

8-K - 2014-08-26

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8-K

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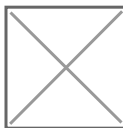
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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): **August 20, 2014**



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 August 20, 2014, and effective August 1, 2014, Lucas Energy, Inc. (the “Company”, “we” and “us”) entered into a Participation Agreement (the “Participation Agreement”) with Oak Valley Operating, LLC and Sabine River Energy, LLC, (collectively, “Oak Valley”). Pursuant to the Participation Agreement, Oak Valley agreed to participate with us in connection with the drilling, evaluation and development of certain of our currently undeveloped Karnes County, Texas Eagle Ford shale acreage. Oak Valley was assigned an undivided 50% working/leasehold interest in approximately 200 acres of our Karnes County leases in consideration for \$444,285 and has the obligation to acquire 50% of certain other Karnes County leases totaling 110 acres in aggregate held by us which are currently subject to dispute subject to similar terms. We also agreed to provide Oak Valley a 74% net lease interest in all existing Karnes County leases and any leases assigned in the future. The Participation Agreement requires Oak Valley to propose two horizontal wells on locations reasonably acceptable to the parties and that Oak Valley shall use commercially reasonable efforts to spud the first well within three months of us curing all potential land matters. After the drilling, completion and equipping of the two wells described above, Oak Valley has the option, but not the obligation to propose subsequent wells pursuant to the terms of the Participation Agreement and Operating Agreement (discussed below).

The parties agreed to govern their relationship pursuant to an operating agreement (the “Operating Agreement”) pursuant to which Oak Valley will manage the drilling of the wells and bear 50% of the drilling and completion costs (with the Company bearing the other 50% of such costs). Once the wells are on production and initial oil sales begin, all future revenues and operating costs will also be split between the parties on a 50%/50% basis. The first well is expected to be spudded no later than December 2014, provided that we will need to raise additional funding to pay our expenses associated with such planned well. The parties expect to drill a minimum of four wells on the property.

ITEM 7.01 REGULATION FD DISCLOSURE.

On August 26, 2014, the Company issued a press release announcing the entry into the Participation Agreement, as described above in Item 1.01.

A copy of the press release is furnished as Exhibit 99.1 hereto.

The information responsive to 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 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

EXHIBIT NO. DESCRIPTION

99.1**	Press Release dated August 26, 2014
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* Filed herewith

** Furnished 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: August 26, 2014

EXHIBIT INDEX

<u>EXHIBIT NO.</u>	<u>DESCRIPTION</u>
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99.1**	Press Release dated August 26, 2014
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* Filed herewith

** Furnished herewith.

EXHIBIT 99.1



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

FOR IMMEDIATE RELEASE

**LUCAS ENERGY ANNOUNCES JOINT VENTURE TO DEVELOP ITS
KARNES COUNTY ACREAGE IN THE EAGLE FORD SHALE**

HOUSTON, TEXAS –August 26, 2014 – Lucas Energy, Inc. (NYSE MKT: LEI) (“Lucas” or the “Company”), an independent oil and gas company with its operations in Texas, today announced that it has signed a binding participation agreement with Oak Valley Resources, LLC (“OVR”), to jointly develop the Company’s Karnes County, Texas acreage in the Eagle Ford shale formation.

At closing Lucas will receive \$444,000 for a 50% working interest on approximately 400 acres. OVR will manage the drilling of the wells and each company will bear 50% of the drilling and completion costs. Once the wells are on production and initial oil sales begin, all revenues and operating costs will also be split between the parties on a 50%/50% basis. The first well is expected to be spudded no later than December 2014. The joint venture expects to drill a minimum of four wells on the property.

“We are pleased to finalize this joint venture agreement with a respected and experienced independent operator to begin to develop our Eagle Ford reserves in south Texas. Our objective is to continue to focus on drilling our most valuable asset, our Eagle Ford shale acreage, in order to maximize production and grow cash flow,” said Anthony C. Schnur, Chief Executive Officer of Lucas, who continued, “Further we will continue to seek appropriate opportunities to work with OVR on future drilling projects.”

About Lucas Energy, Inc.

Lucas Energy (NYSE MKT: LEI) is engaged in the acquisition and development of crude oil and natural gas from various known productive geological formations, including the Austin Chalk, Eagle Ford and Buda / Glen Rose. Based in Houston, Lucas Energy's management team is committed to building a platform for growth and the development of its five million barrels of proved Eagle Ford and other oil reserves while continuing its focus on operating efficiencies and cost control.

For more information, please visit the updated Lucas Energy web site at www.lucasenergy.com.

About Oak Valley Resources, LLC

Oak Valley Resources was capitalized on December 21, 2012 and is an independent oil and gas company engaged in the development and acquisition of oil and gas reserves through an active and diversified program that includes the acquisition, drilling and development of undeveloped leases, purchases of reserves and exploration activities, with the majority of its human and capital resources currently deployed towards its drilling program in Gonzales and Fayette Counties, Texas. The company has previously announced a strategic combination with Earthstone Energy, Inc. (NYSE MKT: ESTE). Further information regarding Oak Valley Resources and the business combination can be found on Oak Valley’s website at www.oakvalleyllc.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, opinion, 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 SEC filings are available at <http://www.sec.gov>.