

**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): **May 15, 2018**

Enduro Royalty Trust

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation)

1-35333

(Commission
File Number)

45-6259461

(IRS Employer
Identification No.)

The Bank of New York Mellon Trust Company, N.A., Trustee

601 Travis Street

16th Floor

Houston, Texas

(Address of principal executive offices)

77002

(Zip Code)

Registrant's telephone number, including area code: **(512) 236-6555**

Not Applicable

(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 7.01 Regulation FD Disclosure.

Enduro Resource Partners LLC ("Enduro"), the sponsor of Enduro Royalty Trust (the "Trust"), has informed The Bank of New York Mellon Trust Company, N.A. as Trustee (the "Trustee") of the Trust, that on May 15, 2018 Enduro and certain of its affiliates filed voluntary petitions for a court-supervised proceeding under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Court"). Enduro has also informed the Trustee that it has entered into a purchase agreement with Evolution Petroleum Corporation ("Evolution") relating to the sale of the properties in which the Trust holds a net profits interest and all of the outstanding trust units owned by Enduro. The purchase agreement and sale contemplated by the purchase agreement are subject to the bankruptcy proceedings and Court approval.

The Trust has not filed a Chapter 11 petition and expects to continue in the normal course.

Copies of press releases issued by Enduro and Evolution, respectively, are furnished as exhibits to this Form 8-K. Neither the Trust nor the Trustee makes any representation regarding the accuracy or completeness of the press releases, and neither the Trust nor the Trustee assumes any responsibility for them.

Forward-Looking Statements and Cautionary Statements

This Form 8-K contains statements that are “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. All statements contained in this Form 8-K, other than statements of historical facts, are “forward-looking statements” for purposes of these provisions. These forward-looking statements include statements regarding the expected sale of the Underlying Properties and of the outstanding trust units held by Enduro. Statements made in this Form 8-K are qualified by the cautionary statements made in this Form 8-K. Neither the Trust nor the Trustee intends, and neither assumes any obligation, to update any of the statements included in this Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit 99.1 [Enduro Resource Partners LLC Press Release dated May 15, 2018.](#)

Exhibit 99.2 [Evolution Petroleum Corporation Press Release dated May 15, 2018.](#)

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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.

Enduro Royalty Trust

By: The Bank of New York Mellon Trust Company, N.A., as Trustee

Date: May 16, 2018

By: /s/ Sarah Newell
Sarah Newell
Vice President

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**Enduro Resource Partners LLC Files Voluntary Petitions for Chapter 11
To Facilitate Sale of Assets**

Company to Sell Its Assets to Maximize Value to Creditors

Operations to Continue as Usual During the Sale Process

Enduro Royalty Trust to Continue to Operate in Normal Course

FORT WORTH, Texas, May 15, 2018 /PRNewswire/ — Enduro Resource Partners LLC (“Enduro” or the “Company”) today announced that in order to facilitate assets sales to maximize recoveries to its creditor constituencies, the Company and certain of its affiliates have filed voluntary petitions for a court-supervised proceeding under chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (“the Court”). Enduro intends to operate in the ordinary course of business during the sale process and chapter 11 cases. Enduro Royalty Trust, a publicly-traded Delaware statutory trust formed on May 3, 2011, has not filed a chapter 11 petition and will also continue to operate in the normal course.

Following an extensive marketing and sale process the Company, its Board of Managers, and its first lien lenders determined that the sale of all of Enduro’s assets (including ownership of its outstanding units in Enduro Royalty Trust (the “trust units”)) through a court-supervised process is the best course of action in terms of maximizing value for all stakeholders. Enduro expects the ultimate purchaser of its trust units to assume Enduro’s responsibilities under the Amended and Restated Trust Agreement with Enduro Royalty Trust.

Enduro has reached an agreement with its first lien lenders to utilize their cash collateral to fund the Company throughout the sale process. This arrangement, which is subject to court approval, is expected to support the Company’s day-to-day operations during this process and to be sufficient to fund Enduro’s operations during the chapter 11 process. Employees, royalty, working interest, and joint interest billing partners, and vendors should expect no material impact on day-to-day operations or interactions with the Company.

Enduro also filed a motion seeking authorization to pursue a sale process under Section 363 of the U.S. Bankruptcy Code. To this end, Enduro has entered into three stalking horse purchase agreements, copies of which were filed with the Court today. These purchase agreements are subject to higher and better bids, which Enduro expects to begin soliciting promptly in accordance with the process described in the applicable filings with the Court.

The Company has filed a number of customary motions with the Court seeking court authorization to support its operations, including the payment of employee wages, salaries, and benefits. Enduro is also seeking court authorization to meet its outstanding obligations to its royalty, working interest, and joint interest billing partners, as well as certain vendors. The Company expects to receive Court approval for these requests shortly.

Additional information is available at <http://www.kccllc.net/Enduro> and by calling 866-967-0493 (toll free) or 310-751-2693 (international callers). Court filings and other information related to the court-supervised proceedings are available at a website administered by the Company’s claims agent, Kurtzman Carson Consultants (KCC), at <http://www.kccllc.net/Enduro>.

The Company has retained Latham & Watkins LLP and Young Conaway Stargatt & Taylor, LLP as co-counsel, Evercore Group, L.L.C. as financial advisor and Alvarez & Marsal North America, LLC as restructuring advisor.

SOURCE Enduro Resource Partners LLC

Evolution Petroleum Announces Signing of Agreement to Acquire Oil and Gas Assets for \$27.5 Million

HOUSTON, TX / ACCESSWIRE / May 15, 2018 / Evolution Petroleum Corporation (NYSE American: EPM) today announced the signing of a Purchase and Sale Agreement (PSA) to acquire certain oil and gas assets from an affiliate of Enduro Resource Partners LLC (Enduro) for a purchase price of \$27.5 million, subject to normal closing adjustments and the outcome of the seller's Chapter 11 process. This transaction, if consummated, will be a significant step in the Company's long-term plan to diversify its asset base through the acquisition of primarily long life, producing oil and gas properties.

Evolution Acquisition Efforts

The Company has been actively seeking producing property acquisitions to diversify its asset base after receiving proceeds from the litigation settlement, establishing our new credit agreement with MidFirst Bank and completing the large capital project to install an NGL plant in the Delhi field. Evolution seeks acquisitions that meet the following criteria:

1. a substantial majority of the value is attributable to proved developed producing reserves;
2. reserves are long life with a favorable reserve to production ratio (R/P)*;
3. properties are in locations with access to markets and stable regulatory environments;
4. transactions provide a reasonable target rate of return on a risk-adjusted basis;
5. transactions are appropriate for the size and capabilities of the Company; and
6. transactions will be supportive of the Company's dividend.

While these criteria serve as our primary objectives, we evaluate a wide range of opportunities based on market availability. Our goal is to build a more diversified asset portfolio over time to support our dividend program and specific transactions may vary from the above criteria.

Early in this process, Evolution engaged an engineering consultant to focus on its acquisition effort and subsequently added additional evaluation resources. The market for properties that meet our criteria has been very active and we have evaluated a number of potential opportunities. This is an ongoing effort and we expect it to continue as long as viable opportunities are available and our objectives are being met.

Highlights of the Enduro Transaction:

- Diversified package of producing properties in two primary areas:
 - Permian Basin (approximately 88% of estimated equivalent reserves)
 - East Texas and North Louisiana (approximately 12% of estimated equivalent reserves)
- Reserves are 100% non-operated, with quality operating partners
- Heavily weighted to crude oil, which comprises over 80% of the value of current production
- Long-life reserves - reserve to production ratio (R/P)* over 11 years

Details of the Transaction:

The total purchase price of the transaction is \$27,500,000, subject to customary closing adjustments. The oil and gas properties (Properties) subject to the PSA comprise all of the properties underlying the Enduro Royalty Trust (Trust) and include the working interests owned by Enduro, reduced by an 80% net profits interest (NPI) that was conveyed to the Trust in 2011. The NPI is substantially equivalent to an 80% working interest in the properties, except that the Trust is not subject to any losses or development costs in excess of aggregate monthly cash flows. Any such losses or development costs can, however, be recouped by the Trust's sponsor (into whose role Evolution would step, as described below) from subsequent cash flows. The Trust, through the NPI, receives its 80% proportionate share of all revenues, net of production taxes, and bears its 80% share of direct operating expenses and development costs. Approximately 85% of the estimated equivalent reserves are operated by major oil and gas companies or large independents.

The PSA also conveys to Evolution the trust units owned by Enduro. In connection with the transaction, Evolution would take responsibility for the current duties of Enduro related to the Trust, including the preparation of financial information and reports in accordance with generally accepted accounting principles (GAAP) for inclusion in the SEC filings of the Trust.

The transaction represents an offer under Section 363 of the U.S. Bankruptcy Code in connection with the Chapter 11 filing of Enduro and certain of its affiliates (but excluding the Trust). Such offers are commonly referred to as "stalking horse" bids and are subject to higher bids, in accordance with the bidding procedures approved by the Bankruptcy Court. Accordingly, the Company cannot be certain that it will complete this transaction. The PSA provides Evolution with certain important protections in this process, including a break-up fee plus expense reimbursement totaling \$1,100,000 if Enduro accepts a higher bid for the Properties. Evolution may also submit a higher bid should it choose to. The Section 363 sale process is expected to be concluded by mid-July 2018. Given the competitive nature of the Section 363 process, Evolution will defer the public disclosure of some of the financial information and analysis that it would customarily provide relating to valuation and metrics of the transaction.

Transaction Funding and Capital Available

Evolution intends to fund the closing of this transaction, if completed, primarily with cash on hand, which totaled \$27.2 million as of March 31, 2018. The Company currently has no debt outstanding and \$40 million of undrawn borrowing base availability under its credit agreement. The current availability is based solely on existing assets without regard to any potential increase in the borrowing base. Accordingly, with these undrawn resources, the Company intends to continue to evaluate asset acquisition opportunities.

About Evolution Petroleum

Evolution Petroleum Corporation is an independent oil and gas company focused on delivering a sustainable dividend yield to its shareholders through the ownership and management of producing oil and gas properties in the U.S. The Company's long-term goal is to build a diversified portfolio of oil and gas

assets primarily through acquisition, while seeking opportunities to maintain and increase production through selective development, production enhancement and other exploitation efforts on its properties. Additional information, including the Company's most recent annual report on Form 10-K and its quarterly reports on Form 10-Q, is available on its website at www.EvolutionPetroleum.com.

Cautionary Statement

All forward-looking statements contained in this press release regarding potential results and future plans and objectives of the Company involve a wide range of risks and uncertainties. Statements herein using words such as "believe," "expect," "plans," "outlook" and words of similar meaning are forward-looking statements. Although our expectations are based on business, engineering, geological, financial and operating assumptions that we believe to be reasonable, many factors could cause actual results to differ materially from our expectations and we can give no assurance that our goals will be achieved. These factors and others are detailed under the heading "Risk Factors" and elsewhere in our periodic documents filed with the SEC. The Company undertakes no obligation to update any forward-looking statement.

* Reserve to production ratio (R/P) is a non-GAAP relative measure of reserves calculated as the remaining proved reserves divided by the current rate of production. In this case, total proved reserves on an equivalent basis (with natural gas converted to oil at the rate of 6:1) were divided by expected equivalent production in the first 12-month period of the reserves report. The Company believes that this measure is a commonly used metric that is relevant to understanding and analyzing reserves and is useful to investors and analysts in comparing companies and transactions to others in the industry. This measure is relevant only on a comparative basis and is not an absolute measure of the expected life of reserves, nor is it intended to convey or predict information about any future event or expected results over any period of time.

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SOURCE: Evolution Petroleum Corporation