

8-K - 2012-12-17

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8-K

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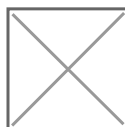
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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): **December 17, 2012**



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 2.04 Triggering Events That Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement.

As previously reported in Lucas Energy, Inc.'s (the "Company's") Current Report on Form 8-K, filed with the Securities and Exchange Commission on December 14, 2012, effective December 12, 2012, the Company's prior Chief Executive Officer and President, William A. Sawyer resigned and Anthony C. Schnur was appointed as Chief Executive Officer to fill the vacancy left by Mr. Sawyer's resignation.

Immediately upon the change in management, our new management, including Mr. Schnur, began a review and audit of the Company's financial affairs, liabilities and pending legal proceedings. In connection with such examination, the Company's new management became aware of several items which they were not previously aware of and which have not been previously publicly reported. These include the items described below under "Item 8.01 Other Events" and the following information:

On October 13, 2011, the Company entered into a purchase and sale agreement with Nordic Oil USA I, LP ("Nordic"), whereby effective July 1, 2011, 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. The property interests acquired represented all of Nordic's interests in the LEI 2009 II and III Capital Programs. Pursuant to the agreement, the closing of the Nordic transaction was deferred until the transaction was ratified by Nordic's shareholders. Lucas was informed by Nordic that its shareholders had ratified the transaction and the transaction officially closed on November 18, 2011.

The Company agreed to pay Nordic \$22 million, payable in the form of a senior secured promissory note (with recourse only to the properties acquired), which accrued interest at the rate of 6% per annum (the "Nordic Note"), the payment of which was secured by a Deed of Trust, Security Agreement, Financing Statement and Assignment of Production on the property acquired (the "Deed of Trust"). The Nordic Note was due and payable on November 17, 2012.

The Company failed to pay the Nordic Note on November 17, 2012, and began negotiations with Nordic at that time regarding potentially extending the due date of such note or returning the properties acquired in exchange for the forgiveness of the note.

The Company failed to enter into any definitive agreements with Nordic, and on December 5, 2012, Nordic sent the Company a letter demanding payment in full of the Nordic Note, which the Company was unable to timely pay.

On December 10, 2012, Nordic filed a lawsuit against the Company in the District Court of Harris County, Texas (Cause No. 2012 72620), pursuant to which Nordic made claims for the payment of the principal balance of the Nordic Note (\$22 million) and accrued interest thereon (\$1.29 million as of September 30, 2012), plus attorney's fees in the amount of 10% of the principal and interest then owing on the note (as allowed pursuant to the terms of the Nordic Note), requested a judicial foreclosure on the Deed of Trust, and sought damages for breach of contract and attorney's fees. The Company's new management plans to attempt to reopen discussions with Nordic with the goal of avoiding prolonged litigation and seeking to settle the matters disputed, which may include, but not be limited to, the Company returning to Nordic, the properties acquired.

Item 8.01 Other Events.

On August 13, 2012, Seidler Oil & Gas, L.P. ("Seidler") filed a lawsuit against the Company in the District Court for the 25th Judicial District of Texas, located in Gonzales County, Texas (Cause No. 25,052). The lawsuit, which includes claims against the Company, its former Chief Executive Officer, Mr. Sawyer and its former Chief Financial Officer, K. Andrew Lai, seeks damages in connection with the Company's Hagen Ranch #4H and #5H wells, and alleges causes of action including breach of contract, breach of fiduciary duty, fraud, violations of the Texas Securities Act and further seeks exemplary damages and interest and attorney's fees. The total dollar value of damages sought by Seidler is not currently known.

The Company believes that Seidler's claims lack merit and the Company has various counter claims against Seidler and the Company plans to defend against the claims vigorously.

On October 5, 2012, Knight Capital Americas LLC (as successor in interest to Knight Capital America, L.P. ("Knight")), filed suit against the Company in the Supreme Court of the State of New York, County of New York (Index No. 157012/2012). The Company previously engaged Knight as a broker/dealer in connection with a proposed fund raise. The suit alleges causes of actions for breach of contract, unjust enrichment, breach of implied covenants, tortious interference and seeks declaratory relief in connection with the Company allegedly failing to pay Knight fees in connection with its right of first refusal to provide broker/dealer services in connection with a subsequently completed fund raise undertaken by the Company. The Company believes that Knight's claims are without merit and the Company plans to defend against the claims vigorously.

Finally, in addition to the lawsuit filed by Nordic as described under Item 2.04, above, and the outstanding matters with Knight and Seidler (as described above), the Company also has other non-related pending legal proceedings relating to the Company's day-to-day oil and gas operations, which claims are seeking damages related to outstanding payables which the Company is actively working to resolve.

Item 9.01 Financial Statements And Exhibits.

<u>EXHIBIT</u> <u>NO.</u>	<u>DESCRIPTION</u>
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99.1*	Press Release
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* Filed 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: December 17, 2012

EXHIBIT INDEX

<u>EXHIBIT NO.</u>	<u>DESCRIPTION</u>
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99.1*	Press Release
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* Filed herewith

Exhibit 99.1



Lucas Energy Announces Status of Note Payable

For Immediate Release

HOUSTON, TEXAS - (GlobeNewswire) – December 17, 2012 – Lucas Energy, Inc. (NYSE MKT:LEI), an independent oil and gas company (the "Company" or "Lucas"), today announced that the Company's \$22 million senior secured promissory note due to Nordic Oil USA I, LP ("Nordic"), is past due and Nordic has filed a lawsuit against the Company to seek repayment of the note and a judicial foreclosure of the properties acquired from Nordic.

The note was previously provided to Nordic in connection with the November 2011 acquisition by the Company of all of Nordic's right, title and interest in certain oil, gas and mineral leases located in Gonzales, Karnes and Wilson Counties, Texas. The senior secured promissory note (with recourse only to the properties acquired), accrued interest at the rate of 6% per annum, was secured by a Deed of Trust, Security Agreement, Financing Statement and Assignment of Production on the property acquired, was due and payable on November 17, 2012 (along with accrued and unpaid interest thereon) and has not been paid to date.

As previously reported, on December 14, 2012, and effective December 12, 2012, the Company's prior Chief Executive Officer and President, William A. Sawyer resigned and Anthony C. Schnur was appointed as Chief Executive Officer to fill the vacancy left by Mr. Sawyer's resignation.

Immediately upon the change in management, our new management, including Mr. Schnur, began a review and audit of the Company's financial affairs. In connection with such examination, the Company's new management became aware that Nordic had previously demanded payment in full of the note on December 5, 2012, and subsequently filed a lawsuit against the Company on December 10, 2012, in the District Court of Harris County, Texas, pursuant to which Nordic made demands for the payment in full of the principal balance of the Nordic note (\$22 million) and accrued interest thereon (\$1.29 million as of September 30, 2012), plus attorney's fees in the amount of 10% of the principal and interest then owing on the note (as allowed pursuant to the terms of the note), requested a judicial foreclosure on the Deed of Trust, and sought damages for breach of contract and attorney's fees.

In addition to the lawsuit filed by Nordic as described above, there are additional legal proceedings as described in the Company's Form 8-K filing which is filed on December 17, 2012.

Moving forward, the Company's new management plans to attempt to reopen discussions with Nordic with the goal of avoiding prolonged litigation and seeking to settle the matters disputed, which may include, but not be limited to, the Company returning the properties acquired to Nordic.

About Lucas Energy, Inc.

Lucas Energy, Inc., a Nevada corporation, is an independent oil and gas company based in Houston, Texas. The Company acquires underdeveloped oil and gas properties, restores production to the properties, and looks for underlying value. Currently, the Company is active in the Austin Chalk, Eagle Ford, Eaglebine, and Buda trends. Our goal for the current year is production and revenue growth, and expansion of our asset base using joint ventures.

For more information on this and other activities of the Company, please visit the Lucas Energy web site at www.lucasenergy.com.

Company Website:

www.lucasenergy.com

Contacts:

Anthony C. Schnur, CEO
tschnur@lucasenergy.com
(713) 528-1881

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>.

