

Hi-Crush Partners LP
Form 10-K/A
April 11, 2014

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

Form 10-K/A
Amendment No. 1
(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2013

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 001-35630

Hi-Crush Partners LP

(Exact name of registrant as specified in its charter)

Delaware

90-0840530

(State or Other Jurisdiction of
Incorporation or Organization)

(I.R.S. Employer
Identification No.)

Three Riverway, Suite 1550

Houston, Texas

77056

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code (713) 960-4777

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
---------------------	---

Common units representing limited partnership interests	New York Stock Exchange
---	-------------------------

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Edgar Filing: Hi-Crush Partners LP - Form 10-K/A

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company.)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes No

As of June 28, 2013, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of common units held by non-affiliates was approximately \$329,389,211 based on the closing price of \$23.55 per common unit on that date.

The registrant had 15,233,335 common units, 13,640,351 subordinated units and 3,750,000 convertible class B units outstanding on February 28, 2014.

EXPLANATORY NOTE

Hi-Crush Partners LP (the “Partnership”) is filing this Amendment No. 1 on Form 10-K/A (this “Amendment No. 1”) to amend the Partnership’s Annual Report on Form 10-K for the year ended December 31, 2013 (the “Form 10-K”), as originally filed with the Securities and Exchange Commission (the “Commission”) on February 28, 2014 (the “Original Filing Date”). This Amendment No. 1 is being filed solely to amend Exhibit 10.22 (the “Exhibit”) originally filed with the Form 10-K. The Partnership had sought confidential treatment under Rule 24b-2 promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), for portions of the Exhibit and, following correspondence and conversations with the Staff of the Commission’s Division of Corporate Finance, is re-filing the Exhibit with less information redacted. The Exhibit filed herewith supersedes in its entirety the Exhibit originally filed with the Form 10-K. Except for the revised Exhibit, this Amendment No. 1 does not amend any other information set forth in the Form 10-K. This Amendment No. 1 speaks as of the Original Filing Date, does not reflect any events that may have occurred subsequent to the Original Filing Date, and does not modify or update in any way any disclosures made in the Form 10-K.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a)(1) Financial Statements

Our Consolidated and Pro Forma Financial Statements are included under Part II, Item 8 of this Annual Report on Form 10-K. For a listing of these statements and accompanying footnotes, please read “Index to Financial Statements” on page F-1 of the Annual Report on Form 10-K.

(a)(2) Financial Statement Schedules

All schedules have been omitted because they are either not applicable, not required or the information called for therein appears in the consolidated financial statements or notes thereto.

(a)(3) Exhibits

The following documents are filed as a part of this Annual Report on Form 10-K or incorporated by reference:

Edgar Filing: Hi-Crush Partners LP - Form 10-K/A

Exhibit Number	Description
2.1***	Membership Interest Purchase Agreement, dated May 13, 2013, by and among the Partnership, the members of D & I Silica, LLC, and their respective owners (incorporated by reference to Exhibit 1.01 to the Registrant's Current Report on Form 8-K, filed with the SEC on May 16, 2013).
3.1	Certificate of Limited Partnership of Hi-Crush Partners LP (incorporated by reference to Exhibit 3.1 to the Registrant's Registration Statement on Form S-1, Registration No. 333-182574, filed with the SEC on July 9, 2012).
3.2	Second Amended and Restated Agreement of Limited Partnership of Hi-Crush Partners LP, dated January 31, 2013 (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on February 5, 2013).
4.1	Registration Rights Agreement by and between Hi-Crush Partners LP and Hi-Crush Proppants LLC dated August 20, 2012 (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on August 21, 2012).
4.2	First Amendment to Registration Rights Agreement by and between Hi-Crush Partners LP and Hi-Crush Proppants LLC, dated January 31, 2013 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on February 5, 2013).
10.1	Credit Agreement, dated August 21, 2012, among Hi-Crush Partners LP, Amegy Bank National Association and the lenders named therein (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q, filed with the SEC on November 11, 2012).
10.2	Consent and First Amendment, dated January 31, 2013 among Hi-Crush Partners LP, Amegy Bank National Association and the lenders named therein (incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K, filed with the SEC on February 5, 2013).
10.3	Commitment Increase Agreement and Second Amendment, dated May 9, 2013, by and among the Partnership, the lenders party thereto and Amegy Bank, N.A., as administrative agent for the lenders (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on May 15, 2013).
10.4	Management Services Agreement dated effective August 16, 2012, among Hi-Crush Partners LP, Hi-Crush GP LLC and Hi-Crush Services LLC (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q, filed with the SEC on November 11, 2012).
10.5	Maintenance and Capital Spare Parts Agreement dated effective August 16, 2012, among Hi-Crush Partners LP, Hi-Crush GP LLC and Hi-Crush Proppants LLC (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q, filed with the SEC on November 11, 2012).
10.6	Contribution, Assignment and Assumption Agreement by and among Hi-Crush Partners LP, Hi-Crush GP LLC and Hi-Crush Proppants LLC, dated August 15, 2012 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on August 21, 2012).
10.7	Contribution Agreement by and among Hi-Crush Partners LP, Hi-Crush Augusta LLC and Hi-Crush Proppants LLC, dated January 31, 2013 (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on February 5, 2013).
10.8	Omnibus Agreement by and among Hi-Crush Partners LP, Hi-Crush GP LLC and Hi-Crush Proppants LLC, dated August 20, 2012 (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K, filed with the SEC on August 21, 2012).
10.9	First Amendment to Omnibus Agreement, among Hi-Crush Partners LP, Hi-Crush GP LLC and Hi-Crush Proppants LLC, dated January 31, 2013 (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K, filed with the SEC on February 5, 2013).
10.10†	Hi-Crush Partners LP Long-Term Incentive Plan, adopted as of August 15, 2012 (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K, filed with the SEC on August 21, 2012).
10.11†	

Edgar Filing: Hi-Crush Partners LP - Form 10-K/A

Employment Agreement, dated May 25, 2011, between Hi-Crush Proppants LLC and Robert E. Rasmus (incorporated by reference to Exhibit 10.14 to the Registrant's Registration Statement on Form S-1, Registration No. 333-182574, filed with the SEC on July 9, 2012).

10.12† Employment Agreement, dated May 25, 2011, between Hi-Crush Proppants LLC and James M. Whipkey (incorporated by reference to Exhibit 10.15 to the Registrant's Registration Statement on Form S-1, Registration No. 333-182574, filed with the SEC on July 9, 2012).

10.13† Employment Agreement, dated May 25, 2011, between Hi-Crush Proppants LLC and Jefferies V. Alston, III (incorporated by reference to Exhibit 10.16 to the Registrant's Registration Statement on Form S-1, Registration No. 333-182574, filed with the SEC on July 9, 2012).

10.14† Letter Agreement, dated July 13, 2012, between Hi-Crush Proppants LLC and Robert E. Rasmus (incorporated by reference to Exhibit 10.19 to the Registrant's Registration Statement on Form S-1, Registration No. 333-182574, filed with the SEC on July 25, 2012).

10.15† Letter Agreement, dated July 13, 2012, between Hi-Crush Proppants LLC and James M. Whipkey (incorporated by reference to Exhibit 10.20 to the Registrant's Registration Statement on Form S-1, Registration No. 333-182574, filed with the SEC on July 25, 2012).

Edgar Filing: Hi-Crush Partners LP - Form 10-K/A

Exhibit Number	Description
10.16†	Letter Agreement, dated July 13, 2012, between Hi-Crush Proppants LLC and Jefferies V. Alston, III (incorporated by reference to Exhibit 10.21 to the Registrant's Registration Statement on Form S-1, Registration No. 333-182574, filed with the SEC on July 25, 2012).
10.17	Management Services Agreement, dated May 25, 2011 between Red Oak Capital Management LLC and Hi-Crush Proppants LLC (incorporated by reference to Exhibit 10.18 to the Registrant's Registration Statement on Form S-1, Registration No. 333-182574, filed with the SEC on July 25, 2012).
10.18+	Supply Agreement, effective as of January 11, 2011, between Weatherford Artificial Lift Systems, Inc. and Hi-Crush Operating LLC (incorporated by reference to Exhibit 10.5 to the Registrant's Registration Statement on Form S-1, Registration No. 333-182574, filed with the SEC on July 9, 2012).
10.19+	Supply Agreement, effective as of May 24, 2011, between Halliburton Energy Services, Inc. and Hi-Crush Operating LLC (incorporated by reference to Exhibit 10.6 to the Registrant's Registration Statement on Form S-1, Registration No. 333-182574, filed with the SEC on July 9, 2012).
10.20+	First Amendment to Supply Agreement, effective as of November 23, 2011, between Halliburton Energy Services, Inc. and Hi-Crush Operating LLC (incorporated by reference to Exhibit 10.7 to the Registrant's Registration Statement on Form S-1, Registration No. 333-182574, filed with the SEC on July 9, 2012).
10.21+	Second Amendment to Supply Agreement, effective as of April 1, 2013, between Halliburton Energy Services, Inc. and Hi-Crush Operating LLC (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q, filed with the SEC on August 14, 2013).
10.22*	Amended and Restated Supply Agreement, effective as of January 1, 2014, between Baker Hughes Oilfield Operations, Inc. and Hi-Crush Operating LLC.
10.23+	Supply Agreement, effective as of May 1, 2012, between FTS International Services, LLC and Hi-Crush Operating LLC (incorporated by reference to Exhibit 10.10 to the Registrant's Registration Statement on Form S-1, Registration No. 333-182574, filed with the SEC on July 9, 2012).
21.1**	List of Subsidiaries of Hi-Crush Partners LP
23.1**	Consent of PricewaterhouseCoopers LLP
23.2**	Consent of John T. Boyd Company
23.3**	Consent of PropTester, Inc.
23.4**	Consent of Stim-Lab, Inc.
23.5**	Consent of The Freedonia Group, Inc.
31.1**	Certification pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 signed by the Principal Executive Officer, filed herewith.
31.2**	Certification pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 signed by the Principal Executive Officer, filed herewith.
31.3**	Certification pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 signed by the Principal Financial Officer, filed herewith.
31.4	Certification pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 signed by the Principal Executive Officer, filed herewith.
31.5	Certification pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 signed by the Principal Executive Officer, filed herewith.
31.6	

Edgar Filing: Hi-Crush Partners LP - Form 10-K/A

Certification pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 signed by the Principal Executive Officer, filed herewith.

32.1** Statement Required by 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 signed by Principal Executive Officer, filed herewith. ⁽¹⁾

32.2** Statement Required by 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 signed by Principal Executive Officer, filed herewith. ⁽¹⁾

32.3** Statement Required by 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 signed by Principal Financial Officer, filed herewith. ⁽¹⁾

95.1** Mine Safety Disclosure Exhibit

101** Interactive Data Files- XBRL

(1) This document is being furnished in accordance with SEC Release Nos. 33-8212 and 34-47551.

☒ Compensatory plan or arrangement.

+ Confidential treatment has been granted with respect to portions of this exhibit.

* Parts of the exhibit have been omitted pursuant to a request for confidential treatment.

** Previously filed or furnished with the Partnership's Annual Report on Form 10-K for the year ended December 31, 2013.

*** Pursuant to Item 601(b)(2) of Regulation S-K, the Partnership agrees to furnish supplementally a copy of any omitted exhibit or schedule to the SEC upon request.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized, on this 11th day of April, 2014.

HI-CRUSH PARTNERS LP

By: Hi-Crush GP LLC, its general partner

By: /s/ Laura C. Fulton
Laura C. Fulton
Chief Financial Officer