

8-K - 2013-04-02

Form: 8-K

Filing date: 2013-04-02

Accession: 0001214782-13-000161

8-K

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**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): **March 29, 2013**

Lucas Energy, Inc. Logo

Lucas Energy, Inc.

(Exact name of registrant as specified in its charter)

Nevada
(State or other
jurisdiction of
incorporation)

001-32508
(Commission File
Number)

20-2660243
(I.R.S. Employer
Identification
No.)

3555 Timmons Lane, Suite 1550
Houston, Texas
(Address of principal executive offices)

77027
(Zip Code)

Registrant's telephone number, including area code (713) 528-1881

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:

- .. 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 (17 CFR 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))

Item 1.01 Entry into a Material Definitive Agreement.

On March 29, 2013, and effective March 31, 2013 (the “Effective Date”), Lucas Energy, Inc. (“Lucas” or the “Company”) entered into a Settlement and Release Agreement with Nordic Oil USA 1, LLLP (“Nordic” and the “Settlement Agreement”). Pursuant to the Settlement Agreement, the parties agreed to cancel and terminate the purchase and sale agreement dated October 13, 2011 (and effective July 1, 2011) between the parties, pursuant to which the Company purchased all of Nordic’s right, title and interest in certain oil, gas and mineral leases located in Gonzales, Karnes and Wilson Counties, Texas (collectively, the “Interests”). The Company had originally issued Nordic a \$22 million promissory note, which accrued interest at 6% per annum and was due and payable on November 17, 2012 (the “Note”) in consideration for the acquisition of the Interests. The Company failed to pay the Note when due in November 2012 and Nordic subsequently filed a lawsuit against the Company on December 10, 2012, in the District Court of Harris County, Texas (Cause No. 2012 72620)(the “Lawsuit”), seeking payment of the principal balance of the Note (\$22 million) and accrued interest thereon (\$1.6 million as of December 31, 2012), plus attorney’s fees in the amount of 10% of the principal and interest then owing on the Note (as alleged allowed pursuant to the terms of the Note), and sought other damages.

The parties entered into the Settlement Agreement to avoid prolonged litigation and amicably settle the disputes between the parties without either party admitting any liability.

Pursuant to the terms of the Settlement Agreement, the Company agreed to:

- Pay Nordic an aggregate of \$1,125,000 as follows:
 - o \$250,000 upon the parties entry into the Settlement Agreement;
 - o \$250,000 on or before April 1, 2013;
 - o \$500,000 on or before June 1, 2013; and
 - o \$125,000 on or before September 30, 2013,provided that if the Company fails to pay any amounts when due, Nordic is able to file an agreed judgment with the court stipulating that the Company agrees that the amount owed pursuant to the schedule above is immediately due and payable together with 5% interest;
- To assign certain Interests back to Nordic (free of certain liens and encumbrances), together with any rights in the Interests owned by any current or former officers or directors of the Company; and
- To complete certain field work on the Interests at the Company’s sole expense.

Additionally, the parties agreed to mutually release each other and each other’s affiliates and assigns from all claims, causes of actions, damages and liabilities relating to any events which occurred prior to the Effective Date, whether as a result of the purchase of the Interests, the Note or otherwise, and to further indemnify each other from any claims associated therewith.

Finally, Nordic agreed to dismiss the Lawsuit with prejudice five business days after the Company has made the final payment required as discussed above.

Item 2.01 Completion of Acquisition or Disposition of Assets.

As described above in Item 1.01, the Company transferred complete ownership of certain Interests back to Nordic as party of the Settlement Agreement and the full text of Item 1.01 above is incorporated by reference in this Item 2.01.

Item 9.01 Financial Statemetns and Exhibits.

Exhibit No. Description

99.1 * Press Release of Lucas Energy, Inc., dated April 2, 2013

* Furished herewith.

Signature

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.

LUCAS ENERGY, INC.

By: /s/ Anthony C. Schnur

Name: Anthony C. Schnur

Title: Chief Executive Officer

Date: April 2, 2013

EXHIBIT INDEX

<u>Exhibit</u> <u>No.</u>	<u>Description</u>
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99.1 *	Press Release of Lucas Energy, Inc., dated April 2, 2013
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* Furnished herewith.

EX-99.1

EX-99.1 2 ex99-1.htm PRESS RELEASE OF LUCAS ENERGY, INC., DATED APRIL 2, 2013

Exhibit 99.1

Lucas Energy Settles Legal Lawsuit, Eliminating \$24M in Related Obligations

HOUSTON, TX, April 2, 2013 -- Lucas Energy, Inc. (NYSE MKT:LEI), an independent oil and gas company with main operations in Texas, today announced that it has entered into a Settlement and Release Agreement with Nordic Oil USA 1, LLLP in which the parties have agreed to terminate their October 13, 2011 purchase and sale agreement. The amicable settlement resolves litigation filed by Nordic seeking payment of the principal, accrued interest, attorney's fees and other damages relating to a \$22 million, 6% promissory note due November 17, 2012 that had been issued by Lucas.

In summary, Lucas has agreed to pay Nordic a total of \$1.1 million over the next six months and has assigned certain oil and gas interests to Nordic. The assets assigned represent less than 18% of Lucas' total proved reserves and less than 5% of its current production.

Lucas also provided an update concerning its previously announced Settlement Agreement with Seidler Oil & Gas, L.P. The settlement is conditioned upon receipt of executed releases from certain private investors prior to March 31, 2013. Despite active efforts, Lucas has not yet received all of the necessary releases to close on the settlement. Lucas remains in close contact with Seidler Oil & Gas and is confident it can secure the required releases in the near future.

Anthony Schnur, who was appointed CEO of Lucas Energy in December 2012, commented: "The Nordic and Seidler settlements are important milestones in our five-goal program to turn the Company around and position it for long term success. Our goals are: 1) favorably resolve legacy legal matters; 2) increase the efficiency of our field operations and reduce corporate overhead; 3) move the business to a cash-flow positive position; 4) develop additional low-risk opportunities to increase production; and 5) solidify our capital position and long term development strategy."

"In the past 100 days we have made great progress against our principal goals to turn this business around. With our recent legal settlement, we have established a clear path to remove the uncertainty and the related approximately \$24M in obligations from our balance sheet. We have also completed substantial reductions in corporate and operational staffing in the past several months and continue to target an approximately over 40% decrease in G&A expense in 2013 versus 2012. Similarly, we are actively looking for ways to reduce our lease operating expenses as well as to cost-effectively enhance production," stated Mr. Schnur.

Ryan Morris, Chairman of the Board added, "This amicable settlement with Nordic resolves the single largest legacy issue the board faced last December. Tony has done an incredible job resolving legacy issues and improving our cost structure in only a few short months. We are all looking forward to focusing on the future and generating the most value from Lucas' strategic oil and gas properties."

About Lucas Energy (www.lucasenergy.com)

Lucas Energy, Inc. is an independent oil and gas company that seeks to create value through the opportunistic acquisition, development and management of underdeveloped oil and gas properties. Lucas's current oil and gas interests are principally in the Austin Chalk, Eagle Ford shale, Eaglebine (combining Eagle Ford and Woodbine in Texas) and Buda & Glenrose formations in Texas.

Forward-Looking Statements

This Press Release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Act") and Section 21E of the Securities Act of 1934, as amended (the "Exchange Act"). In particular, the words "believes," "expects," "intends," "plans," "anticipates," or "may," and similar conditional expressions are intended to identify forward-looking statements and are subject to the safe harbor created by these Acts. Any statements made in this news release about an action, projection, event or development, are forward-looking statements. Such statements are based upon assumptions that in the future may prove not to have been accurate and are subject to significant risks and uncertainties. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, it can give no assurance that its forward-looking statements will prove to be correct. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company. Statements regarding future drilling and production are subject to all of the risks and uncertainties normally

incident to the exploration and development of oil and gas. These risks include, but are not limited to, completion risk, dry hole risk, price volatility, reserve estimation risk, regulatory risk, potential inability to secure oilfield service risk as well as general economic risks and uncertainties, as disclosed in the Company's SEC filings including its Form 10-K and Form 10-Q's. Investors are cautioned that any forward-looking statements are not guarantees of future performance and actual results or developments may differ materially from those projected. The forward-looking statements in this press release are made as of the date hereof. The Company takes no obligation to update or correct its own forward-looking statements, except as required by law, or those prepared by third parties that are not paid for by the Company. The Company's SEC filings are available at <http://www.sec.gov>.

Contact:

Anthony C. Schnur, CEO

(713) 528-1881

