8-K - 2016-08-12

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8-K

8-K 1 lei-8k_081216.htm CURRENT REPORT

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): **August 12, 2016**

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Lucas Energy, Inc.
(Exact name of registrant as specified in its charter)

Nevada	**001-32508**	**20-2660243**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

450 Gears Road, Suite 860, Houston, Texas	**77067**
(Address of principal executive offices)	(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 2.02 Results of Operations and Financial Condition

On August 12, 2016, Lucas Energy, Inc. (the "Company", "we" and "us") issued a press release which included results of operations for its quarter ended June 30, 2016. A copy of the press release is furnished as Exhibit 99.1 hereto.

Item 7.01. Regulation FD Disclosure

The information set forth in Item 2.02 above is incorporated by reference in this Item 7.01 in its entirety.

The information responsive to Item 2.02 and Item 7.01 of this Form 8-K and Exhibit 99.1 attached hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing. The furnishing of this Report is not intended to constitute a determination by the Company that the information is material or that the dissemination of the information is required by Regulation FD.

Item 8.01 Other Events

Item 7.01 above is incorporated by reference in this Item 8.01.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

Exhibit No.	Description
99.1*	Press Release dated August 12, 2016

* Furnished herewith.

Important Information

In connection with the proposed acquisition of the assets described in greater detail in the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 31, 2015, the Company has filed a proxy statement with the Securities and Exchange Commission. This communication is not a substitute for any proxy statement or other document the Company has or may file with the SEC in connection with the proposed transaction. Prospective investors are urged to read the proxy statement as it contains important information. Prospective investors may obtain free copies of the proxy statement, as well as other filings containing information about Lucas Energy, Inc., without charge, at the SEC's website (www.sec.gov). Copies of Lucas Energy, Inc.'s SEC filings may also be obtained from Lucas Energy, Inc. without charge at Lucas Energy, Inc.'s website (www.lucasenergy.com) or by directing a request to Lucas Energy, Inc. at (713) 528-1881. This document does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

INVESTORS SHOULD READ THE PROXY STATEMENT AND OTHER DOCUMENTS TO BE FILED WITH THE SEC CAREFULLY BEFORE MAKING A DECISION CONCERNING THE ACQUISITION.

Participants in Solicitation

Lucas Energy, Inc. and its directors and executive officers and other members of management and employees are potential participants in the solicitation of proxies in respect of the proposed acquisition. Information regarding Lucas Energy, Inc.'s directors and executive officers is available in Lucas Energy, Inc.'s Annual Report on Form 10-K for the year ended March 31, 2016 filed with the SEC on July 13, 2016 and Lucas Energy, Inc.'s definitive proxy statement on Schedule 14A, filed with the SEC on February 18, 2016. Additional information regarding the interests of such potential participants are included in the proxy statement filed with the SEC by Lucas Energy, Inc. in connection with the proposed acquisition. These documents can be obtained free of charge from the sources indicated above. Additional information regarding the participants in the proxy solicitations and a description of their direct and indirect interests, by security holdings or otherwise, are contained in the proxy statement and other relevant materials to be filed with the SEC.

Forward Looking Statements

Certain statements in this communication regarding the proposed acquisition are "forward-looking" statements. The words " anticipate," "believe," "ensure," "expect," "if," "intend," "estimate," "probable," "project," "forecasts," "predict," "outlook," "aim," " will," "could," "should," "would," "potential," "may," "might," "anticipate," "likely" "plan," "positioned," "strategy," and similar expressions, and the negative thereof, are intended to identify forward-looking statements. These forward-looking statements, which are subject to risks, uncertainties and assumptions about Lucas Energy, Inc. and the assets, may include projections of their respective future financial performance, their respective anticipated growth strategies and anticipated trends. These statements are only predictions based on current expectations and projections about future events. There are important factors that could cause actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements, including the risk factors set forth in Lucas Energy, Inc.'s most recent reports on Form 10-K, Form 10-Q and other documents on file with the SEC and the factors given below:

- failure to obtain the approval of stockholders of Lucas Energy, Inc. in connection with the proposed transaction;
- the dilution associated with the shares issuable upon closing the acquisition;
- risks associated with the debt to be assumed at closing;
- the failure to consummate or delay in consummating the proposed transaction for other reasons;
- the timing to consummate the proposed transaction;
- the risk that a condition to closing of the proposed transaction may not be satisfied;
- the risk that a regulatory approval that may be required for the proposed transaction is delayed, is not obtained, or is obtained subject to conditions that are not anticipated;
- Lucas Energy, Inc.'s ability to achieve the synergies and value creation contemplated by the proposed transaction;
- the ability of Lucas Energy, Inc. to effectively integrate the assets acquired; and
- the diversion of management time on transaction-related issues.

Lucas Energy, Inc.'s forward-looking statements are based on assumptions that Lucas Energy, Inc. believes to be reasonable but that may not prove to be accurate. Lucas Energy, Inc. cannot guarantee future results, levels of activity, performance or achievements. Lucas Energy, Inc. assumes no obligation to update or revise any forward-looking statements as a result of new information, future events or otherwise, except as may be required by law.

Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof.

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: August 12, 2016

EXHIBIT INDEX

Exhibit No.	Description
99.1*	Press Release dated August 12, 2016

* Furnished herewith.

EX-99.1

EX-99.1 3 ex99-1.htm PRESS RELEASE

Lucas Energy, Inc. 8-K

Exhibit 99.1

Contacts: Carol Coale / Ken Dennard
Dennard ? Lascar Associates LLC
(713) 529-6600

FOR IMMEDIATE RELEASE

LUCAS ENERGY ANNOUNCES FISCAL 2017 FIRST QUARTER RESULTS

HOUSTON, TEXAS – August 12, 2016-- Lucas Energy, Inc. (NYSE MKT: LEI) (“Lucas” or the “Company”), an independent oil and gas company with its operations in central Texas, today announced its first quarter results for the period ending June 30, 2016 and the filing of its Quarterly Report on Form 10-Q for the quarter ended June 30, 2016, on August 12, 2016.

“With the shareholder vote on the proposed acquisition of oil and gas properties from a consortium of sellers and Segundo Resources just a couple of weeks away, the recent financial results will be less meaningful if the transaction is approved,” said Anthony C. Schnur, Chief Executive Officer of Lucas Energy, who continued, “As previously disclosed, we entered into an agreement last December to acquire the working interests in producing properties and undeveloped acreage in Texas and Oklahoma that would add about 1,000 net barrels of equivalent (BOE) oil production to our existing productive base if the deal is closed.

“As demonstrated in the current quarterly financial results, we continue to diligently reduce our overhead and operating costs, excluding the impact of transaction costs associated with our acquisition. We resumed our workover program in late June as we returned several shut-in wells back into service, and we saw a resulting uptick in our production volumes. We expect to see an increase in production from our legacy wells continue throughout the remainder of this year. Going forward, our outlook for the Company as outlined in our year-end earnings release that we published on July 13, 2016, remains unchanged. We are excited about the course we have chosen, and we are eager to bring it to a close.”

Fiscal 2017 First Quarter Results

For the three months ending June 30, 2016, Lucas reported a fiscal year net loss of $1.4 million, or a loss of ($0.80) per share, compared to a net loss of $1.0 million or loss of ($0.73) per share in the three months ending June 30, 2015. The net loss increased primarily because of a $0.2 million decrease in sales revenues and an increase of $0.1 million in operating expense.

Total revenues from the sale of crude oil for the fiscal 2017 first quarter were $0.15 million compared to $0.39 million in the same period a year ago largely reflecting a 24% drop in the price of crude oil coupled with a 49% decline in crude oil volumes. The decline in crude oil prices reduced revenues by approximately $0.09 million and the lower production volumes reduced revenues by another $0.15 million when compared with the same period last year. The Company has implemented several workover plans in the later part of the current reporting period in order to get these wells on-line and increase production flows, funding permitting. Additional production declines can be attributed to workover drilling and lateral programs with higher front-end production in the prior reporting period coupled with interference from offset activity in the current period.

Lease operating expenses of $0.28 million for the fiscal 2017 first quarter increased by $0.11 million from $0.16 million for the same period a year ago, principally because several workovers were completed in the current quarter. The Company implemented the workover programs in the later part of the fiscal 2017 first quarter in order to address wells that had been shut-in for a significant period of time. As a result of these workovers, production volumes rose in the latter part of the quarter and are expected to continue to increase over the next few quarters.

General and administrative (G&A) expenses (excluding share-based compensation) increased by approximately $0.12 million in the fiscal 2017 first quarter compared to the prior year's first quarter primarily related to transaction costs associated with the pending Segundo acquisition. Excluding those transaction costs, certain other G&A expenses have decreased significantly, reflecting improved efficiencies in daily operating activities as a result of internal restructuring initiatives. Share-based compensation also decreased, by about 30%, reflecting cuts in employee stock-based options and compensation. Last year's expenses included $0.3 million of legal expenses, investment banking fees and other transaction costs related to strategic initiatives that were subsequently abandoned.

Depreciation, depletion, amortization and accretion (DD&A) expense decreased for the current quarter as compared to the prior year period by approximately $0.1 million primarily related to lower production volumes of 3,428 BOE compared to the previous period. The production decrease was primarily due to numerous wells being shut-in during the early part of current reporting period and drilling and lateral programs with higher front-end production when compared to the prior period.

SELECTED FINANCIAL DATA
Three Months Ending 06/30/2016

INCOME STATEMENT ($000s)	06/30/2016	06/30/2015
Net Operating Revenues	$ 153	$ 394
Operating Expenses		
Lease Operating Expense	276	163
G&A	658	550
Other Operating Expenses	161	313
Total Operating Expense	1,095	1,026
Interest Expense & Other	(428)	(400)
Net Loss, reported	($ 1,370)	($ 1,032)

About Lucas Energy, Inc.

Based in Houston, Texas, Lucas Energy (NYSE MKT: LEI) is a growth-oriented, independent oil and gas company engaged in the development of crude oil and natural gas in the Austin Chalk and Eagle Ford formations in South Texas.
For more information, please visit the updated Lucas Energy web site at www.lucasenergy.com.

Safe Harbor Statement and Disclaimer

This news release includes "forward looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward looking statements give our current expectations, opinions, belief or forecasts of future events and performance. A statement identified by the use of forward looking words including "may," "expects," "projects," "anticipates," "plans," "believes," "estimate," "should," and certain of the other foregoing statements may be deemed forward-looking statements. Although Lucas believes that the expectations reflected in such forward-looking statements are reasonable, these statements involve risks and uncertainties that may cause actual future activities and results to be materially different from those suggested or described in this news release. These include risks inherent in natural gas and oil drilling and production activities, including risks of fire, explosion, blowouts, pipe failure, casing collapse, unusual or unexpected formation pressures, environmental hazards, and other operating and production risks, which may temporarily or permanently reduce production or cause initial production or test results to not be indicative of future well performance or delay the timing of sales or completion of drilling operations; delays in receipt of drilling permits; risks with respect to natural gas and oil prices, a material decline which could cause Lucas to delay or suspend planned drilling operations or reduce production levels; risks relating to the availability of capital to fund drilling operations that can be adversely affected by adverse drilling results, production declines and declines in natural gas and oil prices; risks relating to unexpected adverse developments in the status of properties; risks relating to the absence or delay in receipt of government approvals or fourth party consents; and other risks described in Lucas's Annual Report on Form 10-K and other filings with the SEC, available at the SEC's website at www.sec.gov. 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