

HALCON RESOURCES CORP
Form S-3
March 06, 2017

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As filed with the Securities and Exchange Commission on March 6, 2017

Registration Statement No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-3

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Halcón Resources Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

20-0700684
(I.R.S. Employer
Identification Number)

**1000 Louisiana, Suite 6700
Houston, Texas 77002
(832) 538-0300**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

David S. Elkouri
Executive Vice President and Chief Legal Officer
Halcón Resources Corporation
1000 Louisiana St., Suite 6700
Houston, Texas 77002
(832) 538-0300

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copy to:
William T. Heller IV
Kirk Tucker
Mayer Brown LLP
700 Louisiana St., Suite 3400
Houston, Texas 77002

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(713) 238-3000

**Approximate date of commencement of proposed sale to the public:
From time to time after this Registration Statement becomes effective.**

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this form is a post-effective amendment to a registration to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate to check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

(Do not check if smaller reporting company)

CALCULATION OF REGISTRATION FEE

Title of each class securities to be registered	Amount to Be registered	Proposed maximum offering price per share(1)	Proposed maximum aggregate offering price(1)	Amount of registration fee
Common Stock, par value \$0.0001	52,584,152(2)	\$8.03	\$422,250,740.56	\$48,938.86
Warrants to purchase Common Stock	779,997	N/A	N/A	N/A

- (1) Estimated solely for purposes of calculating the registration fee, based on the average of the \$8.23 (high) and \$7.83 (low) prices for our common stock as quoted on the New York Stock Exchange on March 2, 2017, in accordance with Rule 457(c) under the Securities Act of 1933, as amended.
- (2) Consists of 51,804,155 shares of common stock and 779,997 shares of common stock issuable upon the exercise of warrants.
- (3) Pursuant to Rule 457(g) under the Securities Act, no separate registration fee is required to be paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission becomes effective. This preliminary prospectus is not an offer to sell the securities described herein and it is not soliciting an offer to buy such securities in any state where such offer or sale is not permitted.

Subject to completion, dated March 6, 2017

PROSPECTUS

HALCÓN RESOURCES CORPORATION
52,584,152 Shares of Common Stock
779,997 Warrants

This prospectus relates to the offer and sale from time to time of up to an aggregate of 52,584,152 shares of our common stock and warrants to purchase 779,997 shares of our common stock for the account of the selling stockholders named in this prospectus.

The shares of common stock and warrants described in this prospectus or in any supplement to this prospectus may be sold from time to time pursuant to this prospectus by the selling stockholders in ordinary brokerage transactions, in transactions in which brokers solicit purchases, in negotiated transactions, or in a combination of such methods of sale, at market prices prevailing at the time of sale, at prices related to such prevailing market prices, at fixed prices or prices subject to change, or at negotiated prices. See "Selling Stockholders" and "Plan of Distribution." We cannot predict when or in what amounts a selling stockholder may sell any of the shares of common stock or warrants offered by this prospectus.

We are not selling any shares of our common stock or warrants, and we will not receive any of the proceeds from the sale of shares or warrants by the selling stockholders. The selling stockholders will pay all brokerage fees and commissions and similar sale-related expenses. We are only paying expenses relating to the registration of the shares and warrants with the U.S. Securities and Exchange Commission.

A supplement to this prospectus may add, update or change information contained in this prospectus. You should read this prospectus and any prospectus supplement, together with the documents we incorporate by reference, carefully before you invest.

Our common stock and the warrants are listed on the New York Stock Exchange under the symbol "HK and "HK.WS", respectively." On March 2, 2017 the last reported sales price for our common stock was \$8.04 per share and \$1.90 per warrant.

Investing in our common stock and warrants involves risks. See "Risk Factors" beginning on page 2 of this prospectus and in the documents incorporated by reference in this prospectus.

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This prospectus is dated _____, 2017

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the U.S. Securities and Exchange Commission ("SEC") utilizing a shelf registration process. Under this shelf registration process, the selling stockholders named in this prospectus or any supplement to this prospectus may sell the securities described in this prospectus in one or more offerings. This prospectus provides you with a general description of our common stock and warrants. The selling stockholders are required to provide you with this prospectus and, in certain cases, a prospectus supplement containing specific information about the selling stockholders and the terms upon which the securities are being offered. A prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with the additional information described under the headings "Where You Can Find More Information" and "Incorporation by Reference" below.

You should rely only on the information included or incorporated by reference in this prospectus or any prospectus supplement. Neither we nor the selling stockholders have authorized anyone else to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell in any jurisdiction in which the offer is not permitted. You should not assume that the information in this prospectus, any prospectus supplement or any other document incorporated by reference in this prospectus is accurate as of any date other than the dates of the applicable documents in which such information appears.

Unless the context requires otherwise or unless otherwise noted, all references in this prospectus or any prospectus supplement to "Halcón" and to the "Company," "we," "us" or "our" are to Halcón Resources Corporation and its consolidated subsidiaries.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

The information in this prospectus, including information in documents incorporated by reference, contains "forward-looking statements" within the meaning of the Securities Act of 1933, as amended (the "Securities Act") and the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements, other than statements of historical facts, included in or incorporated by reference into this prospectus concerning, among other things, planned capital expenditures, potential increases in oil and natural gas production, the number and location of wells to be drilled in the future, 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 may be, but are not always, identified by their use of terms and phrases such as "may," "expect," "estimate," "project," "plan," "objective," "believe," "predict," "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. Actual results could differ materially from those anticipated in these forward-looking statements. You should consider carefully the risks described under the "Risk Factors" section of this prospectus, as well as the risks described in our most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and the other disclosures contained or incorporated by reference herein and therein, which describe factors that could cause our actual results to differ from those anticipated in the forward-looking statements, including, but not limited to, the following factors:

volatility in commodity prices for oil and natural gas, including the current sustained decline in the price for oil;

our ability to generate sufficient cash flow from operations, borrowings or other sources to enable us to fund our operations, satisfy our obligations and develop our undeveloped acreage positions;

our ability to replace our oil and natural gas reserves and production;

we have historically had substantial indebtedness and may incur more debt in the future;

higher levels of indebtedness make us more vulnerable to economic downturns and adverse developments in our business;

the presence or recoverability of estimated oil and natural gas reserves and the actual future production rates and associated costs;

our ability to successfully develop our large inventory of undeveloped acreage in our resource plays;

our ability to retain key members of senior management, members of our board of directors, and key technical employees;

access to and availability of water and other treatment materials to carry out planned fracture stimulations in our resource plays;

access to adequate gathering systems, processing facilities, transportation take-away capacity to move our production to market and marketing outlets to sell our production at market prices;

contractual limitations that affect our management's discretion in managing our business, including covenants that, among other things, limit our ability to incur debt, make investments and pay cash dividends;

the potential for production decline rates for our wells to be greater than we expect;

competition, including competition for acreage in resource play holdings;

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environmental risks;

drilling and operating risks;

exploration and development risks;

the possibility that the industry may be subject to future regulatory or legislative actions (including any additional taxes and changes in environmental regulation);

general economic conditions, whether internationally, nationally or in the regional and local market areas in which we do business, may be less favorable than expected, including the possibility that economic conditions in the United States will worsen and that capital markets are disrupted, which could adversely affect demand for oil and natural gas and make it difficult to access capital;

social unrest, political instability or armed conflict in major oil and natural gas producing regions outside the United States, such as the Middle East, and acts of terrorism or sabotage;

other economic, competitive, governmental, regulatory, legislative, including federal, state and tribal regulations and laws, geopolitical and technological factors that may negatively impact our business, operations or oil and natural gas prices;

the possibility that acquisitions and divestitures may involve unexpected costs or delays, and that acquisitions may not achieve intended benefits and may divert management's time and energy;

the insurance coverage maintained by us may not adequately cover all losses that we may sustain;

title to the properties in which we have an interest may be impaired by title defects;

senior management's ability to execute our plans to meet our goals;

the cost and availability of goods and services, such as drilling rigs, fracture stimulation services and tubulars; and

our dependency on the skill, ability and decisions of third-party operators of the oil and natural gas properties in which we have a non-operated working interest.

All forward-looking statements are expressly qualified in their entirety by the cautionary statements in this paragraph and elsewhere in this prospectus and the documents incorporated by reference. Other than as required under the securities laws, we do not assume a duty to update these forward-looking statements, whether as a result of new information, subsequent events or circumstances, changes in expectations or otherwise.

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THE COMPANY

This summary highlights some of the information contained elsewhere in this prospectus and the documents we incorporate by reference. This summary is not complete and does not contain all of the information that you should consider before deciding whether or not to invest in our common stock or warrants. You should read this entire document and the information incorporated by reference herein before making an investment decision. You should carefully consider the information set forth under "Risk Factors" below, as well as those risks described in our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, as well as the financial information incorporated by reference in this prospectus and the other documents to which we have referred you. In addition, certain statements include forward-looking information that involve risks and uncertainties. See "Cautionary Statement Regarding Forward-Looking Statements."

Halcón Resources Corporation is an independent energy company focused on the acquisition, production, exploration and development of onshore liquids-rich oil and natural gas assets in the United States. We were incorporated in Delaware on February 5, 2004, recapitalized on February 8, 2012 and reorganized September 9, 2016. During 2012, we focused our efforts on the acquisition of unevaluated leasehold and producing properties in selected prospect areas. In the years since, we have primarily focused on the development of acquired properties and also divested non-core assets in order to fund activities in our core resource plays. Our oil and natural gas assets consist of proved reserves and undeveloped acreage positions in unconventional liquids-rich basins/fields, providing us with an extensive drilling inventory in multiple basins that we believe allow for multiple years of production and broad flexibility to direct our capital resources to projects with the greatest potential returns.

Our principal offices are located at 1000 Louisiana St., Suite 6700, Houston, Texas 77002, telephone number (832) 538-0300, and our website can be found at www.halconresources.com. Unless specifically incorporated by reference in this prospectus, information that you may find on Halcón's website is not part of this prospectus.

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RISK FACTORS

Investment in our common stock or warrants involves certain risks. You should carefully consider the risk factors, together with the other information included or incorporated by reference in this prospectus, including the risk factors included in our most recent Annual Report on Form 10-K and, if applicable, in our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K on file with the SEC, each of which is incorporated by reference in this prospectus, before you decide to purchase any of our common stock. The risks incorporated by reference in this prospectus are the material risks of which we are currently aware; however, they may not be the only risks that we may face. Additional risks and uncertainties not currently known to us or that we currently view as immaterial may also impair our business operations. Any of these risks could materially and adversely affect our business, financial condition, results of operations and cash flows. In that case, you may lose all or part of your investment.

Risks Related to the Warrants

The warrants are a risky investment. You may not be able to recover the value of your investment in the warrants, and the warrants may be worthless when they expire.

On March 2, 2017, the last reported sales price of our common stock on the NYSE was \$8.04 per share, which was less than the \$14.04 exercise price of the warrants, and the last reported sales price of the warrants on the NYSE was \$1.90 per warrant. In order for you to recover the value of your investment upon exercise of the warrants, our stock price must be more than the exercise price of the warrants.

The warrants are exercisable only until September 9, 2020. Generally, the amount of time until expiration is a component of the value of option securities such as the warrants and, as the amount of time until the expiration of the warrants decreases, the market price of the warrants will, holding other variables constant, likely decline. In the event our common stock price does not increase to the level discussed above during the period when the warrants are exercisable, you will likely not be able to recover the value of your investment in the warrants. In addition, as long as our common stock price is below the exercise price of the warrants, the warrants may not have any value and may expire without being exercised, in which case you will lose your entire investment. There can be no assurance that the trading price of our common stock will exceed the exercise price or the price required for you to achieve a positive return on your investment.

There is limited trading activity for the warrants.

While the warrants are listed for trading on the NYSE, the warrants have been thinly traded and we cannot assure you as to the development or liquidity for the warrants, the ability of the holders of the warrants to sell the warrants or any portion thereof or the price at which holders would be able to sell the warrants or any portion thereof. The trading price of the warrants will depend on a number of factors, including but not limited to:

the number of warrants that the selling stockholders elect to sell in this offering;

the number of holders of the warrants;

our performance;

the market for similar securities;

the interest of securities dealers in making a market in the warrants; and

the trading price of our common stock.

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In addition, many of the risks that are described elsewhere in this section and in the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2016, could materially and adversely affect the price of the warrants.

The market price of the warrants will be directly affected by the trading price of our common stock, which may continue to be volatile.

The trading price of our common stock will significantly affect the market price of the warrants. This may result in greater volatility in the market price of the warrants than would be expected for warrants to purchase securities other than common stock. The trading price of our common stock has been and continues to be subject to fluctuation due to factors described in the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2016, and we cannot predict how shares of our common stock will trade in the future. Increased volatility could result in a decline in the trading price of our common stock, and, in turn, in the market price of the warrants. Our common stock price could also be affected by possible sales of common stock by investors who view the warrants as a more attractive means of equity participation in us and by hedging or arbitrage activity involving our common stock. The hedging or arbitrage of our common stock could, in turn, affect the market price of the warrants.

Until the exercise of the warrants, holders of these securities do not have identical rights as holders of our common stock, but they will be subject to all changes made with respect to our common stock.

Holders of warrants are not entitled to any rights with respect to our common stock (including, without limitation, voting rights and rights to receive any dividends or other distributions on our common stock), but they will be subject to all changes affecting our common stock. Holders of our warrants will have rights with respect to our common stock only if they receive our common stock upon exercise of the warrants and only as of the date when such holder becomes a record owner of the shares of our common stock upon such exercise. For example, with respect to warrants, if an amendment is proposed to our charter or bylaws requiring stockholder approval and the record date for determining the stockholders of record entitled to vote on the amendment occurs prior to the date a holder of the warrants is deemed to be the owner of the shares of our common stock due upon exercise of the warrants, the holder will not be entitled to vote on the amendment, although such holder will nevertheless be subject to any changes in the powers, preferences or special rights of our common stock.

The warrants do not automatically exercise, and any warrant not exercised on or prior to the expiration date will expire unexercised.

The warrants do not automatically exercise upon expiration. A holder of the warrants is entitled to exercise the full number of warrants registered in its name or any portion thereof. Any warrant that is not exercised prior to the expiration date will expire unexercised, and the holder will not receive any shares of our common stock.

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USE OF PROCEEDS

This prospectus relates to the offer and sale from time to time of up to an aggregate of 52,584,152 shares of common stock and warrants to purchase 779,997 shares of our common stock for the account of the selling stockholders referred to in this prospectus. We will not receive any of the proceeds from the sale of any shares of common stock or warrants offered by the selling stockholders under this prospectus. Any proceeds from the sale of shares of common stock or warrants under this prospectus will be received by the selling stockholders. Please see "Selling Stockholders" for a list of the persons receiving proceeds from the sale of the common stock and warrants covered by this prospectus.

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DESCRIPTION OF CAPITAL STOCK

Set forth below is a description of the material terms of our capital stock. However, this description is not complete and is qualified by reference to our certificate of incorporation (including our certificate of designation), bylaws and the warrant agreement, which are filed as exhibits to this registration statement of which this prospectus forms a part and are incorporated by reference. Please read "Where You Can Find More Information" and "Incorporation by Reference." In addition, you should be aware that the summary below does not give full effect to the terms of the provisions of statutory or common law that may affect the rights of our stockholders.

Authorized Capital Stock

Our authorized capital stock consists of 1,000,000,000 shares of common stock, par value of \$0.0001 per share, and 1,000,000 shares of preferred stock, par value \$0.0001 per share. As of February 23, 2017, we had approximately 92,986,173 shares of common stock and 5,518 shares of preferred stock outstanding.

Common Stock

Voting rights. Each share of common stock is entitled to one vote in the election of directors and on all other matters submitted to a vote of stockholders. Stockholders do not have the right to cumulate their votes in the election of directors.

Dividends, distributions and stock splits. Holders of common stock are entitled to receive dividends if, as and when such dividends are declared by the board of directors out of assets legally available therefor after payment of dividends required to be paid on shares of preferred stock, if any. Our existing debt arrangements restrict our ability to pay cash dividends.

Liquidation. In the event of any dissolution, liquidation, or winding up of our affairs, whether voluntary or involuntary, after payment of debts and other liabilities and making provision for any holders of our preferred stock who have a liquidation preference, our remaining assets will be distributed ratably among the holders of common stock.

Fully paid. All shares of common stock outstanding are fully paid and nonassessable.

Other rights. Holders of common stock have no redemption or conversion rights and no preemptive or other rights to subscribe for our securities.

Warrants

On September 9, 2016, we entered into a warrant agreement with U.S. Bank National Association as warrant agent, pursuant to which we issued warrants to purchase up to 4,736,842 shares of common stock, which warrants are exercisable for a four year period at an exercise price of \$14.04 per share. The warrant agreement includes customary anti-dilution provisions that take effect in the event of a stock split, stock dividend, recapitalization, reclassification, reorganization or merger.

Preferred Stock

Our board of directors has the authority to issue up to 1,000,000 shares of preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof, including dividend rights, dividend rates, conversion rates, voting rights, terms of redemption, redemption prices, liquidation preferences and the number of shares constituting any series or the designation of that series, which may be superior to those of the common stock, without further vote or action by the stockholders. One of the effects of undesignated preferred stock may be to enable our board of directors to render more difficult or to discourage an attempt to obtain control of us by means of a

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tender offer, proxy contest, merger or otherwise, and as a result to protect the continuity of our management. The issuance of shares of the preferred stock by the board of directors as described above may adversely affect the rights of the holders of common stock. For example, preferred stock issued by us may rank superior to the common stock as to dividend rights, liquidation preference or both, may have full or limited voting rights and may be convertible into shares of common stock. Accordingly, the issuance of shares of preferred stock may discourage bids for our common stock or may otherwise adversely affect the market price of our common stock.

8% Automatically Convertible Preferred Stock

On February 27, 2017, we issued 5,518 shares of 8% Automatically Convertible Preferred Stock to certain accredited investors. Each share of 8% Automatically Convertible Preferred Stock will automatically convert into 10,000 shares of common stock, and each fractional share of Preferred Stock will convert into a proportionate number of shares of common stock on the day following the occurrence of certain events described below. If conversion has not occurred on or before June 1, 2017, holders of the 8% Automatically Convertible Preferred Stock will be entitled to receive quarterly dividends accruing from the date of initial issuance at a rate of 8% per annum. The following discussion summarizes some, but not all, provisions of the certificate of designation governing the 8% Automatically Convertible Preferred Stock. As of March 1, 2017, we had 5,518 shares of 8% Automatically Convertible Preferred Stock outstanding.

Ranking. The 8% Automatically Convertible Preferred Stock ranks, with respect to dividend rights and rights upon liquidation, dissolution or winding up:

junior to any other class or series of stock that has terms providing that such class or series will rank senior to the 8% Automatically Convertible Preferred Stock;

on parity with any other class or series of stock that has terms providing that such class or series will rank on parity with the 8% Automatically Convertible Preferred Stock (which we refer to as "parity securities"); and

Senior to our common stock, and each other class or series of stock that has terms providing that such class or series will rank junior to the 8% Automatically Convertible Preferred Stock (which we refer to as "junior securities").

Dividend Rights. No dividends will be payable on the 8% Automatically Convertible Preferred Stock if automatic conversion occurs on or before June 1, 2017. See "Conversion." However, if the 8% Automatically Convertible Preferred Stock has not been converted into common stock on or before June 1, 2017, then each holder of 8% Automatically Convertible Preferred Stock will be entitled to receive dividends at an annual rate of 8% of the initial liquidation preference per share from the date of issuance. If a cash dividend is not declared and paid on any dividend payment date, then the liquidation preference per share of the 8% Automatically Convertible Preferred Stock will be increased by the amount of the unpaid dividend. An increase in the liquidation preference will have the effect of increasing the number of shares of common stock into which the 8% Automatically Convertible Preferred Stock is convertible, the price at which it is redeemable and the amount of the liquidation preference. Upon such an increase in the liquidation preference, we will have no further obligation with respect to the dividend that was accrued and payable with respect to the applicable dividend payment date.

Dividends on shares of 8% Automatically Convertible Preferred Stock will be payable quarterly on March 31, June 30, September 30 and December 31 of each year, beginning June 30, 2017 (each, a "dividend payment date"), to holders of record as they appear in our stock records at the close of business on the tenth business day immediately preceding the respective dividend payment date, or such other record date as may be fixed by our board of directors in advance of a dividend payment

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date, provided that no such record date shall be less than ten nor more than 60 calendar days preceding such date. Dividends payable on shares of 8% Automatically Convertible Preferred Stock for any period other than a full quarterly period are computed on the basis of a 360-day year consisting of twelve 30-day months.

We may not, without the prior consent of the holders of a majority of the shares of 8% Automatically Convertible Preferred Stock voting as a separate class, declare or pay any dividend or distribution, whether in liquidation or otherwise, to the holders of, or purchase, redeem or otherwise acquire for value prior to its stated maturity:

any junior securities, or

any parity securities, unless such dividends or distribution is allocated (i) to pay all accrued and unpaid dividends on the 8% Automatically Convertible Preferred Stock and the parity securities, pro rata, based on the unpaid amount thereof, if there are any accrued and unpaid dividends on the 8% Automatically Convertible Preferred Stock or such parity securities, and (ii) to pay the holders of 8% Automatically Convertible Preferred Stock and the parity securities, pro rata based on their respective liquidation preferences, if there are no accrued and unpaid dividends on the 8% Automatically Convertible Preferred Stock or such parity securities.

Liquidation Rights. Upon our voluntary or involuntary liquidation, dissolution or winding up, holders of the 8% Automatically Convertible Preferred Stock will be entitled to receive a liquidation preference equal to the original issuance price plus the amount attributable to any increase in the liquidation preference as described under " Dividend Rights," together with any accrued and unpaid dividends to the date of payment, before any payment or distribution is made to holders of common stock or other junior securities. If, upon our voluntary or involuntary liquidation, dissolution or winding up, the amounts payable with respect to shares of 8% Automatically Convertible Preferred Stock and all parity securities are not paid in full, the holders of shares of 8% Automatically Convertible Preferred Stock and the holders of the parity securities will share equally and ratably in any distribution of our assets in proportion to the full liquidation preference and the amount equal to all accrued and unpaid dividends to which each such holder is entitled.

Unless the holders of two-thirds of the outstanding 8% Automatically Convertible Preferred Stock agree otherwise, each of the following events would be deemed a liquidation, dissolution or winding up for purposes of determining the rights of holders of the 8% Automatically Convertible Preferred Stock:

our approval of the sale of substantially all of our assets;

approval by our stockholders of our merger or consolidation with another entity in certain circumstances; or

The acquisition by any person or group, other than a holder of 5% or more of our common stock on the initial issue date of the 8% Automatically Convertible Preferred Stock, of securities (excluding shares of common stock issuable upon conversion of the 8% Automatically Convertible Preferred Stock) representing more than 35% of the voting power of our equity securities.

Conversion. The 8% Automatically Convertible Preferred Stock will automatically convert into common stock on the 20th calendar day after we mail an information statement to our stockholders notifying them that a majority of our stockholders have consented to the issuance of common stock upon conversion of the 8% Automatically Convertible Preferred Stock. In accordance with Section 312.03 of the NYSE Listed Company Manual, holders of a majority of our outstanding common stock consented to the issuance of common stock upon conversion of the Preferred Stock, prior to the sale of shares of 8% Automatically Convertible Preferred Stock.

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Each share of 8% Automatically Convertible Preferred Stock is convertible into a number of shares of common stock determined by dividing the liquidation preference of the 8% Automatically Convertible Preferred Stock, which is equal to the liquidation price plus the amount of any accrued and unpaid dividends through the date of conversion, by the conversion price. Initially, the liquidation preference is equal to \$72,500.00, and the conversion price is \$7.25. Thus, initially, each share of 8% Automatically Convertible Preferred Stock is convertible into 10,000 shares of common stock and each fractional share of 8% Automatically Convertible Preferred Stock is convertible into a proportionate number of shares of common stock. The initial conversion price is subject to adjustment in certain circumstances, including stock splits, stock dividends, rights offerings, or combinations of our common stock. The liquidation preference will be increased if any accrued dividend is not paid in cash on the applicable dividend payment date, by an amount equal to the amount of the unpaid dividend, as described under " Dividend Rights." Any decrease in the conversion price or increase in the liquidation preference will result in a corresponding increase in the conversion rate of the 8% Automatically Convertible Preferred Stock, and any increase in the conversion price will result in a corresponding decrease in the conversion rate. Upon conversion of the 8% Automatically Convertible Preferred Stock, the holders will surrender to us or the transfer agent the certificate or certificates for the shares to be converted, and we will deliver to each such holder the certificate or certificates for the number of shares of our common stock to which the holder is entitled.

No fractional shares of common stock will be issued upon conversion of shares of 8% Automatically Convertible Preferred Stock. All shares, including fractional shares, of common stock issuable to a holder of 8% Automatically Convertible Preferred Stock will be aggregated. If after such aggregation, the conversion would result in the issuance of a fractional share of common stock, the fraction will be rounded up or down to the nearest whole number of shares.

Upon any reorganization or reclassification of our capital stock, any consolidation or merger with or into another company or any sale of all or substantially all of our assets to another company (if such transaction is not treated as a liquidation), we or such successor entity, as the case may be, will make appropriate provision so that each share of 8% Automatically Convertible Preferred Stock then outstanding will be convertible into the kind and amount of securities, cash and other property receivable upon such reorganization, reclassification, consolidation, merger or sale by a holder or the number of shares of common stock into which such share of 8% Automatically Convertible Preferred Stock might have been converted immediately before such transaction, subject to such adjustment as shall be as nearly equivalent as may be practicable to the adjustments described above.

Redemption. We will be required to redeem all of the outstanding shares of 8% Automatically Convertible Preferred Stock if the 8% Automatically Convertible Preferred Stock has not been converted into common stock on or before July 28, 2022. We will notify holders of record of 8% Automatically Convertible Preferred Stock upon the occurrence of such event, and the redemption must occur within 30 days following such event. Upon redemption, each holder of 8% Automatically Convertible Preferred Stock will be entitled to receive, upon surrender of 8% Automatically Convertible Preferred Stock certificates, cash in the amount of the then-current liquidation preference, including all accrued and unpaid dividends through the date of redemption.

Consent Rights and Voting Rights. The holders of the 8% Automatically Convertible Preferred Stock are entitled to vote, together as a single class, with the holders of outstanding common stock, with respect to all matters, and will represent 1% of the total voting power of our voting stock. We will reduce the voting power of the holders of the 8% Automatically Convertible Preferred Stock, as needed, to comply with the rules of the New York Stock Exchange. If the automatic conversion of the Preferred Stock has not occurred by June 1, 2017, the holders of the 8% Automatically Convertible Preferred Stock, voting separately as a class, will be entitled to elect two additional members to our board of directors.

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We may not, without the approval of holders of two-thirds of our 8% Automatically Convertible Preferred Stock, undertake any of the following:

amend, alter, waive, repeal or modify (whether by merger, consolidation or otherwise) any provision of our certificate of incorporation, as amended (including any filing or amending of a certificate of designation for any senior security or parity security) or, as amended, so as to adversely affect or otherwise impair any of the rights, preferences, privileges, qualifications, limitations or restrictions of, or applicable to, the 8% Automatically Convertible Preferred Stock;

authorize, issue or increase the authorized amount of any class of senior securities or parity securities;

increase or decrease (other than by redemption or conversion) the authorized number of shares of our 8% Automatically Convertible Preferred Stock; or

enter into any agreement regarding, or any transaction or series of transactions resulting in, a change of control, unless provision is made in the agreement effecting such transaction for the redemption of the 8% Automatically Convertible Preferred Stock in cash in accordance with the certificate of designation for the 8% Automatically Convertible Preferred Stock.

Delaware Anti-Takeover Law and Certain Charter and Bylaw Provisions

Our certificate of incorporation, bylaws and the DGCL contain certain provisions that could discourage potential takeover attempts and make it more difficult for stockholders to change management or receive a premium for their shares.

Delaware law. Under Section 203 of the DGCL, a corporation is prohibited from engaging in any business combination with a stockholder who, together with its affiliates or associates, owns (or who is an affiliate or associate of the corporation and within a three-year period did own) 15% or more of the corporation's outstanding voting stock (which we refer to as an "interested stockholder") for a three-year period following the time the stockholder became an interested stockholder, unless:

prior to the time the stockholder became an interested stockholder, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;

the interested stockholder owned at least 85% of the voting stock of the corporation, excluding specified shares, upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder; or

at or subsequent to the time the stockholder became an interested stockholder, the business combination is approved by the board of directors of the corporation and authorized by the affirmative vote, at an annual or special meeting, and not by written consent, of at least 66²/₃% of the outstanding voting shares of the corporation, excluding shares held by that interested stockholder.

A business combination generally includes:

mergers and consolidations with or caused by an interested stockholder;

sales or other dispositions of 10% or more of the assets of a corporation to an interested stockholder;

specified transactions resulting in the issuance or transfer to an interested stockholder of any capital stock of the corporation or its subsidiaries; and

other transactions resulting in a disproportionate financial benefit to an interested stockholder.

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The provisions of Section 203 of the DGCL do not apply to a corporation if, subject to certain requirements, the certificate of incorporation or bylaws of the corporation contain a provision expressly electing not to be governed by the provisions of the statute or the corporation does not have voting stock listed on a national securities exchange or held of record by more than 2,000 stockholders. Because our certificate of incorporation and bylaws do not include any provision to "opt-out" of Section 203 of the DGCL, the statute will apply to business combinations involving us.

Charter and bylaw provisions. Delaware law permits any Delaware corporation to classify its board of directors into as many as three (3) classes with staggered terms of office. After initial implementation of a classified board, one class will be elected at each annual meeting of the stockholders to serve for a term of three (3) years (depending upon the number of classes into which directors are classified) or until their successors are elected and take office. Our amended and restated certificate of incorporation, which was duly adopted pursuant to the Amended Joint Prepackaged Plan of Reorganization, dated September 2, 2016 (the "Plan") and confirmed by the United States Bankruptcy Court for the District of Delaware entered September 8, 2016 and thereby approved pursuant to Section 303 of the DGCL, effective as of September 9, 2016, and our amended and restated bylaws, as amended, provide for a classified board of directors divided into three (3) classes, with Class A initially consisting of two directors elected for a term expiring at the annual meeting of stockholders to be held in 2017, Class B initially consisting of four directors elected for a term expiring at the annual meeting of stockholders to be held in 2018, and Class C initially consisting of three directors elected for a term expiring at the annual meeting of stockholders to be held in 2019, and each class subsequently serving for a term of three (3) years or until their successors are elected and qualified. Under Delaware law, stockholders of a corporation with a classified board of directors may only remove a director "for cause" unless the certificate of incorporation provides otherwise. Our amended and restated certificate of incorporation provides that any director may be removed, with or without cause, by a majority of the shares entitled to vote at an election of directors, other than the director designated by the Requisite Unsecured Noteholders (as defined in the Plan), which may only be removed prior to the expiration of such director's initial term "for cause." The likely effect of the classification of the board of directors and the limitations on the removal of directors is an increase in the time required for the stockholders to change the composition of the board of directors. For example, because only approximately one-third of the directors may be replaced by stockholder vote at each annual meeting of stockholders, stockholders seeking to replace a majority of the members of our board of directors will need at least two annual meetings of stockholders to effect this change.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Broadridge Corporate Issuer Solutions, 1717 Arch Street, Suite 1300, Philadelphia, PA 19103. Its phone number is (877) 830-4936.

Table of Contents**SELLING STOCKHOLDERS**

This prospectus relates to the offer and sale from time to time by the selling stockholders identified below of up to an aggregate 52,584,152 shares of our common stock and warrants to purchase 779,997 shares of common stock. This prospectus will not cover subsequent sales of common stock or warrants purchased from a selling stockholder named in this prospectus.

No offer or sale under this prospectus may be made by a stockholder unless that holder is listed in the table below, in a supplement to this prospectus or in an amendment to the related registration statement that has become effective. We will supplement or amend this prospectus to include additional selling stockholders upon provision of all required information to us and subject to the terms of the relevant agreement between us and the selling stockholders.

The following table sets forth the maximum number of shares of our common stock, inclusive of the shares of common stock underlying the warrants, to be sold by the selling stockholders. The table also sets forth the name of each selling stockholder, the nature of any position, office, or other material relationship which the selling stockholder has had, within the past three years, with us or with any of our predecessors or affiliates, and the number of shares of our common stock and warrants to be owned by such selling stockholders after completion of the offering.

We prepared the table based on information provided to us by the selling stockholders. We have not sought to verify such information. Additionally, the selling stockholders may have sold or transferred some or all of their shares of our common stock or warrants in transactions exempt from the registration requirements of the Securities Act since the date on which the information in the table was provided to us. Other information about the selling stockholders may also change over time.

Except as otherwise indicated, each selling stockholder has sole voting and dispositive power with respect to such shares and warrants.

Name of Selling Stockholder	Shares of Common Stock Beneficially Owned Prior to the Offering(1)		Shares of Common Stock Being Offered Hereby Number	Shares of Common Stock Beneficially Owned After Completion of the Offering	
	Number	Percent(2)		Number	Percent(2)
Franklin Custodian Funds Franklin Income Fund(3)	28,306,773	30.4%	28,306,773		*
Franklin Templeton Investment Funds Franklin High Yield Fund(3)(4)	1,202,646(4)	1.3%	1,202,646(4)		*
Franklin High Income Trust Franklin High Income Fund(3)	2,035,424(5)	2.2%	2,035,424(5)		*
Franklin Strategic Series Franklin Strategic Income Fund(3)	1,031,046(6)	1.1%	1,031,046(6)		*
FDP Series FDP BlackRock Franklin Templeton Total Return Fund(3)	11,523(7)		11,523(7)		*
Certain funds and accounts managed by Franklin Advisers, Inc.(3)	1,674,012(8)	1.8%	1,674,012(8)		*
Ares Management LLC(9)	21,082,728(10)	14.2%(10)	18,322,728	2,760,000	1.9%(10)

*

Less than 1%

(1)

Beneficial ownership is determined in accordance with Rule 13d-3 under the Exchange Act.

(2)

Calculated based on 92,986,173 shares of our common stock outstanding on February 23, 2017. Because the selling stockholders are not obligated to sell all or any portion of the shares of our common stock shown as offered by them, we cannot estimate the actual number or percentage of shares of our

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common stock that will be held by any selling stockholder upon completion of this offering. However, for purposes of this table, we have assumed that, after completion of the offering, none of the shares covered by this prospectus will be held by the applicable selling stockholder.

- (3) The principal address of each selling stockholder is c/o Franklin Advisers, Inc. One Franklin Parkway, San Mateo, CA 94403. Franklin Advisers, Inc. ("FAV") is the investment manager for each of the funds and accounts listed. FAV is an indirect wholly owned subsidiary of a publicly traded company, Franklin Resources, Inc. ("FRI") and may be deemed to be the beneficial owner of these securities for purposes of Rule 13d-3 under the Exchange Act in its capacity as the investment adviser to such funds and accounts pursuant to investment management contracts that grant investment and/or voting power to FAV. When an investment management contract (including a sub-advisory agreement) delegates to FAV investment discretion or voting power over the securities held in the investment advisory accounts that are subject to that agreement, FRI treats FAV as having sole investment discretion or voting authority, as the case may be, unless the agreement specifies otherwise. Accordingly, FAV reports for purposes of Section 13(d) of the Exchange Act that it has sole investment discretion and voting authority over the securities covered by any such investment management agreement, unless otherwise specifically noted.
- (4) Includes 99,135 shares of common stock underlying warrants held by the selling stockholder.
- (5) Includes 145,844 shares of common stock underlying warrants held by the selling stockholder.
- (6) Includes 75,770 shares of common stock underlying warrants held by the selling stockholder.
- (7) Includes 583 shares of common stock underlying warrants held by the selling stockholder.
- (8) Includes 117,759 shares of common stock underlying warrants held by the selling stockholder.
- (9) According to, and based upon, the Schedule 13D/A filed by AF IV Energy II AIV B1, L.P., Ares Management LLC, Ares Management Holdings L.P., Ares Holdco LLC, Ares Holdings Inc., Ares Management, L.P., Ares Management GP LLC and Ares Partners Holdco LLC (collectively, the "Ares Reporting Persons") with the SEC on March 1, 2017. The Ares Reporting Persons may be deemed to share voting and dispositive power with respect to the shares, which are held by investment vehicles (collectively, the "Ares Investment Vehicles") managed directly or indirectly by Ares Management LLC in the following individual amounts: 5,423,785 shares by AF IV Energy II AIV B1, L.P., 860,870 shares by AF IV Energy II AIV A1, L.P., 1,291,166 shares by AF IV Energy II AIV A2, L.P., 545,130 shares by AF IV Energy II AIV A3, L.P., 557,422 shares by AF IV Energy II AIV A4, L.P., 714,436 shares by AF IV Energy II AIV A5, L.P., 559,501 shares by AF IV Energy II AIV A6, L.P., 286,973 shares by AF IV Energy II AIV A7, L.P., 556,684 shares by AF IV Energy II AIV A8, L.P., 577,053 shares by AF IV Energy II AIV A9, L.P., 860,870 shares by AF IV Energy II AIV A10, L.P., 322,765 shares by AF IV Energy II AIV A11, L.P., 573,782 shares by AF IV Energy II AIV A12, L.P., 259,761 shares by SSF III Halcon AIV B1, L.P., 1,113,192 shares by SSF III Halcon AIV 1, L.P., 167,006 shares by SSF III Halcon AIV 2, L.P., 319,144 shares by SSF III Halcon AIV 3, L.P., 1,807,326 shares by SSF IV Halcon AIV B1, L.P., 84,088 shares by SSF IV Halcon AIV 1, L.P., 619,773 shares by SSF IV Halcon AIV 2, L.P., 673,101 shares by SSF IV Halcon AIV 3, L.P., 168,321 shares by SSF IV Halcon AIV 4, L.P., 371,261 shares by SSF IV Halcon AIV 5, L.P., 624,474 shares by SSF IV Halcon AIV 6, L.P., 750,469 shares by SSF IV Halcon AIV 7, L.P., 292,519 shares by Ares Dynamic Credit Allocation Fund, Inc., 231,474 shares by Ares Strategic Investment Partners Ltd., 227,898 shares by Future Fund Board of Guardians, 97,467 shares by ASIP (Holdco) IV S.a.r.l., 43,093 shares by Ares Multi-Strategy Credit Fund V (H), L.P., 67,228 shares by Transatlantic Reinsurance Company and 34,696 shares by RSUI Indemnity Company. Each of the foregoing entities has informed us that (i) it purchased the securities in the ordinary course of business, and (ii) at the time the securities were purchased, it had no agreements or understandings, directly or indirectly, with any person to distribute the securities. The business address for each of the Ares Reporting Persons is 2000 Avenue of the Stars, 12th Floor, Los Angeles, CA 90067.
- (10) The share amount includes (i) 2,760,000 shares of common stock issuable upon conversion of 276 shares of our 8% Automatically Convertible Preferred Stock, (ii) an aggregate of 340,906 shares of common

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stock issuable upon the exercise of warrants, and (iii) 17,981,822 shares of common stock outstanding. The percentage amounts are based upon all 5,518 shares of 8% Automatically Convertible Preferred Stock outstanding being converted into 55,180,000 shares of common stock.

Selling stockholders who are registered broker-dealers may be deemed to be "underwriters" within the meaning of the Securities Act. In addition, selling stockholders who are affiliates of registered broker-dealers may be deemed to be "underwriters" within the meaning of the Securities Act if such selling security holder (a) did not acquire its shares of common stock or warrants in the ordinary course of business or (b) had an agreement or understanding, directly or indirectly, with any person to distribute the common shares or warrants. To our knowledge, no selling stockholder who is a registered broker-dealer or an affiliate of a registered broker-dealer received any securities as underwriting compensation.

Any prospectus supplement reflecting a sale of common stock or warrants hereunder will set forth, with respect to the selling stockholders:

the name of the selling stockholders;

the nature of the position, office or other material relationship that the selling stockholders will have had within the prior three years with us or any of our affiliates;

the number of shares of common stock and warrants owned by the selling stockholders prior to the offering;

the amount or number of shares of common stock and warrants to be offered for the selling stockholders' account; and

the amount and (if 1.0% or more) the percentage of common stock to be owned by the selling stockholders after the completion of this offering.

Registration Rights Agreement

In connection with and pursuant to the Plan, we issued shares of common stock and warrants to purchase common stock to the selling stockholders. In connection with the confirmation of the Plan, we entered into a registration rights agreement (the "Registration Rights Agreement") with the selling stockholders named herein on September 9, 2016. The filing of this prospectus is pursuant to our obligations to register the shares of common stock on behalf of the selling stockholders under the Registration Rights Agreement. All expenses incurred with the registration of the common stock and warrants owned by the selling stockholders will be borne by us.

Relationships with the Selling Stockholders

As of March 1, 2017, certain funds and accounts managed by Franklin Advisers, Inc. (collectively, "Franklin") beneficially owned approximately 36.7% of our outstanding common stock and would own approximately 23.1% of our outstanding common stock after giving effect to the automatic conversion of all 5,518 shares of our 8% Automatically Convertible Preferred Stock outstanding into 55,180,000 shares of common stock. Pursuant to the Plan, Franklin designated three new members to our board of directors, as well as the right to consent to one of the three directors appointed by Ares Management LLC, as discussed below. Franklin appointed Eric G. Takaha, James W. Christmas and William J. Campbell to our board of directors and consented to Ares' appointment of Ronald D. Scott. Mr. Takaha served as a Portfolio Manager, Senior Vice President and Director of the Corporate and High Yield Group at Franklin Templeton Investments, until his retirement in June 2016. None of Messrs. Takaha, Christmas, Campbell or Scott are presently affiliated with Franklin or their affiliates, and none is a representative of, reports to, or provides information to, any of such persons.

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As of March 1, 2017, investment vehicles managed directly or indirectly by Ares Man