

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): September 30, 2016

CHAPARRAL ENERGY, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

333-134748
(Commission
File Number)

73-1590941
(IRS Employer
Identification No.)

**701 Cedar Lake Boulevard
Oklahoma City, OK**
(Address of principal executive offices)

73114
(Zip Code)

Registrant's telephone number, including area code: (405) 478-8770

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))
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Item 7.01. Regulation FD Disclosure.

Cleansing Materials

Chaparral Energy, Inc. (the “Company”) is making the disclosure herein of certain material non-public information (the “Indicative Term Sheet”), which it received in connection with the previously disclosed confidential discussions that have taken place between certain holders of the Company’s senior notes (collectively, the “Noteholders”) and certain lenders under the Company’s Eighth Restated Credit Agreement, dated as of April 12, 2010 (collectively, the “Lenders”) and their respective financial and legal advisers regarding a potential refinancing or restructuring of the Company’s debt (a “Transaction”). The Indicative Term Sheet contains descriptions of a non-binding agreement in principle among the Noteholders and certain members of a steering committee of the Lenders with respect to a potential Transaction. The Indicative Term Sheet does not contain all of the terms and conditions that are applicable to a potential Transaction. The Indicative Term Sheet is attached in Exhibit 99.1 hereto.

The Company is also making the disclosure herein of certain material non-public information which it provided to the Noteholders and Lenders and their respective financial and legal advisers (the “Company Presentation and Projections”) in connection with the above referenced discussions. The Company Presentation and Projections is attached in Exhibit 99.2 hereto.

Any operational information, financial projections, forecasts, budgets or design modifications with respect to the Company’s operations (the “projections”) were not prepared with a view toward public disclosure or compliance with the published guidelines of the Securities and Exchange Commission (the “SEC”) or the guidelines established by the American Institute of Certified Public Accountants regarding projections or forecasts. The projections do not purport to present the Company’s financial condition in accordance with accounting principles generally accepted in the United States. The Company’s independent accountants have not examined, compiled or otherwise applied procedures to the projections and, accordingly, do not express an opinion or any other form of assurance with respect to the projections. The inclusion of the information in the Company Presentation and Projections should not be regarded as an indication that the Company or its affiliates or representatives consider the Company Presentation and Projections to be a reliable prediction of future events, and the Company Presentation and Projections should not be relied upon as such. Neither the Company nor any of its affiliates or representatives has made or makes any representation to any person regarding the projections, and none of them undertakes any obligation to publicly update such information to reflect circumstances existing after the date when the information was made or to reflect the occurrence of future events, even in the event that any or all of the assumptions underlying the projections are shown to be in error.

This current report on Form 8-K, including Exhibit 99.1 and Exhibit 99.2, does not and will not constitute an offer to sell or the solicitation of an offer to buy securities, nor will there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state. This information in this current report on Form 8-K is being furnished pursuant to and in accordance with Rule 135c under the Securities Act.

As provided in General Instruction B.2 of Form 8-K, the information in this Item 7.01 and the exhibit furnished hereunder shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall they be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Cautionary Note Regarding Forward-Looking Statements

Many of the statements included or incorporated in this Current Report on Form 8-K and the furnished exhibit constitute “forward-looking statements.” In particular, they include statements relating to future actions, strategies, future operating and financial performance, and the Company’s future financial results. These forward-looking statements are based on current expectations and projections about future events. Readers are cautioned that forward-looking statements are not guarantees of future operating and financial performance or results and involve substantial risks and uncertainties that cannot be predicted or quantified, and, consequently, the actual performance of the Company may differ materially from those expressed or implied by such forward-looking statements. Such risks and uncertainties include, but are not limited to, factors described from time to time in the Company’s Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed with the SEC (including the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” contained therein).

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	Indicative Term Sheet
99.2	Company Presentation and Projections

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

September 30, 2016

By:	<u>/s/ JOSEPH O. EVANS</u>
Name:	Joseph O. Evans
Title:	Chief Financial Officer and Executive Vice President

EXHIBIT INDEX

Exhibit Number	Description
99.1	Indicative Term Sheet
99.2	Company Presentation and Projections

CONFIDENTIAL
SUBJECT TO FRE 408 – FOR DISCUSSION PURPOSES ONLY
PRELIMINARY AND SUBJECT TO MATERIAL CHANGE

THIS TERM SHEET IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OR REJECTIONS OF A CHAPTER 11 PLAN WITHIN THE MEANING OF SECTION 1125 OF THE UNITED STATES BANKRUPTCY CODE. ANY SUCH OFFER OR SOLICITATION ACCEPTANCES OR REJECTIONS OF A CHAPTER 11 PLAN WILL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE.

Set forth below are indicative terms (the "Indicative Terms") regarding a potential restructuring of Chaparral Energy, Inc. and its affiliated debtors in possession (collectively, the "Company"). The Indicative Terms reflect a non-binding summary of certain acceptable terms among (a) certain members of a steering committee of the Company's prepetition secured lenders (such steering committee, with all other prepetition secured lenders, the "Prepetition Lenders") and (b) certain members of an ad hoc committee of holders of the Company's unsecured notes (the "Noteholders"). The Indicative Terms do not contain all of the terms, conditions, and approvals that are applicable to a restructuring of the Company. Any definitive agreement with respect to any such restructuring, in full or in part, if reached among the Prepetition Lenders and the Noteholders (with or without the support of the Company), is subject to, among other things, requisite parties' and court approvals, due diligence, and negotiation, execution of definitive documentation acceptable to the Prepetition Lenders and Noteholders.

Summary of Key Exit Facility Terms:		
	<u>RBL</u>	<u>Term Loan</u>
Size	●\$225 million	●\$150 million
Priority	●1 st Out ⁽¹⁾	●2 nd Out ⁽¹⁾
Interest Rate	●L + 300-400	●L + 775 bps (1% Floor)
Unused Line Fee	●50 bps	●N/A
Upfront Fee	●50 bps	●50 bps
Tenor	●4-year	●4-year
Other	●First redetermination: Spring of 2018	●Amort Schedule: 1% / 1% / 3% / 5%
<u>Financial Covenants</u>		
Current Ratio	●≥1.0x ●Current Assets include undrawn amount on RBL; Current Liabilities exclude all RBL and TL obligations	
Total Leverage	●Gross Leverage ≤ 3.5x	
Asset Coverage	●Asset Coverage ≥ 1.35x (cash netting of up to \$37.5 million permitted)	
Minimum Liquidity	●\$100 million at closing ●\$25 million thereafter, tested quarterly	
<u>Other</u>		

¹ RBL cannot be refinanced without refinancing Term Loan

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Summary of Key Exit Facility Terms:		
	<u>RBL</u>	<u>Term Loan</u>
New Money	•\$50 million rights offering backstopped by Noteholders or such other equity investment that is acceptable to the Prepetition Lenders and Noteholders	
Hedge Program	•Year 1: >80%; Year 2: >60%; Year 3: >40% of PDP, with maximum limits TBD.	
Security	<ul style="list-style-type: none"> •First priority perfected liens on at least 95% of the PV-9 of proved oil and gas reserves (including title on 90% of the PV-9) •Pledge of substantially all personal property of the Company (including cash pursuant to DACAs) •PV-9 to be determined using Administrative Agent's price deck •Payment priority waterfall in respect of all amounts for RBL (1st out) and Term Loan (2nd out) as set forth above •Obligations under hedges entered into with RBL Lenders (including those entered into pursuant to the approved hedging program discussed below) will be secured on a pari passu basis with the RBL on and after the effective date of the plan 	
Other terms	•Subject to definitive documentation.	

Summary of Other Key Restructuring Terms:

Cash Collateral Order/Hedging	<ul style="list-style-type: none"> •Agreed form of cash collateral order to bridge to plan effective date •Existing RBL to be paid interest at the Alternate Base Rate (currently 3.5%) plus the Applicable Margin (currently 1.5%) during the chapter 11 cases •Prepetition Lenders will agree, pursuant to the Plan Support Agreement (defined below) and as part of the plan, to waive any claim for default interest or against amounts of default interest reserved therefor (all of which shall be released to the Company on the plan effective date) •Shall authorize payment of fees and expenses of the advisors to the ad hoc group of Noteholders by the Company on a current basis, including any accrued amounts •Prepetition Lenders and Noteholders to support Bankruptcy Court approval and implementation of hedge program acceptable to the Company, Prepetition Lenders (including those acting in their capacity as required hedging counterparties), and Noteholders, to be implemented on a first lien/superpriority basis until the effective date of the plan immediately following approval by the Bankruptcy Court of an acceptable plan support agreement (the "Plan Support Agreement")
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Summary of Other Key Restructuring Terms:

Plan Terms

- Prepetition Lenders will support confirmation of a plan of reorganization, the terms of which are supported by Noteholders (including, without limitation, with respect to treatment of claims, MIP, and compensation to other creditors and stakeholders), so long as such plan incorporates the Summary of Key Exit Facility Terms and the exchange of all claims of the Noteholders for common equity interests in the reorganized Company, provided that other plan terms and definitive documentation are acceptable to the Prepetition Lenders, and all pursuant to the Plan Support Agreement that is acceptable to the Noteholders and Prepetition Lenders
- Post-effective date management team to be proposed by the Noteholders and reasonably acceptable to the Prepetition Lenders

Exclusivity

- Prepetition Lenders and Noteholders to work cooperatively with the Company to facilitate the prompt negotiation and filing of a Plan Support Agreement and plan reflective of the Indicative Terms by no later than October 13, 2016
- In the event the Company fails to timely negotiate or file such Plan Support Agreement and plan, Prepetition Lenders and Noteholders agree to work cooperatively to negotiate next steps acceptable to the Prepetition Lenders and Noteholders, including whether (but with no obligation and all rights reserved) to oppose an extension of, or to terminate, the Company's exclusive period to file and solicit acceptance of a Plan under the Bankruptcy Code, and provided that a Plan Support Agreement acceptable to the Noteholders and Prepetition Lenders has been approved by the Bankruptcy Court

- The Company has estimated its proved reserve value over time assuming both a July 29, 2016 NYMEX strip price and an illustrative downside price based on 75% of the NYMEX strip price
 - Assumes the development pace as laid out in the Status Quo Business Plan

Reserve Value Over Time - July 29, 2016 NYMEX Strip Pricing							
(\$ in millions)							
Present Value at a 9% Discount Rate as of:							
Reserve Category	Sep-16	Jan-17	Jan-18	Jan-19	Jan-20	Jan-21	Jan-22
Proved Developed Producing	\$675	\$657	\$681	\$699	\$733	\$743	\$742
Proved Developed Non-Producing	38	37	29	25	15	10	10
Proved Undeveloped	196	201	222	237	264	294	313
Total Proved	\$909	\$895	\$932	\$961	\$1,012	\$1,047	\$1,065

Reserve Value Over Time - Illustrative Downside Pricing Scenario							
(\$ in millions)							
Present Value at a 9% Discount Rate as of:							
Reserve Category	Sep-16	Jan-17	Jan-18	Jan-19	Jan-20	Jan-21	Jan-22
Proved Developed Producing	\$381	\$369	\$390	\$404	\$430	\$438	\$453
Proved Developed Non-Producing	22	22	16	15	9	6	7
Proved Undeveloped	14	15	22	30	40	61	77
Total Proved	\$418	\$406	\$429	\$448	\$479	\$505	\$536

July 29, 2016 NYMEX Strip Price						
Commodity	2016E	2017E	2018E	2019E	2020E	2021E+
WTI Oil Price (\$/Bbl)	\$42.72	\$46.51	\$49.16	\$50.75	\$52.04	\$53.08
HHUB Natural Gas Price (\$/MMBtu)	\$3.05	\$3.19	\$3.03	\$3.00	\$3.06	\$3.18

Illustrative Downside Price (75% of NYMEX Strip Price)						
Commodity	2016E	2017E	2018E	2019E	2020E	2021E+
WTI Oil Price (\$/Bbl)	\$32.04	\$34.88	\$36.87	\$38.06	\$39.03	\$39.81
HHUB Natural Gas Price (\$/MMBtu)	\$2.29	\$2.39	\$2.27	\$2.25	\$2.30	\$2.38

Note: The illustrative reserve values above represent an estimate of future reserve values and the Company cannot guarantee that these values will be achieved

