

# SECURITIES & EXCHANGE COMMISSION EDGAR FILING

**PetroShare Corp.**

**Form: 8-K/A**

**Date Filed: 2019-09-11**

Corporate Issuer CIK: 1568079

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

**FORM 8-K/A  
Amendment No. 1**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): September 4, 2019

**PETROSHARE CORP.**

(Exact name of registrant as specified in its charter)

**Colorado**  
(State or other jurisdiction of incorporation or  
organization)

**001-37943**  
(Commission File  
Number)

**46-1454523**  
(I.R.S. Employer  
Identification No.)

**9635 Maroon Circle, Suite 400  
Englewood, Colorado 80112**  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number including area code: **(303) 500-1160**

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))

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	N/A	N/A

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.

## EXPLANATORY NOTE

PetroShare Corp. (the "Company") is filing this Amendment No. 1 on Form 8-K/A (this "Amendment") to its Current Report on Form 8-K dated September 4, 2019 filed with the U.S. Securities and Exchange Commission ("SEC") (the "Original Filing") to amend the link where copies of the bankruptcy pleadings related to the Chapter 11 Cases can be found. Capitalized terms used in this Explanatory Note but not defined are defined in the Original Filing.

No attempt has been made in this Amendment to modify or update the disclosures in the Original Filing except as required to reflect the effect of the revisions discussed herein. Except as otherwise noted herein, this Amendment continues to describe conditions as of the date of the Original Filing and the disclosures contained herein have not been updated to reflect events, results or developments that occurred after the date of the Original Filing, or to modify or update those disclosures affected by subsequent events. Among other things, forward-looking statements made in the Original Filing have not been revised to reflect events, results or developments that occurred or facts that became known to us after the date of the Original Filing, and such forward-looking statements should be read in conjunction with our filings with the SEC subsequent to the filing of the Original Filing. Accordingly, this Amendment should be read in conjunction with the Original Filing and the Company's other filings with the SEC subsequent to September 4, 2019.

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### **Item 1.03 Bankruptcy or Receivership**

On September 4, 2019 (the "**Petition Date**"), PetroShare Corp. (the "**Company**") and its wholly-owned subsidiary, CFW Resources, LLC (collectively, with the Company, the "**Debtors**"), filed voluntary petitions for reorganization (the "**Bankruptcy Petitions**") and the cases commenced thereby, the "**Chapter 11 Cases**") under chapter 11 of the United States Bankruptcy Code (the "**Bankruptcy Code**") in the United States Bankruptcy Court for the District of Colorado (the "**Court**"). The Debtors have filed a motion with the Court seeking to administer all of the Debtors' Chapter 11 Cases jointly under the caption *In re PetroShare Corp., et al.* (Case No. 19-17633).

The Debtors have also filed motions with the Court seeking authorization to continue to operate their businesses as "debtors-in-possession" under the jurisdiction of the Court and in accordance with the applicable provisions of the Bankruptcy Code and orders of the Court. The Debtors expect to continue their existing operations without interruption during the pendency of the Chapter 11 Cases. To maintain and continue uninterrupted ordinary course operations during the Chapter 11 Cases, the Debtors have filed a variety of "first day" motions seeking approval from the Court for various forms of customary relief. These motions are designed primarily to minimize the effect of bankruptcy on the Company's operations, customers and employees.

Court filings and other information relating to the Company's restructuring are available free of charge at <https://bmcgroup.com/petroshare>.

### **Item 2.04 Triggering Events that Accelerate or Increase a Direct Financial Obligation or an Obligations under an Off-Balance Sheet Arrangement**

The commencement of the Chapter 11 Cases described in Item 1.03 of this report constitutes an event of default under certain of the Company's debt instruments, including the Secured Term Credit Agreement dated February 1, 2018 and the 10% Unsecured Promissory Notes and the Series B Unsecured Promissory Notes (together, the "**Unsecured Notes**"), which results in automatic acceleration of the Company's obligations under such debt instruments. However, as previously reported, the outstanding obligations under the Secured Credit Agreement were accelerated prior to the filing of the Bankruptcy Petitions and the Unsecured Notes matured by their terms on December 31, 2018.

Any efforts to enforce payment obligations under the aforementioned debt instruments are automatically stayed as a result of the filing of the Chapter 11 Cases and the creditors' rights of enforcement in respect of the debt instruments are subject to the applicable provisions of the Bankruptcy Code.

### **Item 7.01 Regulation FD Disclosure**

On September 4, 2019, the Company issued a press release announcing the filing of the Bankruptcy Petitions. A copy of the press release is attached to this report as Exhibit 99.1 and incorporated herein by reference.

The information furnished pursuant to Item 7.01, including Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is not subject to the liabilities of that section and is not deemed incorporated by reference in any filing under the Securities Act of 1933, as amended (the "Securities Act"), unless specifically identified therein as being incorporated therein by reference.

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**Item 8.01 Other Events.**

The Company cautions that trading in the Company's securities during the pendency of the Chapter 11 Cases is highly speculative and poses substantial risks. Trading prices for the Company's securities may bear little or no relationship to the actual recovery, if any, by holders of the Company's securities in the Chapter 11 Cases.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits. The following exhibit is furnished with this report:

[99.1](#) Press Release dated September 4, 2019

***Cautionary Statement Regarding Forward-Looking Statements***

This report contains certain statements that are, or may be deemed to be, "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. All statements, other than statements of historical facts, that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future are forward looking statements. These forward-looking statements are based largely on the Company's current expectations and projections about future events and financial trends affecting the financial condition of its business. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including, among other things, the risk factors discussed in the Company's most recent Annual Report on Form 10-K as well as in other reports filed from time to time by the Company with the Securities and Exchange Commission, most of which are beyond its control. The words "believe," "may," "estimate," "continue," "anticipate," "intend," "plan," "expect," "indicate" and similar expressions are intended to identify forward-looking statements. Although the Company believes that the forward-looking statements contained in this report are based upon reasonable assumptions, the forward-looking events and circumstances may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements.

These forward-looking statements may be affected by, among other things, (i) the Company's ability to obtain approval with respect to motions in the Chapter 11 Cases, the Bankruptcy Court's rulings in the Chapter 11 Cases and the outcome of the Chapter 11 Cases in general; (ii) risks associated with third-party motions in the Chapter 11 Cases, which may interfere with the Debtors' ability to achieve its anticipated results; (iii) the potential adverse effects of the Chapter 11 Cases on the Debtors' liquidity, results of operations or business prospects; (iv) the ability to execute the Company's business and restructuring plan; (v) increased legal and advisor costs related to the Chapter 11 cases and other litigation and the inherent risks involved in a bankruptcy process; and (vi) other factors disclosed by the Company from time to time in its filings with the SEC, including those described under the caption "Risk Factors" in the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. The Company does not intend to publicly update or revise any forward-looking statements as a result of new information, future events or otherwise, except as required by law.

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**SIGNATURE**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**PETROSHARE CORP.**

Date: September 11, 2019

By: /s/ Paul Maniscalco

Paul Maniscalco, Chief Financial Officer

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**PetroShare Corp. Files for Voluntary Reorganization Under Chapter 11**

**ENGLEWOOD, CO / ACCESSWIRE / September 4, 2019 / [PetroShare Corp.](#)** (OTCQB:PRHR), a Colorado-based oil and gas exploration and production company with operations in the Wattenberg Field of the Denver-Julesburg Basin, and its wholly-owned subsidiary today announced that they have filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code with the Bankruptcy Court for the District of Colorado.

PetroShare intends to pursue efforts to recapitalize the company, which may include the sale of some or all of its assets pursuant to the Bankruptcy Code in a court-supervised process designed to achieve the highest and best price for those assets. The Company believes that its cash position is adequate to continue existing operations as a debtor-in-possession and to maintain most staffing and equipment throughout the court-supervised recapitalization and/or sale process.

The Company has filed a series of motions with the Bankruptcy Court requesting authority to continue normal operations, including authority to continue paying trade creditors, royalty interest holders, and employee wages and salaries in the ordinary course of business. The Company will continue to work closely with its suppliers and partners in an effort to ensure that it meets ongoing obligations, and that business continues uninterrupted during the sales process.

***Management Comment***

Stephen J. Foley CEO, of PetroShare, stated "The new Colorado regulatory environment governing oil and gas permitting in the state and the associated uncertainty on rule-making has made it very difficult to attract new capital investment in this sector. We are filing a voluntary Chapter 11 petition in order to proceed with the orderly recapitalization or sale of some or all of the Company's assets and to continue to pay active vendors, suppliers and other ongoing business expenses without interruption during the process." Mr. Foley continued, "Unfortunately, the collateral damage of Senate Bill 181 has manifested itself in the slowdown of the state's oil and gas sector, resulting in job losses."

Frederick J. Witsell, President stated, "We believe the Colorado oil and gas industry can work with all stakeholders in the implementation of the new regulatory rules. However, in spite of our quality asset base, our virtually zero-emissions facility design and our Shook Pad production trending above our type curves, oil price volatility coupled with the delay in the new rule making process has created uncertainty in the current investment environment in Colorado oil and gas development."

**Advisors**

Polsinelli PC is acting as legal counsel for the company. MACCO Restructuring Group LLC is acting as financial advisor. Mr. Drew McManigle from MACCO, has been retained by the Company as its Chief Restructuring Officer.

***Important Cautions Regarding Forward Looking Statements***

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including the Company's expectations regarding its restructuring process, its liquidity and the operation of its business during such process. These statements are based on assumptions and information available to the Company at the time of this press release and are not guarantees of future results. Forward-looking statements involve risks and uncertainty, including, but not limited to, the risk that the Company's restructuring may not be consummated in a manner beneficial to the Company and its operations; the risk that the Bankruptcy Court may not approve the sale process, risks and uncertainties associated with the length of time the Company will operate as a debtor-in-possession, which is not yet known; risks associated with the bankruptcy process and third party motions in the Chapter 11 proceedings, which may hinder or delay the Company's ability to consummate its restructuring; risks associated with the Company's ability to obtain and maintain normal terms with customers, suppliers and service providers; the Company's ability to maintain contracts that are critical to its operations during Chapter 11 proceedings; the Company's financial performance and results; availability of sufficient cash flow to operate the Company during the Chapter 11 proceedings; and the "Risk Factors" set forth in the Company's most recent Annual Report on Form 10-K and in subsequent 10-Q reports filed with the SEC. The Company's actual results could differ materially from those expressed in, or implied by, the forward-looking statements. The Company can give no assurances that any of the events anticipated by the forward-looking statements will occur or, if they do, what impact they will have on the Company's results of operations and financial condition. All forward-looking statements are qualified in their entirety by this cautionary statement, and the Company undertakes no obligation to revise or update this press release to reflect events or circumstances after the date hereof.

**CONTACT INFORMATION****Investor Relations Contacts**

[www.PetroShareCorp.com](http://www.PetroShareCorp.com)

303-500-1160

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