

Sanchez Production Partners LP  
 Form 4  
 April 18, 2017

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 Sanchez Patricio D.

2. Issuer Name and Ticker or Trading Symbol  
 Sanchez Production Partners LP [SPP]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
 1000 MAIN STREET, SUITE 3000  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 02/24/2017

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 President & COO

HOUSTON, TX 77002

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)			
			Code	V	Amount	(A) or (D)	Price			
Common Units	02/24/2017		A <sup>(1)(2)</sup>		170,750	A	\$ 11.66	170,750	I	By SP Holdings, LLC <sup>(3)</sup>
Common Units	02/24/2017		A <sup>(1)(2)</sup>		154,737	A	\$ 13.45	325,487	I	By SP Holdings, LLC <sup>(3)</sup>
Common Units	02/24/2017		J <sup>(1)(2)</sup>		325,487	D	\$ 0	0	I	By SP Holdings, LLC <sup>(3)</sup>
Common Units	04/17/2017		S <sup>(4)</sup>		15,000	D	\$ 14.16	271,074 <sup>(5)</sup>	D	

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned (Instr. 3 and 4)
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**Reporting Owners**

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Sanchez Patricio D. 1000 MAIN STREET, SUITE 3000 HOUSTON, TX 77002	X		President & COO	

**Signatures**

/s/ Alfredo Gutierrez,  
Attorney-in-Fact  
\*\*Signature of Reporting Person

04/18/2017  
Date

**Explanation of Responses:**

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
  - \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- Represents a distribution to SP Holdings, LLC ("SP Holdings") of a total of 325,487 Issuer common units, comprised of 170,750 and 154,737 common units valued at \$11.66 and \$13.45 per common unit, respectively, on February 24, 2017 pursuant to the Amended and
- (1) Restated Shared Services Agreement, by and between Issuer and SP Holdings, dated March 6, 2015 (the "Shared Services Agreement"), and a concurrent distribution by SP Holdings of all 325,487 common units to its sole member, SP Capital Holdings, LLC ("SP Capital"), for no consideration.
  - (2) Concurrently with such aforementioned distributions, SP Capital distributed (i) 301,076 common units to its members on a pro rata basis and for no consideration (including the 78,279 common units distributed to Patricio Sanchez) and (ii) the remaining 24,411 common units to one individual, cumulatively resulting in exempt distributions under Rule 16a-9 and/or Rule 16a-13 of 325,487 common units to SP Capital, 301,076 common units to the members of SP Capital (including Patricio Sanchez) and 24,411 common units to one individual.

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These common units were owned directly by SP Holdings. SP Holdings is owned and controlled by its sole member, SP Capital. SP Capital is managed by Patricio Sanchez and other members of the Sanchez family. Patricio Sanchez may be deemed to share voting and

(3) dispositive power over the securities controlled by SP Capital. Patricio Sanchez disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein, and the inclusion of these securities in this report shall not be deemed an admission of beneficial ownership by Patricio Sanchez of the reported securities for purposes of Section 16 or any other purpose.

The sale reported on this Form 4 was effected pursuant to a Rule 10b5-1 trading plan established by Patricio Sanchez and was used to

(4) satisfy Patricio Sanchez's federal income tax obligations with respect to various distributions of common units pursuant to the Shared Services Agreement.

This number represents the number of common units beneficially owned as of the date of this filing and takes into account, in addition to

(5) the transactions reported herein, other transactions reported on Form 4 and Form 5 filings since February 24, 2017, the date of the earliest transaction reported herein.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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