

Atlas Resource Partners, L.P.  
Form 10-Q  
November 09, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2015

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 001-35317

ATLAS RESOURCE PARTNERS, L.P.

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of incorporation or organization)

45-3591625  
(I.R.S. Employer Identification No.)  
15275

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Park Place Corporate Center One  
1000 Commerce Drive, Suite 400  
Pittsburgh, Pennsylvania

(Address of principal executive office)

(Zip code)

Registrant's telephone number, including area code: (800) 251-0171

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 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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

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 the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
Yes  No

The number of outstanding common limited partner units of the registrant on November 4, 2015 was 102,154,241.

ATLAS RESOURCE PARTNERS, L.P.

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## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

## ATLAS RESOURCE PARTNERS, L.P.

## CONSOLIDATED BALANCE SHEETS

(in thousands)

(Unaudited)

	September 30, 2015	December 31, 2014
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$2,418	\$15,247
Accounts receivable	89,402	114,520
Advances to affiliates	1,178	—
Current portion of derivative asset	146,622	144,259
Subscriptions receivable	23,054	32,398
Prepaid expenses and other	25,407	26,296
Total current assets	288,081	332,720
Property, plant and equipment, net	1,534,718	2,263,820
Goodwill and intangible assets, net	14,154	14,330
Long-term derivative asset	205,979	130,602
Other assets, net	53,826	50,081
	\$2,096,758	\$2,791,553
<b>LIABILITIES AND PARTNERS' CAPITAL</b>		
Current liabilities:		
Accounts payable	\$82,209	\$111,198
Advances from affiliates	—	2,249
Liabilities associated with drilling contracts	—	40,611
Current portion of derivative payable to Drilling Partnerships	1,881	932
Accrued well drilling and completion costs	56,300	80,404
Accrued interest	10,785	26,452
Distribution payable	14,234	20,876
Deferred acquisition purchase price	21,667	23,445
Accrued liabilities	42,669	33,406
Total current liabilities	229,745	339,573
Long-term debt	1,505,047	1,394,460
Asset retirement obligations	112,435	107,950

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Other long-term liabilities	4,654	2,033
Commitments and contingencies		
Partners' Capital:		
General partner's interest	(27,465 )	(13,697 )
Preferred limited partners' interests	188,910	163,522
Class C common limited partner warrants	1,176	1,176
Common limited partners' interests	35,854	605,065
Accumulated other comprehensive income	46,402	191,471
Total partners' capital	244,877	947,537
	\$2,096,758	\$2,791,553

See accompanying notes to consolidated financial statements.

## ATLAS RESOURCE PARTNERS, L.P.

## CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per unit data)

(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
<b>Revenues:</b>				
Gas and oil production	\$90,734	\$129,399	\$292,243	\$337,893
Well construction and completion	23,054	61,204	63,665	126,917
Gathering and processing	1,685	3,061	6,046	11,287
Administration and oversight	5,495	6,177	7,301	12,072
Well services	5,842	6,597	18,568	18,441
Gain on mark-to-market derivatives	131,065	—	209,706	—
Other, net	20	261	80	343
Total revenues	257,895	206,699	597,609	506,953
<b>Costs and expenses:</b>				
Gas and oil production	41,591	51,391	130,224	133,038
Well construction and completion	20,046	53,221	55,361	110,363
Gathering and processing	2,473	3,214	7,406	11,900
Well services	2,398	2,617	6,735	7,525
General and administrative	13,978	13,124	44,400	50,894
Depreciation, depletion and amortization	40,463	64,578	125,948	176,077
Asset impairment	672,246	—	672,246	—
Total costs and expenses	793,195	188,145	1,042,320	489,797
Operating income (loss)	(535,300)	18,554	(444,711 )	17,156
Interest expense	(25,192 )	(16,577 )	(75,105 )	(43,028 )
Loss on asset sales and disposal	(362 )	(92 )	(276 )	(1,686 )
Net income (loss)	(560,854)	1,885	(520,092 )	(27,558 )
Preferred limited partner dividends	(4,293 )	(4,475 )	(12,180 )	(13,298 )
Net loss attributable to common limited partners and the general partner	\$(565,147)	\$(2,590 )	\$(532,272 )	\$(40,856 )
Allocation of net income (loss) attributable to common limited partners and the general partner:				
Common limited partners' interest	\$(553,844)	\$(5,599 )	\$(521,627 )	\$(48,283 )
General partner's interest	(11,303 )	3,009	(10,645 )	7,427
	\$(565,147)	\$(2,590 )	\$(532,272 )	\$(40,856 )

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Net loss attributable to common limited partners and the general partner

Net loss attributable to common limited partners per unit:

Basic	\$(5.73	)	\$(0.07	)	\$(5.74	)	\$(0.67	)
Diluted	\$(5.73	)	\$(0.07	)	\$(5.74	)	\$	