

Gastar Exploration Inc.
Form S-3
April 06, 2017
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As filed with the Securities and Exchange Commission on April 6, 2017

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Gastar Exploration Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

38-3531640
(I.R.S. Employer
Identification Number)

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1331 Lamar Street, Suite 650

Houston, Texas 77010

(713) 739-1800

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

J. Russell Porter

1331 Lamar Street, Suite 650

Houston, Texas 77010

(713) 739-1800

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

Copies to:

James M. Prince

Vinson & Elkins L.L.P.

1001 Fannin, Suite 2500

Houston, Texas 77002

Telephone: (713) 758-2222

Approximate date of commencement of proposed sale to the public: From time-to-time after this registration statement becomes effective, as determined by market conditions and other factors.

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 being 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:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, 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.

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
 Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered(1)	Proposed maximum offering price per security	Proposed maximum aggregate offering price(2)	Amount of registration fee(2)
Primary Offering:				
Common stock				
Preferred stock				
Debt Securities(3)				
Rights				
Guarantee of Debt Securities(4)				
Total Primary Offering	N/A	N/A	\$300,000,000	\$34,770.00(5)
Secondary Offering:				
Common stock	169,933,626(6)	(7)	\$247,253,425.83(8)	\$28,656.67(9)
Total (Primary and Secondary Offerings)	N/A	N/A	\$547,253,425.83	\$63,426.67

- (1) An indeterminate principal amount or number of the securities of each identified class may be issued from time-to-time at indeterminate prices, with an aggregate primary offering price not to exceed \$300,000,000.
- (2) Estimated solely for the purpose of calculating the registration fee, which is calculated in accordance with Rule 457(o) under the Securities Act of 1933. Rule 457(o) permits the registration fee to be calculated on the basis of the maximum aggregate offering price of all of the securities listed and, therefore, the table does not specify information by each class as to the amount to be registered or the proposed maximum offering price per security.
- (3) If any debt securities are issued at an original issue discount, then the offering price of those debt securities shall be in an amount that will result in an aggregate initial offering price not to exceed \$300,000,000, less the dollar amount of any registered securities previously issued.
- (4) If a series of debt securities is guaranteed, such series may be guaranteed by Northwest Properties Ventures LLC, a subsidiary of Gastar Exploration Inc. In accordance with Rule 457(n), no separate fee is payable with respect to

the guarantees of the debt securities being registered.

- (5) Calculated pursuant to Rule 457(o) under the Securities Act of 1933.
- (6) Pursuant to Rule 416(a) under the Securities Act of 1933, the number of shares of common stock being registered on behalf of the selling stockholders shall be adjusted to include any additional common stock that may become issuable as a result of any stock dividend, split, combination or similar transaction.
- (7) With respect to the secondary offering, the proposed maximum offering price per share of common stock will be determined from time to time by the selling stockholders in connection with, and at the time of, the sale by the selling stockholders of the common stock registered hereunder.
- (8) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) under the Securities Act of 1933, based on the average of the high and low prices of the common stock as of March 30, 2017, as reported on the NYSE MKT.
- (9) Calculated in accordance with Rule 457(c) under the Securities Act of 1933.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission acting pursuant to said Section 8(a), may determine.

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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 APRIL 6, 2017

PROSPECTUS

GASTAR EXPLORATION INC.

Common Stock

Preferred Stock

Debt Securities

Rights

Guarantee of Debt Securities of Gastar Exploration Inc. by Northwest Properties Ventures LLC

We may offer and sell the securities listed above from time to time in one or more classes or series and in amounts, at prices and on terms that we will determine at the time of the offering. Any debt securities we issue under this prospectus may be guaranteed by Northwest Properties Ventures LLC, a subsidiary of Gastar Exploration Inc. (the "Subsidiary Guarantor"). The aggregate initial offering price of the securities that we will offer will not exceed \$300,000,000. One or more selling stockholders may, from time to time, in one or more offerings, offer and sell up to 169,933,626 shares of our common stock covered by this prospectus.

This prospectus provides you with a general description of the securities that may be offered by us or the selling stockholders. Each time securities are offered, we will provide a prospectus supplement and attach it to this prospectus. The prospectus supplement will contain more specific information about the offering and the terms of the securities being offered, including any guarantee by our Subsidiary Guarantor. The prospectus supplement may also add, update or change information contained in this prospectus. This prospectus may not be used to offer or sell

securities without a prospectus supplement describing the method and terms of the offering.

The securities may be offered and sold on a delayed or continuous basis directly by us and the selling stockholders, through agents, underwriters or dealers as designated from time to time, through a combination of these methods or any other method as provided in the applicable prospectus supplement. See Plan of Distribution. The prospectus supplement will list any agents, underwriters or dealers that may be involved and the compensation they will receive. The prospectus supplement will also show you the total amount of money that we will receive from selling the securities being offered, after the expenses of the offering. We will not receive any proceeds from the sale of shares of common stock to be offered by the selling stockholders pursuant to this prospectus.

You should carefully read this prospectus and any accompanying prospectus supplement, together with the documents we incorporate by reference, before you invest in any of our securities.

Investing in our securities involves risk. Please see Risk Factors beginning on page 8 for a discussion of certain risks that you should consider in connection with an investment in the securities.

Our common stock, 8.625% Series A Cumulative Preferred Stock and 10.75% Series B Cumulative Preferred Stock are listed on the NYSE MKT LLC under the symbols GST, GST.PR.A and GST.PR.B, respectively.

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.

This prospectus is dated _____, 2017.

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You should rely only on the information contained or incorporated by reference in this prospectus and any prospectus supplement. We have not, and the selling stockholders have not, authorized anyone to provide you with additional or different information. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus and any prospectus supplement are not an offer to sell or the solicitation of an offer to buy any securities other than the securities to which they relate and are not an offer to sell or the solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make an offer or solicitation in that jurisdiction. You should not assume that the information in this prospectus or any prospectus supplement or in any document incorporated by reference in this prospectus or any prospectus supplement is accurate as of any date other than the date of the document containing the information.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, which we refer to as the SEC, utilizing a shelf registration process. Under this shelf registration process, we may sell up to \$300,000,000 of securities described in this prospectus in one or more offerings and the selling stockholders may, from time to time, offer and sell up to 169,933,626 shares of our common stock, par value \$.001 (Common Stock) described in this prospectus, in each case, in one or more offerings. This prospectus provides you with a general description of Gastar Exploration Inc. and the securities we and the Subsidiary Guarantor may offer. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of the offering and the offered securities. We may also authorize one or more free writing prospectuses to be provided to you that may contain material information relating to these offerings. We may also add or update in the prospectus supplement (and in any related free writing prospectus that we may authorize to be provided to you) any of the information contained in this prospectus or in the documents that we have incorporated by reference into this prospectus. You should read this prospectus, any applicable prospectus supplement and any related free writing prospectus together with the additional information described under the heading Where You Can Find More Information before buying any securities being offered.

You should rely only on the information that we have provided or incorporated by reference in this prospectus, any applicable prospectus supplement and any related free writing prospectus that we may authorize to be provided to you. We have not authorized anyone to provide you with different information. No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus, any applicable prospectus supplement or any related free writing prospectus that we may authorize to be provided to you. You must not rely on any unauthorized information or representation. This prospectus is an offer to sell only the securities offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. You should assume that the information in this prospectus, any applicable prospectus supplement or any related free writing prospectus is accurate only as of the date on the front of the document and that any information we have incorporated by reference is accurate only as of the date of the document incorporated by reference, regardless of the time of delivery of this prospectus, any applicable prospectus supplement or any related free writing prospectus, or any sale of a security.

This prospectus contains summaries of certain provisions contained in some of the documents described herein, but reference is made to the actual documents for complete information. All of the summaries are qualified in their entirety by the actual documents. Copies of some of the documents referred to herein have been filed, will be filed or will be incorporated by reference as exhibits to the registration statement of which this prospectus is a part, and you may obtain copies of those documents as described below under the heading Where You Can Find More Information.

Unless the context otherwise requires, references in this prospectus to Gastar, we, us, our and the Company refer to Gastar Exploration Inc. and its subsidiaries and predecessors.

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THE COMPANY

We are a pure-play Mid-Continent independent energy company engaged in the exploration, development and production of oil, condensate, natural gas and natural gas liquids (NGLs). Our principal business activities include the identification, acquisition, and subsequent exploration and development of oil and natural gas properties with an emphasis on unconventional reserves, such as shale resource plays. We hold a concentrated acreage position in what is believed to be the core of the STACK Play, an area of central Oklahoma which is home to multiple oil and natural gas-rich reservoirs, including the Meramec and Osage formations within the Mississippi Lime, the Oswego limestone, the Woodford shale and Hunton limestone formations.

Our principal executive offices are located at 1331 Lamar Street, Suite 650, Houston, Texas 77010. Our telephone number at that address is (713) 739-1800. Our website address is <http://www.gastar.com>. We make our periodic reports and other information filed with or furnished to the SEC available, free of charge, through our website, as soon as reasonably practicable. Information contained on our website is not incorporated by reference into this prospectus and you should not consider information contained on our website as part of this prospectus.

For additional information as to our business and financial condition, please refer to the documents cited in Where You Can Find More Information.

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ABOUT THE SUBSIDIARY GUARANTOR

If specified in the accompanying prospectus supplement respecting a series of debt securities, our current Subsidiary Guarantor specified in the prospectus supplement, which we refer to as the Subsidiary Guarantor, may fully, irrevocably and unconditionally guarantee our payment obligations under any series of debt securities offered by this prospectus. Financial information concerning our Subsidiary Guarantor and non-guarantor subsidiaries, if any, will be included in our consolidated financial statements filed as a part of our periodic reports filed pursuant to the Securities Exchange Act of 1934, as amended (the Exchange Act) to the extent required by the rules and regulations of the SEC. No financial information concerning our Subsidiary Guarantor has been included or incorporated by reference in this prospectus for periods ended on or prior to December 31, 2016 or as of such date because the Subsidiary Guarantor did not have any assets as of December 31, 2016, nor does it hold assets as of the date of this prospectus, and had no operations during the year ended December 31, 2016.

For additional information as to our and our subsidiaries' business, properties, and financial condition, please refer to the documents cited in Where You Can Find More Information.

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WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports and other information with the SEC (File No. 001-35211) pursuant to the Exchange Act. You may read and copy any documents that are filed at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may also obtain copies of these documents at prescribed rates from the Public Reference Section of the SEC at its Washington address. Please call the SEC at 1-800-SEC-0330 for further information. Our filings are also available to the public through the SEC's website at www.sec.gov.

The SEC allows us to incorporate by reference information that we file with them, which means that we can disclose important information to you by referring you to documents previously filed with the SEC. The information incorporated by reference is an important part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. The following documents we filed with the SEC pursuant to the Exchange Act are incorporated herein by reference:

our Annual Report on Form 10-K for the fiscal year ended December 31, 2016, filed on March 9, 2017.

our Current Reports on Form 8-K filed on January 11, 2017, January 30, 2017, February 17, 2017, March 7, 2017, March 20, 2017 and March 22, 2017 (in each case excluding any information furnished pursuant to Item 2.02 or Item 7.01).

the description of our common stock contained in Exhibit 99.1 to our Current Report on Form 8-K filed on January 31, 2014, including any amendment that we may file in the future for the purpose of updating the description of our common stock.

the description of our 8.625% Series A Cumulative Preferred Stock contained in our registration statement on Form 8-A filed on June 20, 2011, including any amendment to that Form that we may have filed in the past, or may file in the future, for the purpose of updating the description of our 8.625% Series A Cumulative Preferred Stock.

the description of our 10.75% Series B Cumulative Preferred Stock contained in our registration statement on Form 8-A filed on November 1, 2013, including any amendment to that Form that we may have filed in the past, or may file in the future, for the purpose of updating the description of our 10.75% Series B Cumulative Preferred Stock.

In addition, we incorporate by reference in this prospectus any future filings made by Gastar Exploration Inc. with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Exchange Act (excluding any information furnished and not filed with the SEC) after the date on which the registration statement that includes this prospectus was initially filed with the SEC (including all such documents we may file with the SEC after the date of the initial registration statement and prior to the effectiveness of the registration statement) and until all offerings under this shelf registration statement are terminated.

Any statement contained in a document incorporated by reference herein shall be deemed to be modified or superseded for all purposes to the extent that a statement contained in this prospectus or in any other subsequently

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filed document which is also incorporated or deemed to be incorporated by reference, modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

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You may request a copy of these filings (other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing) at no cost by writing or telephoning us at the following address and telephone number:

Gastar Exploration Inc.

1331 Lamar Street, Suite 650

Houston, Texas 77010

Attention: Michael A. Gerlich

Telephone: (713) 739-1800

We also make available free of charge on our website at <http://www.gastar.com> all of the documents that we file with the SEC as soon as reasonably practicable after we electronically file such material with the SEC. However, the information on our website is not part of this prospectus.

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CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated herein contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Exchange Act. All statements other than statements of historical fact included or incorporated by reference in this prospectus are forward-looking statements, including, without limitation, all statements regarding future plans, business objectives, strategies, expected future financial position or performance, expected future operational position or performance, budgets and projected costs, future competitive position or goals and/or projections of management for future operations. In some cases, you can identify a forward-looking statement by terminology such as may, will, could, should, expect, plan, project, intend, anticipate, believe, potential, pursue, target or continue, the negative of such terms or variations thereon, or other comparable terminology.

The forward-looking statements contained in this prospectus are largely based on our expectations and beliefs concerning future developments and their potential effect on us, which reflect certain estimates and assumptions made by our management. These estimates and assumptions reflect our best judgment based on currently known market conditions, operating trends and other factors. Forward-looking statements may include statements that relate to, among other things, our:

financial condition;

cash flow and liquidity;

timing and results of property divestitures;

compliance with covenants under our indenture and credit agreements;

business strategy and budgets;

capital expenditures;

drilling of wells, including the scheduling and results of such operations;

oil, natural gas and NGLs;

timing and amount of future production of oil, condensate, natural gas and NGLs;

operating costs and other expenses;

availability of capital; and

prospect development.

Although we believe such estimates and assumptions to be reasonable, they are inherently uncertain and involve a number of risks and uncertainties that are beyond our control. As such, management's assumptions about future events may prove to be inaccurate. For a more detailed description of the known material factors that could cause actual results to differ from those in the forward-looking statements, see "Risk Factors" beginning on page 9 of this prospectus and other risks set forth in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2016. We do not intend to publicly update or revise any forward-looking statements as a result of new information, future events, changes in circumstances or otherwise. These cautionary statements qualify all forward-looking statements attributable to us, or persons acting on our behalf. Management cautions all readers that the forward-looking statements contained in this prospectus are not guarantees of future performance, and we cannot assure any reader that such statements will be realized or that the events and circumstances they describe will occur. Factors that could cause actual results to differ materially from those anticipated or implied in the forward-looking statements herein include, but are not limited to:

the supply and demand for oil, condensate, natural gas and NGLs;

continued low or further declining prices for oil, condensate, natural gas and NGLs including risks of low commodity prices affecting the benefits of the Development Agreement (as defined in our Annual Report on Form 10-K for the year ended December 31, 2016);

our financial condition, results of operations, revenues, cash flows and expenses;

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the potential need to sell certain assets or raise additional capital;

the need to take ceiling test impairments due to low commodity prices;

worldwide political and economic conditions and conditions in the energy market;

the extent to which we are able to realize the anticipated benefits from acquired assets;

our ability to monetize certain assets;

our ability to raise capital to fund capital expenditures, service our indebtedness or repay or refinance debt upon maturity;

the ability and willingness of our current or potential counterparties, third-party operators or vendors to enter into transactions with us and/or to fulfill their obligations to us;

failure of our co-participants to fund any or all of their portion of any capital program;

the ability to find, acquire, market, develop and produce new oil and natural gas properties;

uncertainties about the estimated quantities of oil and natural gas reserves and in the projection of future rates of production and timing of development expenditures of proved reserves;

strength and financial resources of competitors;

availability and cost of material and equipment, such as drilling rigs, service costs and transportation pipelines;

availability and cost of processing and transportation;

changes or advances in technology;

the risks associated with exploration, including cost overruns and the drilling of non-economic wells or dry wells, operating hazards inherent to the oil and natural gas business and down hole drilling and completion

risks that are generally not recoverable from third parties or insurance;

potential mechanical failure or under-performance of significant wells or pipeline mishaps;

environmental risks;

possible new legislative initiatives and regulatory changes potentially adversely impacting our business and industry, including, but not limited to, national healthcare, hydraulic fracturing, state and federal corporate income taxes, retroactive royalty or production tax regimes, changes in environmental regulations, environmental risks and liability under federal, state and local environmental laws and regulations;

effects of the application of applicable laws and regulations, including changes in such regulations or the interpretation thereof;

potential losses from pending or possible future claims, litigation or enforcement actions;

potential defects in title to our properties or lease termination due to lack of activity or other disputes with mineral lease and royalty owners, whether regarding calculation and payment of royalties or otherwise;

the weather, including the occurrence of any adverse weather conditions and/or natural disasters affecting our business;

our ability to find and retain skilled personnel; and

any other factors that impact or could impact the exploration of oil or natural gas resources, including, but not limited to, the geology of a resource, the total amount and costs to develop recoverable reserves, legal title, regulatory, natural gas administration, marketing and operational factors relating to the extraction of oil and natural gas.

You should not unduly rely on these forward-looking statements in this prospectus, as they speak only as of the date of this prospectus. Except as required by law, we undertake no obligation to publicly update, revise or release any revisions to these forward-looking statements after the date on which they are made to reflect new information, events or circumstances occurring after the date of this prospectus or to reflect the occurrence of unanticipated events.

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RISK FACTORS

An investment in our securities involves a high degree of risk. You should carefully consider the risk factors and all of the other information included in, or incorporated by reference into, this prospectus, including those included in our most recent Annual Report on Form 10-K and, if applicable, in our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, in evaluating an investment in our securities. If any of these risks were to occur, our business, financial condition or results of operations could be adversely affected. In that case, the trading price of our securities could decline and you could lose all or part of your investment. When we or the selling stockholders offer and sell any securities pursuant to a prospectus supplement, we may include additional risk factors relevant to such securities in the prospectus supplement.

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USE OF PROCEEDS

Except as may be stated in the applicable prospectus supplement or free writing prospectus, we intend to use the net proceeds we receive from any sales of securities by us under this prospectus and any accompanying prospectus supplement for general corporate purposes, which may include, among other things:

capital expenditures;

the repayment of indebtedness;

working capital; and

to make strategic acquisitions.

Any specific allocation of the net proceeds of an offering of securities to a specific purpose will be determined at the time of the offering and will be described in an accompanying prospectus supplement or free writing prospectus. The precise amount and timing of the application of these proceeds will depend upon our funding requirements and the availability and cost of other funds.

We will not receive any of the proceeds from the sale of shares of common stock by the selling stockholders.

Table of Contents**RATIO OF EARNINGS TO FIXED CHARGES AND RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS**

The following table contains our consolidated ratios of earnings to fixed charges and ratios of earnings to combined fixed charges plus preferred stock dividends for the periods indicated:

	Year Ended December 31,				
	2012	2013	2014	2015	2016
Ratio of earnings to fixed charges(1)		3.8x	2.5x		
Ratio of earnings to combined fixed charges and preference securities dividends(2)		2.0x	1.5x		

- (1) The ratio of earnings to fixed charges was less than one-to-one for the years ended December 31, 2012, 2015 and 2016. Additional earnings of \$148.6 million, \$462.5 million and \$90.8 million, respectively, would have been needed to have a one-to-one ratio of earnings to fixed charges.
- (2) The ratio of earnings to fixed charges and preferred stock dividends was less than one-to-one for the years ended December 31, 2012, 2015 and 2016. Additional earnings of \$159.5 million, \$484.8 million and \$113.0 million, respectively, would have been needed to have a one-to-one ratio of earnings to fixed charges and preferred stock dividends for those periods.

Table of Contents**SELLING STOCKHOLDERS**

This prospectus relates to the offer and sale from time to time by the selling stockholders identified below of up to an aggregate 169,933,626 total shares of our common stock. 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 provision of all required information to us and subject to the terms of the relevant agreement between us and the selling stockholders.

The following table sets forth the maximum number of shares of our common stock to be sold by the selling stockholders. 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 selling stockholders after completion of the offering.

We prepared the table based on information provided to us by the selling stockholders. We have not sought to verify such information. 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.

Names of Selling Stockholders (1)(2)	Shares of Common Stock Beneficially Owned Prior to the Offering (3)(4)		Shares of Common Stock Common Stock Beneficially Owned After Being Offered Hereby(3)	Shares of Common Stock Beneficially Owned After Completion of the Offering(3)	
	Number	Percent(5)	Number	Number	Percent
AF V Energy I AIV A1 L.P.	6,378,242	2.2%	6,378,242		
AF V Energy I AIV A2 L.P.	6,320,562	2.2%	6,320,562		
AF V Energy I AIV A3 L.P.	6,329,259	2.2%	6,329,259		
AF V Energy I AIV A4 L.P.	6,361,600	2.2%	6,361,600		
AF V Energy I AIV A5 L.P.	6,394,883	2.2%	6,394,883		
AF V Energy I AIV A6 L.P.	6,354,484	2.2%	6,354,484		
AF V Energy I AIV A7 L.P.	6,214,541	2.2%	6,214,541		
AF V Energy I AIV A8 L.P.	6,296,617	2.2%	6,296,617		
AF V Energy I AIV A9 L.P.	6,378,242	2.2%	6,378,242		
AF V Energy I AIV A10 L.P.	6,378,242	2.2%	6,378,242		
AF V Energy I AIV A11 L.P.	6,296,617	2.2%	6,296,617		
AF V Energy I AIV A12 L.P.	6,215,671	2.2%	6,215,671		
AF V Energy I AIV A13 L.P.	7,490,640	2.6%	7,490,640		
AF V Energy I AIV B1 L.P.	44,975,995	15.8%	44,975,995		
Total:	128,385,595	45.0%	128,385,595		

- (1) According to, and based upon, the Schedule 13D/A filed by AF V Energy I AIV B1, L.P., ACOF Investment Management LLC, Ares Management LLC, Ares Management Holdings L.P., Ares Holdco LLC, Ares Holdings Inc., Ares Management, L.P., (Ares), Ares Management GP LLC and Ares Partners Holdco LLC (collectively, the Ares Reporting Persons) with the SEC on March 8, 2017. The Ares Reporting Persons may be deemed to share voting and dispositive power with respect to the shares, which are held by the selling stockholders. Each of the selling stockholders has informed us that (i) it purchased the securities in the ordinary course of business, and (ii) at the time the securities were purchased, it had no

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agreements or understandings, directly or indirectly, with any person to distribute the securities. The address of each Ares Reporting Person and each selling stockholder is 2000 Avenue of the Stars, 12th Floor, Los Angeles, California 90067.

- (2) Under the terms of the Purchase Agreements (as defined below), the selling stockholders are currently entitled to nominate two directors of our board of directors (the Board). The sel