Rosetta Resources Inc.
Form 424B5
May 22, 2014
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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-180439

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	**Proposed maximum aggregate offering price**	**Amount of registration fee (1)**
5.875% Senior Notes due 2024	$500,000,000	$64,400
Guarantees of Senior Notes	(2)	
Total	$500,000,000	$64,400

(1) The filing fee, calculated in accordance with Rule 457(r), has been transmitted to the SEC in connection with the securities offered from Registration Statement File No. 333-180439 by means of this prospectus supplement.
(2) No separate consideration will be received for such guarantees. Pursuant to Rule 457(n) under the Securities Act, no registration fee is required with respect to such guarantees.

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Prospectus supplement

(To Prospectus dated March 29, 2012)

Rosetta Resources Inc.

$500,000,000 5.875% Senior Notes due 2024

Rosetta Resources Inc. is offering $500,000,000 aggregate principal amount of 5.875% senior unsecured notes due 2024 (the notes). The notes will mature on June 1, 2024.

Interest on the notes will accrue from May 29, 2014 and we will pay interest twice a year, beginning on December 1, 2014.

We may redeem all or part of the notes on or after June 1, 2019 at the applicable redemption prices described in this prospectus supplement and prior to such date, at a make-whole redemption price, in each case, together with any accrued and unpaid interest to the date of redemption. The optional redemption provisions are more fully described in this prospectus supplement under Description of notes Optional redemption. In addition, prior to June 1, 2017, we may, at our option, redeem up to 35% of the principal amount of the notes with an amount of cash not greater than the net proceeds of certain equity offerings. If we undergo a change of control or sell assets, we may be required to offer to purchase the notes.

The notes will be our senior unsecured obligations, will be equal in right of payment with any of our existing and future senior unsecured indebtedness that is not by its terms subordinated to the notes, including our 5.625% Senior Notes due 2021 and our 5.875% Senior Notes due 2022 (collectively, our existing notes) and will be effectively junior to our existing and future secured indebtedness, including indebtedness under our senior secured revolving credit facility (the revolving credit facility), to the extent of the value of the collateral securing that indebtedness. The notes will initially be guaranteed on a senior unsecured basis by each of our subsidiaries that guarantee the indebtedness under our revolving credit facility. The guarantees will be equal in right of payment to the subsidiary guarantors existing and future senior indebtedness that is not by its terms subordinated to the guarantees, including guarantees of our existing notes, and will rank effectively junior to the subsidiary guarantors existing and future secured indebtedness, including guarantees of indebtedness under our revolving credit facility, to the extent of the value of the collateral securing that indebtedness. The notes and guarantees will be structurally subordinated to the indebtedness and other liabilities and the preferred stock of any of our subsidiaries that do not guarantee the notes.

Investing in the notes involves risks. See Risk factors beginning on page S-12 of this prospectus supplement and on page 1 of the accompanying prospectus.

	Per note	Total
Public offering price(1)	100.00%	$ 500,000,000

Proceeds, before expenses, to us(1)	98.50%	$ 7,500,000
Underwriting discount	1.50%	$ 492,500,000

(1) Plus accrued interest from May 29, 2014.

None of the Securities and Exchange Commission, any state securities commission, or any other regulatory body has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The notes will not be listed on any securities exchange. Currently, there is no public market for the notes. We expect delivery of the notes will be made to investors in book-entry form only through the facilities of The Depository Trust Company for the accounts of its participants, including Clearstream Banking S.A., and Euroclear Bank S.A./N.V., as operator of the Euroclear System, on or about May 29, 2014.

Joint book-running managers

J.P. Morgan Wells Fargo Securities BMO Capital Markets Mitsubishi UFJ Securities

Senior co-managers

BofA Merrill Lynch BBVA Comerica Securities Scotiabank

Prospectus dated May 21, 2014.

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About this prospectus supplement

This document is in two parts. The first part is this prospectus supplement and the documents incorporated by reference herein, which, among other things, describes the specific terms of this offering. The second part, the accompanying prospectus and the documents incorporated by reference therein, gives more general information, some of which may not apply to this offering. If the description of this offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

You should rely only on the information contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus and any related free writing prospectus. We have not authorized anyone to provide you with different information. We and the underwriters are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this prospectus supplement or the accompanying prospectus is accurate as of any date other than the date on the front of this prospectus supplement.

We expect that the delivery of the notes will be made against payment therefor on or about May 29, 2014, which is the fifth business day following the date of pricing of the notes (such settlement cycle being herein referred to as T+5). Under Rule 15c6-1 under the Securities Exchange Act of 1934, as amended (the Exchange Act), trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the notes on the date of pricing of the notes or during the next succeeding business day will be required, by virtue of the fact that the notes initially will settle in T+5, to specify an alternate settlement cycle at the time of any such trade in order to prevent failed settlement and should consult their own advisors.

Except in the Prospectus supplement summary The offering and Description of notes or unless otherwise indicated or the context otherwise requires, all references to Rosetta, the Company, we, us and our in this prospectus supplement refer to Rosetta Resources Inc. and its direct a indirect subsidiaries on a consolidated basis.

Incorporation by reference

The SEC allows us to incorporate by reference the information that we file with it, which means that we can disclose important information to you by referring you to other documents. The information incorporated by reference is an important part of this prospectus supplement, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference the following documents and all documents that we subsequently file with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act) (other than information furnished rather than filed):

- our Annual Report on Form 10-K for the year ended December 31, 2013;
- our Quarterly Report on Form 10-Q for the quarter ended March 31, 2014; and
- our Current Reports on Form 8-K filed on April 3, 2014 and May 16, 2014.

Forward-looking statements

This prospectus supplement includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Exchange Act that are subject to risks and uncertainties. All statements other than statements of historical fact included in this document are forward-looking statements, including, without

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limitation, all statements regarding future plans, business objectives, strategies, expected future financial position or performance, expected future operational position or performance, budgets and projected costs, future competitive position, or goals and/or projections of management for future operations. In some cases, you can identify a forward-looking statement by terminology such as may, will, could, should, would , expect, plan, project, intend, anticipate, believe, forecast, estimate, predict, potential, pursue, target or continue, the r variations thereon, or other comparable terminology.

The forward-looking statements contained in this document are largely based on our expectations for the future, which reflect certain estimates and assumptions made by our management. These estimates and assumptions reflect our best judgment based on currently known market conditions, operating trends, and other factors. Although we believe such estimates and assumptions to be reasonable, they are inherently uncertain and involve a number of risks and uncertainties that are beyond our control. As such, management s assumptions about future events may prove to be inaccurate. For a more detailed description of the risks and uncertainties involved, see Risk factors beginning on page S-12 of this prospectus supplement and on page 1 of the accompanying prospectus, as well as Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2013 and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2014. Unless otherwise required by law, we do not intend to publicly update or revise any forward-looking statements as a result of new information, future events, changes in circumstances, or otherwise. These cautionary statements qualify all forward-looking statements attributable to us, or persons acting on our behalf. Management cautions you that the forward-looking statements contained in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference herein and therein are not guarantees of future performance, and we cannot assure you that such statements will be realized or that the events and circumstances they describe will occur. Factors that could cause actual results to differ materially from those anticipated or implied in the forward-looking statements herein include, but are not limited to:

our ability to maintain leasehold positions that require exploration and development activities and material capital expenditures;

unexpected difficulties in integrating our operations as a result of any significant acquisitions;

the supply and demand for oil, natural gas liquids (NGLs) and natural gas;

changes in the price of oil, NGLs and natural gas;

general economic conditions, either internationally, nationally or in jurisdictions where we conduct business;

conditions in the energy and financial markets;

our ability to obtain credit and/or capital in desired amounts and/or on favorable terms;

the ability and willingness of our current or potential counterparties or vendors to enter into transactions with us and/or to fulfill their obligations to us;

failure of our joint interest partners to fund any or all of their portion of any capital program and/or lease operating expenses;

failure of joint interest partners to pay us our share of revenue;

the occurrence of property acquisitions or divestitures;

reserve levels;

inflation or deflation;

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competition in the oil and natural gas industry;

the availability and cost of relevant raw materials, equipment, goods, services and personnel;

changes or advances in technology;

potential reserve revisions;

the availability and cost of, as well as limitations and constraints on, infrastructure required to gather, transport, process and market oil, NGLs and natural gas;

performance of contracted markets and companies contracted to provide transportation, processing and trucking of oil, NGLs and natural gas;

developments in oil-producing and natural gas-producing countries;

drilling, completion, production and facility risks;

exploration risks;

legislative initiatives and regulatory changes potentially adversely impacting our business and industry, including, but not limited to, changes in national healthcare, cap and trade, hydraulic fracturing, state and federal corporate income taxes, retroactive royalty or production tax regimes, environmental regulations and environmental risks and liability under federal, state and local environmental laws and regulations;

effects of the application of applicable laws and regulations, including changes in such regulations or the interpretation thereof;

present and possible future claims, litigation and enforcement actions;

lease termination due to lack of activity or other disputes with mineral lease and royalty owners, whether regarding calculation and payment of royalties or otherwise;

the weather, including the occurrence of any adverse weather conditions and/or natural disasters affecting our business;

factors that could impact the cost, extent and pace of executing our capital program, including but not limited to, access to oilfield services, access to water for hydraulic fracture stimulations and permitting delays, unavailability of required permits, lease suspensions, drilling, exploration and production moratoriums and other legislative, executive or judicial actions by federal, state and local authorities, as well as actions by private citizens, environmental groups or other interested persons;

- sabotage, terrorism and border issues, including encounters with illegal aliens and drug smugglers; and

- any other factors that impact or could impact the exploration and development of oil, NGLs or natural gas resources, including but not limited to the geology of a resource, the total amount and costs to develop recoverable reserves, legal title, regulatory, natural gas administration, marketing and operational factors relating to the extraction of oil, NGLs and natural gas.

All written and oral forward-looking statements attributable to us are expressly qualified in their entirety by such factors.

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Market and industry data

Market and industry data and forecasts included or incorporated by reference in this prospectus supplement have been obtained from independent industry sources, as well as from research reports prepared for other purposes. Although we believe these third-party sources to be reliable, we have not independently verified the data obtained from these sources, and we cannot assure you of the accuracy or completeness of the data. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and uncertainties as the other forward-looking statements included or incorporated by reference in this prospectus supplement.

Non-GAAP financial measures

We refer to the terms EBITDA and Adjusted EBITDA in this prospectus supplement. EBITDA is calculated as net income, excluding income tax expense, interest expense, net of interest capitalized, interest income, other income (expense), net, and depreciation, depletion and amortization. Adjusted EBITDA is calculated as EBITDA excluding unrealized gains or losses on derivative instruments, stock-based compensation expense and other charges or credits. EBITDA and Adjusted EBITDA are supplemental financial measures that are not prepared in accordance with U.S. generally accepted accounting principles (GAAP). Any analysis of non-GAAP financial measures should be used only in conjunction with results presented in accordance with GAAP. We believe that EBITDA and Adjusted EBITDA are widely accepted financial indicators that provide additional information about our financial performance and our ability to meet our future requirements for debt service, capital expenditures and working capital, but EBITDA and Adjusted EBITDA should not be considered in isolation or as a substitute for net income, operating income, net cash provided by operating activities or any other measure of financial performance presented in accordance with GAAP or as a measure of our profitability or liquidity. EBITDA and Adjusted EBITDA are used by our management for various purposes, including as measures of operating performance, as a basis for planning, in presentations to our board of directors, and with certain adjustments, by our lenders pursuant to covenants under our revolving credit agreement. Our definitions of EBITDA and Adjusted EBITDA may not be comparable to similarly titled measures used by other companies.

The SEC has adopted rules to regulate the use in filings with the SEC and in public disclosures of non-GAAP financial measures, such as EBITDA, Adjusted EBITDA and ratios related thereto. These measures are derived on the basis of methodologies other than in accordance with GAAP. These rules govern the manner in which non-GAAP financial measures are publicly presented and require, among other things:

- a presentation with equal or greater prominence of the most comparable financial measure or measures calculated and presented in accordance with GAAP; and

- a statement disclosing the purposes for which the company s management uses the non-GAAP financial measure.

The rules prohibit, among other things:

- the exclusion of charges or liabilities that require, or will require, cash settlement or would have required cash settlement, absent an ability to settle in another manner, from a non-GAAP liquidity measure; and

- the adjustment of a non-GAAP performance measure to eliminate or smooth items identified as non-recurring, infrequent or unusual, when the nature of the charge or gain is such that it has occurred in the past two years or is reasonably likely to recur within the next two years.

We also refer to PV-10 in this prospectus supplement. PV-10 is a non-GAAP financial measure and represents the present value of estimated future cash inflows from proved oil and natural gas reserves, less future

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development and production costs, discounted at 10% per annum to reflect timing of future cash inflows and using the unweighted arithmetic average of the first-day-of-the-month price for each of the preceding twelve months. PV-10 differs from the standardized measure of discounted future net cash flows because it does not include the effects of income taxes. Neither PV-10 nor standardized measure represents an estimate of fair market value of our oil and natural gas properties. PV-10 is used by the industry and our management as an arbitrary reserve asset value measure to compare against past reserve bases and the reserve bases of other business entities that are not dependent on the taxpaying status of the entity.

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Prospectus supplement summary

This summary highlights information from this prospectus supplement and the accompanying prospectus to help you understand the notes. You should read carefully the entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein for a more complete understanding of this offering. You should read Risk factors beginning on page S-12 of this prospectus supplement and on page 1 of the accompanying prospectus, as well as Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2013 and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2014, for more information about important risks that you should consider before making a decision to purchase notes in this offering.

We have defined certain oil and gas industry terms used in this document in the Glossary of oil and gas terms beginning on page S-97 of this prospectus supplement.

Rosetta Resources Inc.

We are an independent exploration and production company engaged in the acquisition and development of onshore energy resources in the United States. Our operations are currently focused in the Eagle Ford shale in South Texas and the Permian Basin in West Texas. In the Eagle Ford shale, we hold approximately 63,000 net acres, with 50,000 net acres located in the liquids-rich area of the play. Our activities within the Eagle Ford to date have targeted the delineation and development of four core areas, the Gates Ranch, Karnes Trough, Dimmit County and Briscoe Ranch areas. We intend to continue to exploit the resource potential within these areas and believe they will provide us with a multi-year project inventory of attractive investment opportunities under current commodity prices. Since the start of our Eagle Ford program in the first quarter of 2010, our overall daily production has increased approximately 162% through the first quarter of 2014. In the Permian Basin, we hold approximately 60,000 net acres, including certain assets covering 5,034 net acres located in the Delaware Basin in Reeves County acquired in the first quarter of 2014.

In the first quarter of 2014, total daily equivalent production was 54.3 MBoe/d, an increase of 16% from the same period in 2013, and 5% growth from the prior quarter. Our daily crude oil production for the first quarter of 2014 was 16.1 MBoe/d, an increase of 30% from the same period in 2013, and 8% growth from the prior quarter. Production from our Eagle Ford area accounted for approximately 92% of our total production for the three months ended March 31, 2014. Additionally, approximately 64% of our total production was attributable to oil and NGLs in the first quarter of 2014.

As of December 31, 2013, we had an estimated 279 MMBoe of proved reserves, of which approximately 60% were liquids and 32% were proved developed. Our reserves had an estimated standardized measure of discounted future net cash flows of $2.3 billion and a PV-10 value of $3.0 billion as of December 31, 2013. See Non-GAAP financial measures for a definition of PV-10 and Summary historical reserve and operating data for a reconciliation to standardized measure.

Our principal executive offices are located at 1111 Bagby Street, Suite 1600, Houston, Texas 77002, and our telephone number is (713) 335-4000. Our website is www.rosettaresources.com. The information included on our website is not part of, or incorporated by reference into, the prospectus supplement.

Business strategy

Our strategy is to deliver sustainable growth from unconventional onshore domestic basins through sound stewardship, wise capital resource management, taking advantage of business cycles and emerging trends and minimizing liabilities through governmental compliance and protecting the environment. Below is a discussion of the key elements of our strategy.

Leverage high-grade asset base. Our extensive inventory of investment opportunities in the Eagle Ford area, which is a major source of our production and reserves, provides higher economic returns than areas where we sold assets during the last few years. With our entry into the Permian Basin, we have increased our portfolio of long-lived, oil-rich resource projects that we expect will further drive our long-term growth and sustainability.

Successfully execute our business plan. We have increased our total production and diversified our production base to include a greater mix of crude oil and NGLs. In addition, we manage all elements of our cost structure, including drilling and operating costs, as well as overhead costs. We strive to minimize our drilling and operating costs by concentrating our activities within existing and new unconventional resource play areas where we can achieve efficiencies through economies of scale. As part of our strategy to minimize costs, we have taken aggressive steps to ensure access to transportation and processing facilities in our operating areas where midstream services are in high demand and infrastructure is under construction.

Test future growth opportunities. Our strategy involves the evaluation of previously untested Eagle Ford acreage and the continued testing of optimal Eagle Ford and Permian well spacing. In this regard, we intend to further develop and apply our technological expertise, which helped us establish a major production base in the Eagle Ford area. We use advanced geological and geophysical technologies, detailed petrophysical analyses, advanced reservoir engineering and sophisticated drilling, completion and stimulation techniques to grow our reserves, production and project inventory. We intend to extend our operational footprint in the Eagle Ford and Permian Basin areas, as well as evaluate new areas within the United States characterized by a significant presence of resource potential that can be exploited utilizing our technological expertise.

Maintain financial strength and flexibility. As of March 31, 2014, we had $60.0 million outstanding under our revolving credit facility and $740.0 million of available borrowing capacity. We expect cash flows from operations and cash on hand, supplemented by borrowings under our revolving credit facility, to provide financial flexibility to further develop our assets in the next few years. We intend to continue to actively manage our exposure to commodity price risk in the marketing of our oil, NGL and natural gas production. As of March 31, 2014, we have entered into a series of commodity derivative contracts through 2016 as part of this strategy.

Our strengths

We have a number of competitive strengths that we believe will help us successfully execute our business strategy:

Liquids rich asset base in leading resource plays. We believe we have assembled a strong asset base within the Eagle Ford and Permian Basin areas. Our Eagle Ford area assets provide us with a multi-year inventory of highly economic drilling opportunities under current commodity prices. We plan to grow reserves, production and cash flow from the Eagle Ford area by continuing to develop our undeveloped acreage, delineating acreage in emerging areas, increasing well density and optimizing reserve recovery practices and testing additional horizons. We expect that our Permian Basin assets will add to our inventory of repeatable development opportunities and provide the potential for additional long-term reserve, production and cash flow growth. We plan to exploit our Permian Basin assets through additional development drilling and further delineation of producing and prospective horizons.

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Resource assessment capability and multi-year drilling inventory. We have established multidisciplinary teams that are skilled at conducting comprehensive resource assessments. This work helps us identify and catalog an inventory of low to moderate risk opportunities that have provided us with multiple years of drilling projects. We expect to continue adding to our portfolio of non-proved resource inventory over time from our existing Eagle Ford and Permian Basin assets, as well as from additional investment opportunities that we will evaluate as they arise.

High degree of operational control. We operate approximately 100% and 93% of our estimated proved reserves in the Eagle Ford and Permian Basin areas, respectively. Additionally, we have a high working interest in most of our properties and relatively low capital requirements to maintain our leasehold interests. These factors allow us to more effectively manage and control the timing of capital spending on our exploration and development activities, as well as to achieve opportunities for operating cost efficiencies that may arise.

Management team and technical staff with extensive operating experience. Our executive management team has an average of 28 years of experience, with specific expertise in the areas where our core properties are located. Our Chairman, President and Chief Executive Officer, Mr. Craddock, has more than 30 years of experience in the energy industry, most recently serving as our Senior Vice President of Drilling and Production Operations. Along with Mr. Craddock, our entire executive management team has extensive experience in successfully executing multi-year development drilling programs to create shareholder value. Our executive management team is supported by a technical staff that consists of 45 engineers, geologists, geophysicists, landmen and technicians, averaging over 18 years of relevant technical experience.

Recent developments

On May 5, 2014, we redeemed in full our 9.500% Senior Notes due 2018 (the 2018 notes) for an aggregate price of $210.6 million, which reflects a redemption price of 104.750%, plus accrued and unpaid interest to, but not including, the redemption date.

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The offering

The following summary contains basic information about the notes and is not intended to be complete. For a more complete understanding of the notes, please refer to the section of this prospectus supplement entitled Description of notes. For purposes of this section of the summary and the description of notes included in this prospectus supplement, references to Rosetta, the Company, issuer, us, we and our refer only to Rose Resources Inc. and do not include its subsidiaries or affiliates.

Issuer	Rosetta Resources Inc.
Securities	$500,000,000 aggregate principal amount of 5.875% senior notes due 2024.
Maturity	June 1, 2024.
Interest payment dates	Interest will be payable semi-annually in arrears on June 1 and December 1 of each year, beginning on December 1, 2014. Interest will accrue from May 29, 2014.
Optional redemption	At any time prior to June 1, 2019, we may, at our option, redeem all or part of the notes at a make-whole price, *plus* accrued and unpaid interest, if any to the date of redemption.
	On or after June 1, 2019, we may redeem the notes at fixed redemption prices, *plus* accrued and unpaid interest, if any, to the date of redemption, as described under Description of notes Optional redemption.
	In addition, prior to June 1, 2017, we may, at our option, redeem up to 35% of the principal amount of the notes with an amount of cash not greater than the net proceeds of certain equity offerings at a fixed redemption price, plus accrued and unpaid interest, if any, to the date of redemption, as described under Description of notes Optional redemption.
Ranking	The notes will be our senior unsecured obligations. Accordingly, they will rank:
	effectively subordinated to all our senior secured indebtedness incurred from time to time, including indebtedness under our revolving credit facility, to the extent of the value of our assets securing such indebtedness;
	structurally subordinated to all existing and future indebtedness and other liabilities, including trade payables, of any non-guarantor subsidiaries (other than indebtedness and other liabilities owed to us);
	senior in right of payment to all of our existing and future subordinated indebtedness; and

pari passu in right of payment with any of our existing and future indebtedness that is not by its terms subordinated to the notes, including our existing notes.

As of March 31, 2014, after giving effect to the redemption of our 2018 notes, the issuance and sale of the notes and the application of the net proceeds therefrom

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as set forth under Use of proceeds, we would have had total indebtedness of approximately $1.8 billion, none of which would have been secured, and $800.0 million of borrowing capacity under our revolving credit facility.

Subsidiary guarantees

The notes initially will be jointly and severally guaranteed on a senior unsecured basis by each of our subsidiaries that guarantee the indebtedness under our revolving credit facility and our existing notes. In the future, the guarantees could be released or terminated under certain circumstances.

Each subsidiary guarantee will be a general unsecured obligation of the subsidiary guarantor and will rank:

- effectively junior to that subsidiary guarantor s existing and future secured indebtedness, including its guarantee of indebtedness under our revolving credit facility, to the extent of the value of the assets of such subsidiary guarantor constituting collateral securing that indebtedness;
- structurally subordinated to all existing and future indebtedness and other liabilities, including trade payables, of any non-guarantor subsidiaries (other than indebtedness and other liabilities owed to us);
- senior in right of payment to that subsidiary guarantor s existing and future subordinated indebtedness; and
- *pari passu* in right of payment to that subsidiary guarantor s existing and future indebtedness that is not by its terms subordinated to the subsidiary guarantee, including its guarantee of our existing notes.

Covenants

The indenture governing the notes will contain covenants that, among other things, limit our ability and the ability of our restricted subsidiaries to:

- incur additional debt;
- make certain investments or pay dividends or distributions on our capital stock or purchase or redeem or retire capital stock;
- sell assets, including capital stock of our restricted subsidiaries;
- restrict dividends or other payments by restricted subsidiaries;
- repurchase subordinated debt;
- create liens that secure debt;

enter into transactions with affiliates; and

merge or consolidate with another company.

These covenants are subject to a number of important limitations and exceptions that are described in this prospectus supplement under the caption Description of notes Certain covenants.

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	If the notes achieve investment grade ratings by both Moody s Investors Service, Inc. (Moody s) and Standard & Poor s Rating Service (Standard & Poor s) and no default or event of default has occurred and is continuing under the indenture, we and our restricted subsidiaries will no longer be subject to many of the foregoing covenants. See Description of notes Covenant termination.
Change of control; Asset sales	Upon the occurrence of a change of control, unless we have exercised our optional redemption right in respect of the notes, holders of the notes will have the right to require us to repurchase all or a portion of the notes at a price equal to 101% of the aggregate principal amount of the notes, together with any accrued and unpaid interest to the date of purchase. In connection with certain asset dispositions, we will be required to use the net cash proceeds of the asset dispositions to make an offer to purchase the notes at 100% of the principal amount, together with any accrued and unpaid interest to the date of purchase.
Use of proceeds	We expect to receive net proceeds from this offering of approximately $491.8 million, after deducting the underwriting discount and estimated offering expenses. We intend to use the net proceeds of this offering to repay outstanding borrowings under our revolving credit facility, and any remaining net proceeds will be used for general corporate purposes. See Use of proceeds.
No public market	The notes are a series of securities for which there is currently no established trading market. The underwriters have advised us that certain underwriters presently intend to make a market in the notes. However, you should be aware that they are not obligated to make a market and may discontinue their market- making activities at any time without notice. As a result, a liquid market for the notes may not be available if you try to sell your notes. We do not intend to apply for a listing of the notes on any securities exchange or any automated dealer quotation system.
Form	The notes will be represented by registered global securities registered in the name of Cede & Co., the nominee of the depositary, The Depository Trust Company (DTC). Beneficial interests in the notes will be shown on, and transfers will be effected through, records maintained by DTC and its participants.
Risk factors	See Risk factors beginning on page S-12 of this prospectus supplement and on page 1 of the accompanying prospectus, as well as Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2013 and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2014, for a discussion of the risk factors you should carefully consider before deciding to invest in the notes.
Conflicts of interest	Certain underwriters or their affiliates are lenders under our revolving credit facility and accordingly will receive a portion of the net proceeds from this offering through the repayment of the borrowings they have extended under that facility. Because 5% or more of the net proceeds of this offering, not

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including underwriting compensation, may be paid to affiliates of certain of the underwriters, this offering will be made in accordance with Rule 5121 of the Financial Industry Regulatory Authority (FINRA), which requires that a qualified independent underwriter (QIU) participate in the preparation of the registration statement, prospectus and prospectus supplement and perform the usual standards of due diligence with respect thereto. Scotia Capital (USA) Inc. is assuming the responsibilities of acting as QIU in connection with this offering. We have agreed to indemnify Scotia Capital (USA) Inc. against certain liabilities incurred in connection with it acting as QIU in this offering, including liabilities under the Securities Act. For more information, see Underwriting; conflicts of interest.

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Summary historical consolidated financial data

The following table sets forth our summary historical consolidated financial data for the periods and as of the dates indicated. The summary statements of income and cash flows for the years ended December 31, 2011, 2012 and 2013 and the balance sheet as of December 31, 2012 and 2013 have been derived from our audited consolidated financial statements. The summary statements of income and cash flows for the three months ended March 31, 2013 and 2014 and the balance sheet as of March 31, 2013 and 2014 have been derived from our unaudited interim consolidated financial statements.

You should read this historical financial information in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2013 and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2014, as well as our historical financial statements and notes thereto, all of which are incorporated by reference into this prospectus supplement. Historical results are not necessarily indicative of results that may be expected for any future period.

(Dollars in thousands, except ratios)	Year ended December 31, 2011	2012	2013	Three months ended March 31, 2013	2014
Income statement data:					
Revenues:					
Oil sales	$ 156,284	$ 318,782	$ 475,119	$ 110,052	$ 131,677
NGL sales	125,301	160,461	198,966	46,461	55,295
Natural gas sales	163,382	93,711	147,028	33,576	51,379
Derivative instruments	1,233	40,545	(7,095)	(11,969)	(23,785)
Total revenues	446,200	613,499	814,018	178,120	214,566
Operating costs and expenses:					
Lease operating expenses	28,822	35,138	53,336	8,911	19,521
Treating and transportation	22,316	51,826	71,338	15,087	20,677
Taxes, other than income	18,151	24,013	31,075	7,655	10,206
Depreciation, depletion and amortization	123,244	154,223	218,571	44,630	74,775
Reserve for commercial disputes			20,450		
General and administrative costs	75,256	68,731	73,043	15,532	19,538
Total operating costs and expenses	267,789	333,931	467,813	91,815	144,717
Operating income	178,411	279,568	346,205	86,305	69,849
Other expense (Income):					
Interest expense, net of interest capitalized	$ 21,291	$ 24,316	$ 35,957	$ 6,069	$ 15,290
Interest income	(42)	(7)	(2)		(12)
Other (income) expense, net	903	60	314	(30)	151
Total other expense	22,152	24,369	36,269	6,039	15,429
Income before provision of income taxes	156,259	255,199	309,936	80,266	54,420
Income tax expense	55,713	95,904	110,584	26,786	19,177
Net income	$ 100,546	$ 159,295	$ 199,352	$ 53,480	$ 35,243
Other financial data:					
Net cash provided by operating activities	$ 299,537	$ 370,630	$ 591,009	141,639	151,224
Net cash used in investing activities	(190,363)	(533,641)	(1,829,288)	(216,900)	(347,843)
Net cash provided by (used in) financing activities	(103,758)	152,747	1,395,277	49,152	57,950
EBITDA(1)	301,655	433,791	564,776	130,935	144,624
Adjusted EBITDA(1)	318,541	432,668	614,852	147,570	164,140

Ratio of earnings to fixed charges(2)	6.1	9.4	5.2	11.8	2.8

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(Dollars in thousands)	As of December 31, 2012	2013	As of March 31, 2014
Balance sheet data			
Cash and cash equivalents	$ 36,786	$ 193,784	$ 55,115
Total assets	1,415,416	3,276,618	3,493,869
Total liabilities	611,417	1,928,284	2,108,857
Total equity	803,999	1,348,334	1,385,012

(1) EBITDA is calculated as net income, excluding income tax expense, interest expense, net of interest capitalized, interest income, other income (expense), net, and depreciation, depletion and amortization. Adjusted EBITDA is calculated as EBITDA excluding unrealized gains or losses on derivative instruments, stock-based compensation expense and other charges or credits. For more information relating to these non-GAAP measures, see Non-GAAP financial measures.

The following table provides a reconciliation of net income to EBITDA and Adjusted EBITDA:

(Dollars in thousands)	Year ended December 31, 2011	2012	2013	Three months ended March 31, 2013	2014
Net income	$ 100,546	$ 159,295	$ 199,352	$ 53,480	$ 35,243
Income tax expense	55,713	95,904	110,584	26,786	19,177
Interest expense	21,291	24,316	35,957	6,069	15,290
Interest income	(42)	(7)	(2)		(12)
Other expense	903	60	314	(30)	151
Depreciation, depletion and amortization	123,244	154,223	218,571	44,630	74,775
EBITDA	$ 301,655	$ 433,791	$ 564,776	$ 130,935	$ 144,624
Unrealized derivative (gain) loss	(12,124)	(19,662)	16,345	13,971	15,848
Stock-based compensation	29,010	18,539	10,979	2,664	3,358
Reserve for commercial dispute			20,450		
Acquisition costs			2,302		310
Adjusted EBITDA	$ 318,541	$ 432,668	$ 614,852	$ 147,570	$ 164,140

(2) For each of the periods presented there were no outstanding shares of preferred stock. The term fixed charges means the sum of the following: interest expensed and capitalized, amortized premiums, discounts and capitalized expenses related to indebtedness and an estimate of interest within rental expense (equal to one-third of rental expense).

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Summary historical reserve and operating data

The following table sets forth certain information with respect to our historical consolidated oil and gas reserves as of December 31, 2012 and 2013 and production for the years ended December 31, 2012 and 2013 and the three months ended March 31, 2013 and 2014.

The historical reserve information included in this table is based upon our reserve estimates which were audited by Netherland, Sewell & Associates, Inc., our independent petroleum engineers. The reserve volumes and values were determined using the methods prescribed by the SEC.

This information should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2013 and our Quarterly Report on Form 10-Q for the three months ended March 31, 2014.

	Year ended December 31,	
	2012	2013
Estimated net proved reserves (at period end):		
Oil (MMBbls)	44.4	66.5
NGLs (MMBbls)	71.6	99.3
Natural gas (Bcf)	509.5	676.6
Total (MMBoe)	200.9	278.5
Percent proved developed	37%	32%
PV-10 value (dollars in millions)(1)	$ 2,442	$ 3,008
Standardized measure (dollars in millions)	$ 1,841	$ 2,294

	Year ended December 31,		Three months ended March 31,	
	2012	2013	2013	2014
Production data:				
Production				
Oil (MBbls)	3,497	4,999	1,118	1,453
NGLs (MBbls)	4,472	6,398	1,489	1,670
Natural gas (MMcf)	33,853	40,343	9,738	10,582
Total equivalents (MBoe)	13,611	18,121	4,230	4,886
Daily production				
Oil (MBbls/d)	9.6	13.7	12.4	16.1
NGLs (MBbls/d)	12.2	17.5	16.5	18.6
Natural gas (MMcf/d)	92.4	110.2	108.2	117.6
Total equivalents (MBoe/d)	37.2	49.6	47.0	54.3
Average sales price				
Oil, excluding derivatives (per Bbl)	$ 91.16	$ 95.04	$ 98.44	$ 90.62
Oil, including realized derivatives (per Bbl)	89.66	93.74	96.54	88.59
NGL, excluding derivatives (per Bbl)	35.88	31.10	31.20	33.11
NGL, including realized derivatives (per Bbl)	37.84	32.83	32.92	31.38
Natural gas, excluding derivatives (per Mcf)	2.77	3.64	3.45	4.86
Natural gas, including realized derivatives (per Mcf)	3.28	3.76	3.61	4.66
Costs and expenses (per Boe of production)				
Lease operating expenses	$ 2.58	$ 2.94	$ 2.11	$ 4.00
Treating and transportation	3.81	3.94	3.57	4.23
Taxes, other than income	1.76	1.71	1.81	2.09
Depreciation, depletion and amortization	11.33	12.06	10.55	15.30
General and administrative costs	5.05	4.03	3.67	4.00
	3.69	3.42	3.04	3.31

General and administrative costs, excluding stock-based compensation	

(1) PV-10 is a non-GAAP financial measure. For more information relating to this non-GAAP measure, see Non-GAAP financial measures.

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The following table provides a reconciliation of our PV-10 value to our standardized measure:

	Historical Year ended December 31,	
(Dollars in millions)	**2012**	**2013**
PV-10	$ 2,442	$ 3,008
Income tax effect	601	