

Sanchez Midstream Partners LP
Form S-8
March 14, 2019

As filed with the Securities and Exchange Commission on March 14, 2019

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-8

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

SANCHEZ MIDSTREAM PARTNERS LP

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

11-3742489
(I.R.S. Employer
Identification Number)

1000 Main Street, Suite 3000
Houston, Texas
(Address of Principal Executive Offices)

77002
(Zip Code)

Sanchez Production Partners LP Long-Term Incentive Plan
(Full title of the plan)

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Charles C. Ward

Chief Financial Officer

Sanchez Midstream Partners GP LLC

1000 Main Street, Suite 3000

Houston, TX 77002

(713) 783-8000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

With a copy to:

Philip Haines

Hunton Andrews Kurth LLP

600 Travis, Suite 4200

Houston, Texas 77002

(713) 220-4200

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company, or an emerging growth company. See the definitions of large accelerated filer, accelerated filer, smaller reporting company and emerging growth company in Rule 12b-2 of the Exchange Act.

| | | | |
|-------------------------|-----------------------|---------------------------|----------------------------------|
| Large accelerated filer | <input type="radio"/> | Accelerated filer | <input checked="" type="radio"/> |
| Non-accelerated filer | <input type="radio"/> | Smaller reporting company | <input checked="" type="radio"/> |
| | | Emerging growth company | <input type="radio"/> |

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 7(a)(2)(B) of the Securities Act.

CALCULATION OF REGISTRATION FEE

| Title of Securities to be Registered | Amount to be Registered (1) | Proposed Maximum Offering Price Per Unit (2) | Proposed Maximum Aggregate Offering Price (2) | Amount of Registration Fee |
|---|------------------------------------|---|--|-----------------------------------|
| Common Units representing limited partner interests | 656,703 | \$1.96 | \$1,287,137.88 | \$156.00 |

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(1) Pursuant to Rule 416(a) under the Securities Act of 1933, as amended (the Securities Act), this Registration Statement also covers an indeterminate number of additional common units representing limited partner interests (the Common Units) of Sanchez Midstream Partners LP, a Delaware limited partnership, that may become issuable under the Sanchez Production Partners LP Long-Term Incentive Plan by reason of any unit dividends, spin-offs, extraordinary dividends, unit splits, combinations of units, recapitalizations, mergers, consolidations, reorganizations or similar transactions.

(2) Estimated solely for the purpose of determining the amount of the registration fee in accordance with Rule 457(c) and 457(h) under the Securities Act. The price for the 656,703 Common Units being registered hereby is calculated on the basis of the average high and low sales prices of the Common Units as reported on the NYSE American on March 11, 2019.

EXPLANATORY NOTE

Pursuant to General Instruction E to Form S-8 under the Securities Act of 1933, as amended, this Registration Statement is filed by Sanchez Midstream Partners LP (Sanchez LP) (formerly Sanchez Production Partners LP) for the purpose of registering additional common units representing limited partner interests (the Common Units) of Sanchez LP under the Sanchez Production Partners LP Long-Term Incentive Plan (the Plan). The number of Common Units available for issuance under the Plan is subject to increase from time to time equal to 15% of additional Common Units issued from time to time by the Partnership or such lesser amount that is established by the board of directors of the general partner of Sanchez LP (the Evergreen Provision). This Registration Statement registers an aggregate of 656,703 additional Common Units available for issuance under the Plan as a result of the Evergreen Provision.

The Common Units registered pursuant to this Registration Statement are of the same class of securities as the 440,703 Common Units registered for issuance under the Plan pursuant to the currently effective Registration Statement on Form S-8 (Registration No. 333-202578) filed on March 6, 2015, the 256,528 Common Units registered for issuance under the Plan pursuant to the currently effective Registration Statement on Form S-8 (Registration No. 333-210783) filed on April 15, 2016 and the 1,465,491 Common Units registered for issuance under the Plan pursuant to the currently effective Registration Statement on Form S-8 (Registration No. 333-217007) filed on March 29, 2017. The information contained in the foregoing registration statements is hereby incorporated by reference pursuant to General Instruction E.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The following documents are hereby incorporated by reference in this Registration Statement:

- Sanchez Midstream Partners LP's Annual Report on Form 10-K for the year ended December 31, 2018 filed with the United States Securities and Exchange Commission (the Commission) (File No. 001-33147) on March 7, 2019;
- Sanchez Midstream Partners LP's Current Reports on Form 8-K (other than information furnished rather than filed) filed with the Commission (File No. 001-33147) on January 7, 2019 and February 7, 2019; and
- the description of Sanchez Midstream Partners LP's Common Units contained in Sanchez Production Partners LP's Registration Statement on Form 8-A/A filed with the Commission (File No. 001-33147) on March 6, 2015, as it may be amended from time to time.

Each document filed by Sanchez Midstream Partners LP pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (excluding any information furnished pursuant to Item 2.02 or Item 7.01 on any Current Report on Form 8-K or other applicable Commission rules) subsequent to the date of this Registration Statement and prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference in this Registration Statement and to be a part of this Registration Statement from the date of filing of such document. Any statement contained in this Registration Statement or in a document incorporated or deemed to be incorporated by reference in this Registration Statement shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained in this Registration Statement or in any subsequently filed document that also is or is deemed to be incorporated by reference in this Registration Statement modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

Item 4. Description of Securities.

Not applicable.

Item 5. Interests of Named Experts and Counsel.

None.

Item 6. Indemnification of Directors and Officers.

Sanchez Midstream Partners LP

Subject to any terms, conditions or restrictions set forth in the agreement of limited partnership of Sanchez Midstream Partners LP (Sanchez LP) (formerly Sanchez Production Partners LP), Section 17-108 of the Delaware Revised Uniform Limited Partnership Act empowers a Delaware limited partnership to indemnify and hold harmless any partner or other person from and against any and all claims and demands whatsoever. Sanchez LP will generally indemnify officers, directors and affiliates of its general partner to the fullest extent permitted by the law against all losses, claims, damages or similar events.

Sanchez Midstream Partners GP LLC

Subject to any terms, conditions or restrictions set forth in the limited liability company agreement of Sanchez Midstream Partners GP LLC, Sanchez LP 's general partner (formerly Sanchez Production Partners GP LLC), Section 18-108 of the Delaware Limited Liability Company Act empowers a Delaware limited liability company to indemnify and hold harmless any member or manager or other person from and against any and all claims and demands whatsoever.

Under the limited liability agreement of Sanchez LP 's general partner, in most circumstances, Sanchez LP 's general partner will indemnify the following persons, to the fullest extent permitted by law, from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including reasonable legal fees and expenses), judgments, fines, penalties, interest, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative:

- any person who is or was an affiliate of Sanchez LP 's general partner;
- any person who is or was a member, director, officer, fiduciary or trustee of Sanchez LP 's general partner;
- any person who is or was an officer, member, partner, director, employee, agent or trustee of Sanchez LP 's general partner or any affiliate of Sanchez LP 's general partner, or any affiliate of any such person;

- any person who is or was serving at the request of Sanchez LP's general partner or any affiliate of Sanchez LP's general partner as a director, officer, employee, member, partner, agent, fiduciary or trustee of another person (provided, that such person is not providing, on a fee-for-services basis, trustee, fiduciary or custodial services); and
- any person designated by Sanchez LP's general partner.

Sanchez LP's general partner will purchase insurance covering its officers and directors against liabilities asserted and expenses incurred in connection with their activities as officers and directors of Sanchez LP's general partner or any of its direct or indirect subsidiaries.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling the registrant pursuant to the foregoing provisions, the registrant has been informed that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Item 7. Exemption from Registration Claimed.

Not applicable.

Item 8. Exhibits.

| Exhibit Number | Description |
|-----------------------|--|
| 4.1 | <u>Certificate of Limited Partnership of Sanchez Production Partners LP (incorporated by reference to Exhibit 4.2 to Sanchez Production Partners LP's Post-Effective Amendment No. 1 to Form S-4 (File No. 333-198440), filed on March 6, 2015).</u> |
| 4.2 | <u>Certificate of Amendment to Certificate of Limited Partnership (incorporated by reference to Exhibit 3.1 to Sanchez Midstream Partners LP's Current Report on Form 8-K (File No. 001-33147), filed on June 2, 2017).</u> |
| 4.3 | <u>Second Amended and Restated Agreement of Limited Partnership of Sanchez Production Partners LP (incorporated herein by reference to Exhibit 3.1 to the Current Report on Form 8-K filed by Sanchez Production Partners LP on October 14, 2015, File No. 001-33147).</u> |
| 4.4 | <u>Amendment No. 1 to Second Amended and Restated Agreement of Limited Partnership of Sanchez Production Partners LP, effective as of January 25, 2017 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed by Sanchez Production Partners LP on January 27, 2017, File No. 001-33147).</u> |
| 4.5 | <u>Amendment No. 2 to Second Amended and Restated Agreement of Limited Partnership of Sanchez Midstream Partners LP (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed by Sanchez Midstream Partners LP on August 15, 2017, File No. 001-33147).</u> |
| 4.6 | <u>Certificate of Formation of Sanchez Production Partners GP LLC (incorporated by reference to Exhibit 4.4 to the Post-Effective Amendment No. 1 to the Registration Statement on Form S-4 filed by Sanchez Production Partners LP on March 6, 2015, File No. 333-198440).</u> |
| 4.7 | <u>Limited Liability Company Agreement of Sanchez Production Partners GP LLC (incorporated herein by reference to Exhibit 4.5 to the Post-Effective Amendment No. 1 to the Registration Statement on Form S-4 filed by Sanchez Production Partners LP on March 6, 2015, File No. 333-198440).</u> |
| 4.8 | <u>Amendment No. 1 to Limited Liability Company Agreement of Sanchez Production Partners GP LLC (incorporated herein by reference to Exhibit 3.1 to the Quarterly Report on Form 10-Q/A filed by Sanchez Production Partners LP on September 3, 2015, File No. 001-33147).</u> |
| 4.9 | <u>Amendment No. 2 to Limited Liability Company Agreement of Sanchez Production Partners GP LLC (incorporated herein by reference to Exhibit 3.2 to the Current Report on Form 8-K filed by Sanchez Production Partners LP on October 14, 2015, File No. 001-33147).</u> |
| 4.10 | <u>Sanchez Production Partners LP Long-Term Incentive Plan (incorporated herein by reference to Exhibit 4.6 to the Post-Effective Amendment No. 1 to the Registration Statement on Form S-4 filed by Sanchez Production Partners LP on March 6, 2015, File No. 333-198440).</u> |
| 4.11 | <u>Form of Award Agreement Relating to Restricted Units (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by Sanchez Production Partners LP on December 3, 2015, File No. 001-33147).</u> |

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- 4.12 Form of Award Agreement Relating to Restricted Units (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by Sanchez Production Partners LP on March 28, 2017, File No. 001-33147).
- 4.13 Form of Award Agreement Relating to Restricted Units (incorporated herein by reference to Exhibit 10.24 to the Annual Report on Form 10-K filed by Sanchez Midstream Partners LP on March 7, 2019, File No. 001-33147).
- 5.1* Opinion of Hunton Andrews Kurth LLP.
- 23.1* Consent of KPMG LLP.
- 23.2* Consent of Ryder Scott Co. LP.
- 23.3* Consent of Hunton Andrews Kurth LLP (included in its opinion filed as Exhibit 5.1 hereto).
- 24.1* Powers of Attorney (included on signature page).

* Filed herewith.

Item 9. Undertakings.

- (a) The undersigned registrant hereby undertakes:
- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:
- (i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;
- (ii) To reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement; and
- (iii) To include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement;

provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is

against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Houston, State of Texas, on March 14, 2019.

SANCHEZ MIDSTREAM PARTNERS LP

By: Sanchez Midstream Partners GP LLC, its general partner

By: /s/ Charles C. Ward
 Name: Charles C. Ward
 Title: Chief Financial Officer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned officers and directors of Sanchez Midstream Partners GP LLC, as general partner of Sanchez Midstream Partners LP, hereby severally constitutes and appoints Gerald F. Willinger and Charles C. Ward, and each of them individually, as his true and lawful attorneys-in-fact and agents, with full power of substitution, for him and on his behalf and in his name, place and stead, in any and all capacities, to sign, execute and file any or all amendments (including, without limitation, post-effective amendments) to this Registration Statement and any and all registration statements pursuant to Rule 462(b) of the Securities Act, with any and all exhibits thereto, and all other documents required to be filed therewith, with the Securities and Exchange Commission or any regulatory authority, granting unto each such attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises in order to effectuate the same, as fully to all intents and purposes as he himself might or could do, if personally present, hereby ratifying and confirming all that said attorneys-in-fact and agents, or either of them, or their or his substitutes or substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

| Signature | Title | Date |
|--|--|----------------|
| /s/ Antonio R. Sanchez, III Antonio R. Sanchez, III | Director; Chairman of the Board (Principal Executive Officer) | March 14, 2019 |
| /s/ Gerald F. Willinger Gerald F. Willinger | Director; Chief Executive Officer (Principal Executive Officer) | March 14, 2019 |
| /s/ Charles C. Ward Charles C. Ward | Chief Financial Officer & Secretary (Principal Financial Officer) | March 14, 2019 |
| /s/ Patricio D. Sanchez Patricio D. Sanchez | Director, President & Chief Operating Officer (Principal Operating Officer) | March 14, 2019 |

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| | | |
|--|--|----------------|
| /s/ Kirsten A. Hink Kirsten A. Hink | Chief Accounting Officer (Principal Accounting Officer) | March 14, 2019 |
| /s/ Alan S. Bigman Alan S. Bigman | Director | March 14, 2019 |
| /s/ Jack Howell Jack Howell | Director | March 14, 2019 |

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| | | |
|--|----------|----------------|
| /s/ Richard S. Langdon Richard S. Langdon | Director | March 14, 2019 |
| /s/ G. M. Byrd Larberg G. M. Byrd Larberg | Director | March 14, 2019 |
| /s/ Eduardo A. Sanchez Eduardo A. Sanchez | Director | March 14, 2019 |
| /s/ Luke R. Taylor Luke R. Taylor | Director | March 14, 2019 |