
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): July 3, 2018

EXTRACTION OIL & GAS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation)

001-37907

(Commission File Number)

46-1473923

(IRS Employer
Identification No.)

370 17th Street, Suite 5300

Denver, Colorado 80202

(Address of principal executive offices)(Zip Code)

Registrant's telephone number, including area code (720) 557-8300

(Former name or former address, if changed since last report.)

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement

Securities Purchase Agreement

On July 3, 2018, Elevation Midstream, LLC (“Elevation”), a Delaware limited liability company and subsidiary of Extraction Oil & Gas, Inc. (the “Company”), entered into a securities purchase agreement (the “Securities Purchase Agreement”) with GSO EM Holdings LP, a Delaware limited partnership (the “Purchaser”), pursuant to which Elevation agreed to sell 150,000 Preferred Units (“Preferred Units”) in Elevation at a price of \$990 per Preferred Unit with an aggregate liquidation preference of \$150.0 million (the “Private Placement”), in a transaction exempt from the registration requirements under the Securities Act of 1933, as amended (the “Securities Act”). The Private Placement closed on July 3, 2018 (the “Closing Date”).

During the twenty eight months following the Closing Date (the “Commitment Period”), subject to the satisfaction of certain financial and operational metrics and certain other customary closing conditions, Elevation has the right to require the Purchaser to purchase additional Preferred Units on the terms set forth in the Securities Purchase Agreement. Elevation may require the Purchaser to purchase additional Preferred Units, in increments of at least \$25.0 million, up to an aggregate amount of \$350.0 million. During the Commitment Period, Elevation is required to pay the Purchaser a quarterly cash commitment fee of 1.0% per annum on any undrawn amounts of such additional \$350.0 million commitment.

The Preferred Units will entitle the Purchaser to receive quarterly dividends at a rate of 8% per annum (the “Dividend”). In respect of quarters ending prior to and including June 30, 2020, the Dividend is payable in cash or in kind at the election of Elevation. After June 30, 2020, the Dividend is payable solely in cash.

The Preferred Units have not been registered under the Securities Act or any state securities laws, and unless so registered, the securities may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Subject to certain exceptions, the Purchaser may not transfer in the aggregate more than 49% of any class of outstanding Preferred Units to unaffiliated parties until the third anniversary of the Closing Date.

The Securities Purchase Agreement contains customary representations, warranties and agreements of Elevation and indemnification and other obligations of Elevation and the Purchaser.

Item 7.01 Regulation FD Disclosure.

On July 9, 2018, the Company issued an announcement regarding its midstream developments. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information furnished under Item 7.01 of this Current Report, including Exhibit 99.1 attached hereto, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section or Sections 11 and 12(a)(2) of the Securities Act.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release of Extraction Oil & Gas, Inc. dated July 9, 2018.

SIGNATURES

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.

EXTRACTION OIL & GAS, INC.

Dated: July 9, 2018

By: /s/ Russell T. Kelley, Jr.

Russell T. Kelley, Jr.

Chief Financial Officer



Extraction Oil & Gas, Inc. Announces Southern DJ Basin Midstream Solution

DENVER - July 9, 2018 (GLOBE NEWSWIRE) -- Extraction Oil & Gas, Inc. (NASDAQ: XOG) ("Extraction") today announced that it signed gathering agreements for oil, natural gas and water with Elevation Midstream, LLC ("Elevation"), a wholly-owned subsidiary of Extraction Oil & Gas, Inc. Elevation has secured financing for the build out of its system through GSO Capital Partners LP ("GSO"). This financing is non-recourse to Extraction.

Commenting on the transaction, Extraction's Chairman and CEO Mark Erickson said: "We are extremely pleased to announce this transaction as we believe it is very beneficial to Extraction shareholders. While we will retain the full economic upside from this midstream system, the buildout will be fully financed without any expected cash outlay from Extraction. Once this midstream system is operational, we expect it will enhance our upstream value by driving significant reductions in lease operating expense and well cost, greater product capture and increased flow assurance while maintaining corporate differentials at or below current levels. It provides a potential large value uplift for Extraction shareholders upon any eventual monetization of our midstream ownership. Additionally, the financing is non-recourse to Extraction which minimizes risk to our shareholders."

Michael Zawadzki, Senior Managing Director and Co-Head of Energy at GSO said: "We are delighted to partner with Elevation on the construction of the Hawkeye and Southwest Wattenberg midstream systems. These facilities will allow Extraction and other third party customers to unlock highly attractive development opportunities in the infrastructure constrained southern DJ Basin."

Updated Investor Presentation

Extraction has posted an updated investor presentation to its website. The investor presentation may be viewed on the Company's website (www.extractionog.com) by selecting "Investors," then "News and Events," then "Presentations."

About Extraction Oil & Gas, Inc.

Denver-based Extraction Oil & Gas, Inc. is an independent energy exploration and development company focused on exploring, developing and producing crude oil, natural gas and NGLs primarily in the Wattenberg Field in the Denver-Julesburg Basin of Colorado. For further information, please visit www.extractionog.com. The Company's common shares are listed for trading on the NASDAQ under the symbol: "XOG."

About GSO Capital Partners

GSO Capital Partners LP is the global credit investment platform of Blackstone. With approximately \$107 billion of assets under management, GSO is one of the largest alternative managers in the world focused on the leveraged-finance, or non-investment grade related, marketplace. GSO seeks to generate attractive risk-adjusted returns in its business by investing in a broad array of strategies including mezzanine debt, distressed investing, leveraged loans and other special-situation strategies. Further information can be found at [https://www.blackstone.com/the-firm/asset-management/credit-\(gso\)](https://www.blackstone.com/the-firm/asset-management/credit-(gso)).

Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in this press release constitute “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. All statements, other than statements of historical facts, included herein concerning, among other things, planned capital expenditures, increases in oil and gas production, the number of anticipated wells to be drilled or completed after the date hereof, future cash flows and borrowings, pursuit of potential acquisition opportunities, our financial position, business strategy and other plans and objectives for future operations, are forward-looking statements. These forward-looking statements are identified by their use of terms and phrases such as “may,” “expect,” “estimate,” “project,” “plan,” “believe,” “intend,” “achievable,” “anticipate,” “will,” “continue,” “potential,” “should,” “could,” and similar terms and phrases. Although we believe that the expectations reflected in these forward-looking statements are reasonable, they do involve certain assumptions, risks and uncertainties. These forward-looking statements represent our expectations or beliefs concerning future events, and it is possible that the results described in this press release will not be achieved. These forward-looking statements are subject to risks, uncertainties and other factors, many of which are outside of our control that could cause actual results to differ materially from the results discussed in the forward-looking statements.

Any forward-looking statement speaks only as of the date on which it is made, and, except as required by law, we do not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. New factors emerge from time to time, and it is not possible for us to predict all such factors. When considering these forward-looking statements, you should keep in mind the risk factors and other cautionary statements in the “Risk Factors” section of our most recent Form 10-K and Forms 10-Q filed with the Securities and Exchange Commission and in our other public filings and press releases. These and other factors could cause our actual results to differ materially from those contained in any forward-looking statement.

Investor Contact: Louis Baltimore, ir@extractionog.com, 720-974-7773

Media Contact: Brian Cain, info@extractionog.com, 720-974-7782