassification of our capital stock, any consolidation or merger with or into another company or any sale of all or substantially all of our assets to another company (if such transaction is not treated as a liquidation), we or such successor entity, as the case may be, will make appropriate provision so that each share of preferred stock then outstanding will be convertible into the kind and amount of securities, cash and other property receivable upon such reorganization, reclassification, consolidation, merger or sale by a holder or the number of shares of common stock into which such share of preferred stock might have been converted immediately before such transaction, subject to such adjustment as shall be as nearly equivalent as may be practicable to the adjustments described above. These provisions will similarly apply to successive reorganizations, reclassifications, consolidations, mergers or sales.

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Redemption. We will be required to redeem all of the outstanding shares of preferred stock if the preferred stock has not been converted into common stock on or before February 9, 2018. We will notify holders of record of preferred stock upon the occurrence of such event, and the redemption must occur within 30 days following such event. Upon redemption, each holder of preferred stock will be entitled to receive, upon surrender of preferred stock certificates, cash in the amount of the then-current liquidation preference, including all accrued and unpaid dividends through the date of redemption.

Consent Rights and Voting Rights. The holders of the preferred stock generally have no consent or voting rights except as required by law or described below. If the automatic conversion has not occurred by September 1, 2012, the holders of the preferred stock, voting separately as a class, will be entitled to elect two additional members to our board of directors.

We may not, without the approval of holders of two-thirds of our preferred stock, undertake any of the following:

amend, alter, waive, repeal or modify (whether by merger, consolidation or otherwise) any provision of our certificate of incorporation (including any filing or amending of a certificate of designation for any senior security or parity security) or bylaws so as to adversely affect or otherwise impair any of the rights, preferences, privileges, qualifications, limitations or restrictions of, or applicable to, the preferred stock;

authorize, issue or increase the authorized amount of any class of senior securities or parity securities;

increase or decrease (other than by redemption or conversion) the authorized number of shares of our preferred stock;

liquidate, dissolve or wind up in any form of transaction; or

enter into any agreement regarding, or any transaction or series of transactions resulting in, a change of control for a period of six months following March 5, 2012, and thereafter unless provision is made in the agreement effecting such transaction for the redemption of our preferred stock in cash in accordance with the certificate of designation for the preferred stock.

Delaware Anti-Takeover Law and Certain Charter and Bylaw Provisions

Our certificate of incorporation, bylaws and the Delaware General Corporation Law (the "DGCL") contain certain provisions that could discourage potential takeover attempts and make it more difficult for stockholders to change management or receive a premium for their shares.

Delaware law. Under Section 203 of the DGCL, a corporation is prohibited from engaging in any business combination with a stockholder who, together with its affiliates or associates, owns (or who is an affiliate or associate of the corporation and within a three-year period did own) 15% or more of the corporation's outstanding voting stock (which we refer to as an "interested stockholder") for a three-year period following the time the stockholder became an interested stockholder, unless:

prior to the time the stockholder became an interested stockholder, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;

the interested stockholder owned at least 85% of the voting stock of the corporation, excluding specified shares, upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder; or

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at or subsequent to the time the stockholder became an interested stockholder, the business combination is approved by the board of directors of the corporation and authorized by the affirmative vote, at an annual or special meeting, and not by written consent, of at least $66\frac{2}{3}\%$ of the outstanding voting shares of the corporation, excluding shares held by that interested stockholder.

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A business combination generally includes:

mergers and consolidations with or caused by an interested stockholder;

sales or other dispositions of 10% or more of the assets of a corporation to an interested stockholder;

specified transactions resulting in the issuance or transfer to an interested stockholder of any capital stock of the corporation or its subsidiaries; and

other transactions resulting in a disproportionate financial benefit to an interested stockholder.

The provisions of Section 203 of the DGCL do not apply to a corporation if, subject to certain requirements, the certificate of incorporation or bylaws of the corporation contain a provision expressly electing not to be governed by the provisions of the statute or the corporation does not have voting stock listed on a national securities exchange or held of record by more than 2,000 stockholders.

Because our certificate of incorporation and bylaws do not include any provision to opt-out of Section 203 of the DGCL, the statute will apply to business combinations involving the Company.

Charter and bylaw provisions. Delaware law permits any Delaware corporation to classify its board of directors into as many as three (3) classes as equally as possible with staggered terms of office. After initial implementation of a classified board, one class will be elected at each annual meeting of the stockholders to serve for a term of three (3) years (depending upon the number of classes into which directors are classified) or until their successors are elected and take office. Our certificate of incorporation and bylaws provide for a classified board of directors divided into three (3) classes, with the number of directors in each class as nearly equal as possible and each class serving for a term of three (3) years or until their successors are elected and qualified. Under Delaware law, stockholders of a corporation with a classified board of directors may only remove a director for cause unless the certificate of incorporation provides otherwise. Our certificate of incorporation does not so provide and, accordingly, stockholders may only remove a director for cause. Further, our bylaws provide that a majority vote of the holders of the outstanding shares entitled to vote at the meeting is required to effect such removal. The likely effect of the classification of the board of directors and the limitations on the removal of directors is an increase in the time required for the stockholders to change the composition of the board of directors. For example, because only approximately one-third of the directors may be replaced by stockholder vote at each annual meeting of stockholders, stockholders seeking to replace a majority of the members of the board of directors will need at least two annual meetings of stockholders to effect this change.

Transfer Agent and Registrar

The transfer agent and registrar for our common and preferred stock is Continental Stock Transfer & Trust Company, 17 Battery Place, New York, NY 10004. Its phone number is (212) 509-4000.

Table of Contents**SELLING STOCKHOLDERS**

The shares of our common stock covered by this prospectus are being offered by the selling stockholders listed in the table below. This prospectus will not cover subsequent sales of common stock purchased from a selling stockholder named in this prospectus.

No offer or sale under this prospectus may be made by a stockholder unless that holder is listed in the table below, in a supplement to this prospectus or in an amendment to the related registration statement that has become effective. We will supplement or amend this prospectus to include additional selling stockholders upon request and upon provision of all required information to us, subject to the terms of a registration rights agreement between us and one of the placement agents, on behalf of the selling stockholders.

The following table sets forth the maximum number of shares of our common stock to be sold by the selling stockholders, assuming the conversion of all shares of preferred stock held by or for the benefit of each selling stockholder into shares of our common stock. The table also sets forth the name of each selling stockholder, the nature of any position, office, or other material relationship which the selling stockholder has had, within the past three years, with us or with any of our predecessors or affiliates, and the number of shares of our common stock to be owned by such stockholders after completion of the offering.

We prepared the table based on information supplied to us by the selling stockholders. We have not sought to verify such information. Additionally, the selling stockholders may have sold or transferred some or all of their shares of our common stock in transactions exempt from the registration requirements of the Securities Act of 1933, as amended (the Securities Act) since the date on which the information in the table was provided to us. Other information about the selling stockholders may also change over time.

Except as otherwise indicated, each selling stockholder has sole voting and dispositive power with respect to such shares.

Name	Number of Shares of Common Stock Beneficially Owned Prior to the Offering (1)	Number of Shares of Common Stock Being Offered Hereby	Number of Shares of Common Stock Beneficially Owned After Completion of the Offering (1)	Percentage of Shares of Common Stock Beneficially Owned After Completion of the Offering (1)
American Funds Insurance Series - Growth Fund(2)	6,560,000	6,560,000		*
Baron Energy and Resources Fund(3)	5,555	5,555		*
Baron Growth Fund(3)	5,000,000	5,000,000		*
Baron Small Cap Fund(3)	3,888,889	3,888,889		*
Calm Waters Partnership(4)	555,556	555,556		*
Capital Ventures International(5)	1,111,111	1,111,111		*
CCA Event Driven Master Fund LLC(6)	555,556	555,556		*
Citadel Equity Fund Ltd.(7)	1,724,867	1,724,867		*
Empery Asset Master, LTD(8)	190,000	190,000		*
Encompass Capital Master Fund L.P.(9)	872,222	872,222		*
Fidelity Advisor Series I: Fidelity Advisor Balanced Fund(10)	40,000	40,000		*
Fidelity Advisor Series I: Fidelity Advisor Dividend Growth Fund(10)	90,000	90,000		*
Fidelity Advisor Series VII: Fidelity Advisor Energy Fund(10)	300,000	300,000		*
Fidelity Central Investment Portfolios LLC: Fidelity Energy Central Fund(10)	400,000	400,000		*

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Name	Number of Shares of Common Stock Beneficially Owned Prior to the Offering (1)	Number of Shares of Common Stock Being Offered Hereby	Number of Shares of Common Stock Beneficially Owned After Completion of the Offering (1)	Percentage of Shares of Common Stock Beneficially Owned After Completion of the Offering (1)
Fidelity Devonshire Trust: Fidelity Series All-Sector Equity Fund(10)	830,000	830,000		*
Fidelity Puritan Trust: Fidelity Balanced Fund(10)	910,000	910,000		*
Fidelity Rutland Square Trust II: Strategic Advisers Core Fund(10)	80,000	80,000		*
Fidelity Securities Fund: Fidelity Dividend Growth Fund(10)	910,000	910,000		*
Fidelity Select Portfolios: Energy Portfolio(10)	1,010,000	1,010,000		*
Fidelity Select Portfolios: Natural Gas Portfolio(10)	160,000	160,000		*
Fidelity Select Portfolios: Natural Resources Portfolio(10)	570,000	570,000		*
Hartz Capital Investments, LLC(8)				