

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

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FILER

**ZaZa Energy Corp**

CIK: [1528393](#) | IRS No.: [452986089](#) | State of Incorporation: **DE** | Fiscal Year End: **1231**  
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SIC: **1311** Crude petroleum & natural gas

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**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): January 22, 2013**

**ZAZA ENERGY CORPORATION**

**(Exact name of registrant as specified in its charter)**

<b>Delaware</b> <b>(State or other jurisdiction of incorporation)</b>	<b>001-35432</b> <b>(Commission File Number)</b>	<b>45-2986089</b> <b>(I.R.S. Employer Identification No.)</b>
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<b>1301 McKinney Street, Suite 2850</b> <b>Houston, Texas</b> <b>(Address of principal executive offices)</b>	<b>77010</b> <b>(Zip Code)</b>
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**Registrant's telephone number, including area code: (713) 595-1900**

**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 (*see* General Instruction A.2. below):

- 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))

## **Item 1.01 Entry into a Material Definitive Agreement.**

As previously reported, on March 28, 2012, the Company entered into a Participation Agreement (the "Range Agreement"), and associated Joint Operating Agreement, with Range Texas Production, LLC ("Range"), a subsidiary of Range Resources Corporation, under which the Company agreed to acquire a 75% working interest from Range in certain leases located in Grimes County, Texas (the "Leases"). Pursuant to the terms of the Range Agreement, Range retained a 25% working interest in the Leases and the Company committed to drill a well (the "Commitment Well"). The Company recently ceased drilling at the Commitment Well, and effective January 16, 2013, the Company and Range entered into an Amendment No. 5 to the Range Agreement (the "Amendment"), pursuant to which the Range Agreement was amended as follows:

- The Company has 180 days from January 16, 2013 to commence drilling of a substitute well for the Commitment Well (the "Substitute Well") and 60 days from January 16, 2013 to commence re-completion operations at the Commitment Well (the "Re-entry Well") in a bona fide attempt to complete the Re-entry Well as a vertical well;
- If the Company fails to (i) meet either of the above deadlines and (ii) initiate sales of oil and/or gas from the Substitute Well by September 1, 2013, it must assign a 25% working interest in the Leases to Range, resulting in the Company retaining a 50% working interest in the Leases and transfer operatorship in the Leases to Range;
- Range will have the option to participate in the Substitute Well, which must be exercised within 15 days of its receipt of written notice that sales of oil and/or gas from the Substitute Well have been initiated;
- If Range exercises the option to participate in the Substitute Well, Range will then reimburse the Company for 25% of (i) the expenditures incurred at the Substitute Well to such date and (ii) Lease extension costs and will then share all future costs in proportion to its 25% participating interest;
- If Range does not exercise the option, then Range will assign back to the Company its 25% working interest in the Substitute Well and the Company will not be reimbursed for 25% of the expenditures incurred at the Substitute Well or Lease extensions; and
- Irrespective of the election, the Company will bear 100% of the costs of the Commitment Well and Re-entry Well.

The foregoing description of the Amendment is not complete and is qualified in its entirety by reference to the full text of such agreement, which is filed herewith as Exhibits 10.1, the terms of which exhibit are incorporated into this Item 1.01 by reference.

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

On January 28, 2013, the Company issued a press providing certain updates and information regarding its drilling operations. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

In accordance with General Instruction B.2 of Form 8-K, the information in this Section 7.01 shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing.

**Item 9.01 Financial Statements and Exhibits**

<b>Exhibit No.</b>	<b>Description</b>
10.1	Amendment No. 5 to Range Agreement, effective as of January 16, 2013
99.1	Press Releases of the Company, dated January 28, 2013

## 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.

### ZAZA ENERGY CORPORATION

Date: January 28, 2013

By:           /s/ TODD A. BROOKS            
Name: Todd A. Brooks  
Title: President and Chief Executive  
          Officer

## EXHIBIT INDEX

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## FIFTH AMENDMENT TO PARTICIPATION AGREEMENT

**THIS FIFTH AMENDMENT TO PARTICIPATION AGREEMENT** (the “Amendment”) is entered into and effective this 16<sup>th</sup> day of January 2013 (the “Effective Date”).

### **BETWEEN:**

- ZaZa Energy Corporation (“ZaZa”); and
- Range Texas Production, LLC (“Range”).

ZaZa and Range may be referred to in this Amendment individually as a “Party” and collectively as the “Parties.” All other capitalized terms not defined in this Amendment shall have the meaning given to them in the Agreement (defined below).

### **WHEREAS:**

- ZaZa and Range are parties to a Participation Agreement (the “Agreement”) dated March 28, 2012, but with an effective date of March 01, 2012, as amended; and
- ZaZa and Range desire to amend the Agreement.

Now the Parties hereby agree as follows:

1. With effect on and from the Effective Date, the penultimate sentence of Paragraph 3.1 shall be deleted in its entirety and replaced with the following:

- “If, prior to (i) reaching the Minimum Required Depth, (ii) the Minimum Required Lateral Length, or (iii) initiating sales of oil and/or gas from the Commitment Well, the Commitment Well must be abandoned due to mechanical difficulties, waterflow, loss of circulation, excessive pressure, cavities, caprock, salt or salt dome material, heaving shale or other practically impenetrable conditions which would, in the opinion of a reasonably prudent operator, render further drilling impractical, then ZaZa may, but not later than one hundred and eighty (180) calendar days after January 16, 2013, at its option commence the drilling of a substitute for the Commitment Well on lands covered solely by the Leases, which location shall be proposed by ZaZa to Range (and Range’s approval of such well shall not be unreasonably withheld), in a bona fide effort to reach the Minimum Required Depth and Minimum Required Lateral Length, or a mutually agreeable depth and lateral length (the “Substitute Well”), and such Substitute Well shall, for all purposes, be considered the Commitment Well. In addition to timely commencing drilling operations on the Substitute Well, ZaZa may, not later than sixty (60) calendar days after January 16, 2013, at its option commence re-completion operations at the Commitment Well with reasonable prudence and diligence in a bona fide attempt to complete the Commitment Well as a vertical well in the lower cretaceous carbonates (the “Re-entry Well”). Failure by ZaZa to timely re-enter the Re-entry Well and commence drilling operations on the Substitute Well will result in the remedy provided for in Paragraph 3.4”



2. With effect on and from the Effective Date, the following shall be added after the last sentence of Paragraph 3.1:

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- “In the event that ZaZa has only failed to initiate sales of oil and/or gas from the Commitment Well, it will not be required to provide the logs listed in this Paragraph 3.1 or the reasonably available well data on Exhibit C (the “Technical Data”) in order to reach the Earning Point.”

3. With effect on and from the Effective Date, Paragraph 3.2(a) shall be deleted in its entirety and replaced with the following:

- “3.2 (a) The actual costs of drilling the Commitment Well, Substitute Well, or Re-entry Well, including, but not limited to, any Lease extensions, shall be disproportionately borne 100% by ZaZa up to and until ZaZa has made a bona fide attempt to re-enter and complete the Re-entry Well and drilled, completed, installed all facilities reasonably necessary to produce oil and/or gas from the Commitment Well or Substitute Well, and actually initiated sales of oil and/or gas from either the Commitment Well or Substitute Well (the “Earning Point”). For the avoidance of doubt, the Earning Point cannot be reached by establishing production of oil and/or gas from the Re-entry Well and production of oil and/or gas from the Re-entry Well is not a requirement to reach the Earning Point. Upon reaching the Earning Point in the Commitment Well, (i) the disproportionate spend shall cease, (ii) ZaZa will retain all its Interest, and (iii) the participating Parties shall share all actual costs in proportion to the Parties Working Interest. Upon reaching the Earning Point in a Substitute Well, the disproportionate spend shall cease and Range shall, within no more than fifteen (15) calendar days from its receipt of written notice from ZaZa that the Earning Point has been reached, exercise its option to participate in the Substitute Well or go non-consent. If Range timely exercises its election to participate in the Substitute Well, it will (x) reimburse ZaZa, within no more than sixty (60) calendar days, its 25.00% pro-rata share of all expenses, including, but not limited to, drilling and completion costs, associated with the Substitute Well and the extension costs of the Leases, (y) ZaZa shall retain all its Interest, and (z) the participating Parties shall share all actual costs in proportion to the Parties Working Interest; provided, however, that if Range does not timely exercise its option to participate in the Substitute Well or goes non-consent, ZaZa shall retain 100% of the Working Interest in the Substitute Well, subject to the terms and conditions of the JOA. In either case, if the Earning Point has been met, ZaZa shall not be subject to the remedy provided for in Paragraph 3.4”

4. With effect on and from the Effective Date, the last sentence of Paragraph 3.3 shall be deleted in its entirety and replaced with the following:

- “Subject to Paragraph 3.2(a), any such costs incurred after the Earning Point shall be borne by the participating Parties in proportion to their interest, 75.00% by ZaZa and 25.00% by Range.”

5. With effect on and from the Effective Date, Paragraph 3.4 shall be deleted in its entirety and replaced with the following:

- “It is understood that if ZaZa fails to: (i) commence operations on the Commitment Well on or before December 1, 2012; (ii) timely commence the re-entry of the Re-entry Well and the drilling of the Substitute Well as provided by Paragraph 3.1; or (iii) reach the Earning Point by September 1, 2013, then ZaZa shall assign or re-assign to Range an undivided 25% interest in the

Leases using an assignment with ZaZa as assignor and Range as assignee  
substantively identical to the form of assignment attached as Exhibit

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B, and will execute any and all documents reasonably required to transfer to Range the status of operator of the Leases. Any proposal to drill a well on the Leases after July 1, 2012 that is not a Substitute Well or the Re-entry Well shall be drilled on a non-promoted basis and drilled pursuant to the terms of the JOA described in Paragraph 6.1 below.”

6. With effect on and from the Effective Date, Paragraph 4.1 shall be deleted in its entirety and replaced with the following:

- “4.1 Subject to Paragraph 3.2(a): (i) Range, its successors and assigns, will have a 25.00% carried Working Interest up to the Earning Point in the Commitment Well, Re-entry Well, and Substitute Well where Range exercises its election to participate, drilled in the Stayin' Alive Area detailed in the attached Exhibit F; and (ii) Range’s carried working interest shall be free of all costs and expenses whatsoever incurred prior to the Earning Point in the Commitment Well, or Substitute Well.

The carried working interest reserved by Range shall be proportionately reduced in the event the Parties’ interest in the Leases is less than 100% of the fee mineral estate in the a Commitment Well, Re-entry Well or Substitute Well. If the Commitment Well, Re-Entry or Substitute Well includes acreage in which Range owns less than 100% of the fee mineral estate interest and Range is subject to proportionate reduction, then Range shall participate in subsequent wells with a carried Working Interest being the equivalent of 100% less Range’s interest in the Commitment Well, Re-Entry Well or Substitute Well, until the Earning Point has been reached.”

7. With effect on and from the Effective Date, the following Paragraph 9.14 shall be added to the Agreement:

- “9.14 ZaZa agrees to share well data with Range from its Commodore A-1 well located in Walker County, Texas subject to the parties first entering into a mutually agreed upon confidentiality agreement covering such data.”

8. Except as explicitly provided for in this Amendment, the Agreement shall remain in full force and effect and all other terms and conditions of the Agreement shall remain unchanged.

9. This Amendment may be executed by the Parties in identical counterparts, which, once executed, shall be deemed to constitute a unitary, original document.

10. This Amendment is binding on the Parties, their successors, and assigns.

*[Signature page to follow]*



IN WITNESS of their agreement, the Parties have caused their duly authorized representatives to execute this Amendment on the date below, but effective as of the Effective Date.

<b>ZAZA ENERGY CORPORATION</b>	<b>RANGE TEXAS PRODUCTION, LLC</b>
Signature:	Signature:
Name:	Name: D. Neal Harrington
Title:	Title: Vice President – Land
Date:	Date:

NEWS RELEASE

NEWS RELEASE

## **ZAZA ENERGY CORPORATION PROVIDES OPERATIONAL UPDATE**

**HOUSTON, TX (January 28, 2013)** - ZaZa Energy Corporation (NASDAQ: ZAZA) today provided operational updates related to its properties in the Eaglebine and Eagle Ford regions in Texas.

### **Eaglebine and Lower Cretaceous Update**

ZaZa currently owns and operates ~88,000 net acres in the Eaglebine, which is located in the highly organic and thickest area of the basin. Over the course of 2013, the Company intends to evaluate various development scenarios in the Lower Eaglebine, Upper Eaglebine, and the Lower Cretaceous sections of its Eaglebine acreage. Based on the results of its evaluation and production results from its wells, the Company will compare the economics of various horizontal and vertical commingled development options in an effort to refine its development strategy.

ZaZa announced today that its second exploration well in Northern Walker County, Texas, the Commodore A-1, is drilling ahead at 12,237' and has recovered strong mud log shows (C1-C4) indicative of liquid hydrocarbons in the Lower Eaglebine and now into the Lower Cretaceous. The Company is evaluating the possibility of making a dual completion in the Lower Eaglebine and commingling the Lower Cretaceous zones and expects production results by mid to late-February.

As previously announced, ZaZa drilled its initial Eaglebine well, the Stingray A-1H ("Stingray"), in Walker County, Texas. The well log results, using the Schlumberger ELAN analysis tool, showed an estimated 21 BCF and 29 MMBO per section in place or ~980,000 BOE/EUR recoverable, applying a recovery factor of 18-20%. After completion of hydraulic fracturing operations, the casing, under normal operating conditions, suffered a casing collar failure, which ZaZa determined to be the cause of a down-hole restriction in the lateral portion of the well. Metallurgical testing performed on the collar indicated that the collar failed because of embrittlement. Notwithstanding multiple attempts, the Company has been unable to remediate this restriction and has lost the lateral. Based on encouraging mud log shows from the Commodore A-1 and the successful production results of other operators in the area, ZaZa has prepared the Stingray for re-entry and plans to drill through the Lower Cretaceous, below the Lower Eaglebine, and attempt to complete it as a vertical commingled well.

Range Texas Production, LLC, a wholly-owned subsidiary of Range Resources Corporation, and ZaZa have negotiated an amendment to their participation agreement relating to the acreage on which the Stingray is located. The amendment provides ZaZa: (i) sixty (60) days from January 16, 2013, to commence re-entry operations on the Stingray for the purpose of drilling a vertical comingled Lower Cretaceous well; and (ii) one hundred eighty (180) days from January 16, 2013, to commence drilling operations on a substitute horizontal well.

The Stingray proof of concept well is yielding the Company important data as it continues to technically prove up the Lower Eaglebine play in Northern Walker County. As per a Fesco fluid analysis, through one open fractured interval above the casing restriction, the Company recovered some gas and 45.83 API Gravity crude oil from the Stingray.

713-595-1900 (Office) ● 713-595-1919 (Fax) ● [www.zazaenergy.com](http://www.zazaenergy.com)

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## **Eagle Ford Update**

### **Eagle Ford – Moulton – Crabb Ranch**

ZaZa disclosed today that it successfully installed an artificial lift system on the Crabb Ranch A-1H well in Gonzales County, Texas. The well is currently producing 256 BOE/D (91% oil), has been online for 13 months, and has produced ~92 MBO to date. The Company re-affirms its guidance for gross equivalent EUR in the Moulton prospect area to be 501 MBO and single well IRR of 74%. ZaZa currently has identified 103 net locations on its Moulton acreage.

### **Eagle Ford – Sweet Home**

As previously announced, the Company's Boeing A-1H well located in DeWitt County, Texas has reached its target depth. The Company announced today that it has completed hydraulic fracturing operations on the Boeing well and is drilling out the final plugs before flowback. The Company expects initial production by early to mid-February.

ZaZa also disclosed today that it has 'high-graded' its Eagle Ford Sweet Home acreage into twelve (12) tier-1 developmental units and expects to further delineate this Sweet Home acreage in 2013.

Commenting on today's announcement, Todd A. Brooks, CEO of ZaZa Energy Corporation stated, "ZaZa was built to be a proof of concept team for a large scale unconventional resource joint venture. The company is continuing to prove up acreage through the drill bit with plans to further develop, de-risk, and focus on high-grading acreage as it builds its production base."

### **About ZaZa Energy Corporation**

Headquartered in Houston, Texas, with offices in Corpus Christi, Texas and Paris, France, ZaZa Energy Corporation is a publicly traded exploration and production company with primary assets in the Eagle Ford and Eaglebine resource plays in Texas. More information about the Company may be found at [www.zazaenergy.com](http://www.zazaenergy.com).

### **Safe Harbor Statement**

*This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements can be identified by words such as "anticipates," "intends," "plans," "seeks," "believes," "estimates," "expects," "forecasts" and similar references to future periods. These statements include, but are not limited to, statements about ZaZa's ability to execute on exploration, production and development plans, estimates of reserves, estimates of production, future commodity prices, exchange rates, interest rates, geological and political risks, drilling risks, product demand, transportation restrictions, actual recoveries of insurance proceeds, the ability of ZaZa to obtain additional capital, and other risks and uncertainties described in the Company's filings with the Securities and Exchange Commission. While forward-looking statements are based on our assumptions and analyses that we believe to be reasonable under the circumstances, whether actual results and developments will meet our expectations and predictions depend on a number of risks and uncertainties that could cause our actual results, performance and financial condition to differ materially from our expectations. See "Risk Factors" in our 2011 Form 10-K filed with the Securities and Exchange Commission for*

*a discussion of risk factors that affect our business. Any forward-looking statement made by us in this news release speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future development, or otherwise, except as may be required by law.*

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