

Memorial Resource Development Corp.
Form 424B1
November 14, 2014
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Filed pursuant to Rule 424(b)(1)
Registration No. 333-199103

PROSPECTUS

30,000,000 Shares

Memorial Resource Development Corp.

Common Stock

\$23.00 per share

MRD Holdco LLC and certain former management members of WildHorse Resources, LLC (collectively, the selling stockholders) are offering 30,000,000 shares of Memorial Resource Development Corp. s common stock. The selling stockholders have granted the underwriters a 30-day option to purchase up to an additional 4,500,000 shares of common stock. We will not receive any proceeds from the sale of shares by the selling stockholders, including any shares that the selling stockholders may sell pursuant to the underwriters option to purchase additional shares of common stock.

Our common stock is listed on the NASDAQ Global Select Market under the symbol MRD. We are a controlled company as defined under the NASDAQ listing rules because the group consisting of affiliates of Natural Gas Partners beneficially owns over 50% of our shares of outstanding common stock. See Principal and Selling Stockholders.

On November 12, 2014, the last reported sale price of our common stock on the NASDAQ Global Select Market was \$23.53 per share.

Investing in our common stock involves risks that are described in the Risk Factors section beginning on page 23 of this prospectus.

We are an emerging growth company as that term is used in the Jumpstart Our Business Startups Act of 2012, and as such, we have elected to take advantage of certain reduced public company reporting requirements for this prospectus and future filings. See Risk Factors and Summary Emerging Growth Company Status.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public Offering Price	\$ 23.00	\$ 690,000,000
Underwriting Discounts and Commissions(1)	\$ 0.7475	\$ 22,425,000
Proceeds, Before Expenses, to the Selling Stockholders	\$ 22.2525	\$ 667,575,000

(1) See Underwriting for a description of underwriting compensation payable in connection with this offering.

The underwriters expect to deliver the shares of common stock on or about November 18, 2014.

Joint Book-Running Managers

<p>Citigroup BofA Merrill Lynch Raymond James</p>	<p>BMO Capital Markets RBC Capital Markets</p>	<p style="text-align: right;">Barclays Goldman, Sachs & Co. J.P. Morgan Wells Fargo Securities</p>
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Co-Managers

**Credit Suisse
Stifel**

**Scotiabank / Howard Weil
Wunderlich Securities**

**Simmons & Company International
Credit Agricole CIB**

**Stephens Inc.
Natixis**

The date of this prospectus is November 12, 2014.

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You should rely only on the information contained in this prospectus. Neither we, the selling stockholders, nor the underwriters have authorized any person to provide you with any information or represent anything about us or this offering that is not contained in this prospectus. If given or made, any such other information or representation should not be relied upon as having been authorized by us. The selling stockholders are not making an offer in any jurisdiction where an offer or sale is not permitted. The information contained in this prospectus is current only as of its date.

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Commonly Used Defined Terms

As used in this prospectus, unless we indicate otherwise:

the Company, we, our, us and our company or like terms refer collectively to (i) Memorial Resource Development Corp. and its subsidiaries (other than MEMP and its subsidiaries) for periods after the restructuring transactions described below and (ii) our predecessor (as described below) other than MEMP and its subsidiaries for periods prior to the restructuring transactions;

selling stockholders refers to MRD Holdco LLC and certain former management members of WildHorse Resources, LLC named herein;

Memorial Production Partners, MEMP and the Partnership refer to Memorial Production Partners LP individually and collectively with its subsidiaries, as the context requires. We own the general partner of MEMP as well as 50% of MEMP's incentive distribution rights;

MEMP GP refers to Memorial Production Partners GP LLC, the general partner of the Partnership, which we own;

MRD Holdco refers to MRD Holdco LLC, a holding company controlled by the Funds that, together as part of a group owns a majority of our common stock;

MRD LLC refers to Memorial Resource Development LLC, which historically owned our predecessor's business and was merged into MRD Operating LLC, our subsidiary, subsequent to our initial public offering;

WildHorse Resources refers to WildHorse Resources, LLC, which owns our interest in the Terryville Complex and is our 100% owned subsidiary;

our predecessor refers collectively to MRD LLC and its former consolidated subsidiaries, consisting of Classic Hydrocarbons Holdings, L.P., Classic Hydrocarbons GP Co., L.L.C., Black Diamond Minerals, LLC, Beta Operating Company, LLC, MEMP GP, BlueStone, MRD Operating LLC, WildHorse Resources, Tanos Energy LLC and each of their respective subsidiaries, including MEMP and its subsidiaries;

the Funds refers collectively to Natural Gas Partners VIII, L.P., Natural Gas Partners IX, L.P. and NGP IX Offshore Holdings, L.P., which collectively control MRD Holdco;

restructuring transactions means the transactions described beginning on page 11 that took place in connection with and shortly after the closing of our initial public offering, and pursuant to which we acquired substantially all of the assets of MRD LLC (not including its interests in BlueStone, MRD Royalty, MRD Midstream, Golden Energy Partners LLC or Classic Pipeline);

BlueStone refers to BlueStone Natural Resources Holdings, LLC, a subsidiary of MRD Holdco that sold substantially all of its assets in July 2013 for approximately \$117.9 million;

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NGP refers to Natural Gas Partners, a family of private equity investment funds organized to make direct equity investments in the energy industry, including the Funds;

MRD Royalty refers to MRD Royalty LLC, a subsidiary of MRD Holdco that owns certain immaterial leasehold interests and overriding royalty interests in Texas and Montana;

MRD Midstream refers to MRD Midstream LLC, a subsidiary of MRD Holdco that owns an indirect interest in certain immaterial midstream assets in North Louisiana; and

Classic Pipeline refers to Classic Pipeline & Gathering, LLC, a subsidiary of MRD Holdco that owns certain immaterial midstream assets in Texas.

Industry and Market Data

The market data and certain other statistical information used throughout this prospectus are based on independent industry publications, government publications or other published independent sources. Some data is

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also based on our good faith estimates. Although we believe these third-party sources are reliable and that the information is accurate and complete, neither we nor the selling stockholders have independently verified the information.

Equivalency

This prospectus presents certain production and reserves-related information on an equivalency basis. When we refer to oil and natural gas in equivalents, we are doing so to compare quantities of oil with quantities of natural gas. In calculating equivalents, we use a generally recognized standard in which one Bbl of oil and/or NGLs is equivalent to six Mcf of natural gas. This calculation is based on an approximate energy equivalency and does not imply or reflect a value or price relationship.

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SUMMARY

This summary highlights information appearing elsewhere in this prospectus. You should read the entire prospectus carefully, including Risk Factors beginning on page 23 and the historical and pro forma financial statements and the related notes to those financial statements. Certain oil and gas industry terms, including the terms proved reserves, probable reserves and possible reserves, used in this prospectus are defined in the Glossary of Oil and Natural Gas Terms in Appendix A of this prospectus.

Because we control MEMP through our ownership of its general partner, we are required to consolidate MEMP for accounting and financial reporting purposes even though we only own a minority of its limited partner interests. Our financial statements include two reportable business segments: (i) the MRD Segment, which reflects all of our operations except for MEMP and its subsidiaries, and (ii) the MEMP Segment, which reflects the operations of MEMP and its subsidiaries. Except with respect to our consolidated and combined financial statements or as otherwise indicated, the description of our business, properties, strategies and other information in this summary does not include the business, properties or results of operations of BlueStone, MRD Royalty, MRD Midstream and Classic Pipeline (the assets of which are included in our predecessor but were not conveyed to us in the restructuring transactions) or MEMP. Our proved reserves as of December 31, 2013 have been prepared by Netherland, Sewell & Associates, Inc., our independent reserve engineers (NSAI), and our probable and possible reserves as of December 31, 2013 have been prepared by our internal reserve engineers and audited by NSAI, all of which are reflected in our reserve reports (which we collectively refer to as our reserve report), summaries of which are included in Appendices B-1 and B-2 of this prospectus. Our proved reserves within the Terryville Complex as of September 30, 2014 have been prepared by NSAI (which we refer to as our recent reserve report), a summary of which is included in Appendix C of this prospectus.

Information expressed on a pro forma basis in this summary gives effect to certain transactions as if they had occurred on September 30, 2014 for pro forma balance sheet purposes and on January 1, 2013 for pro forma statements of operations purposes. For a description of these transactions, please read Summary Historical Consolidated and Combined Pro Forma Financial Data and Corporate History and Structure.

Overview

We are an independent natural gas and oil company focused on the exploitation, development, and acquisition of natural gas, NGL and oil properties with a majority of our activity in the Terryville Complex of North Louisiana, where we are targeting overpressured, liquids-rich natural gas opportunities in multiple zones in the Cotton Valley formation. As of December 31, 2013, our total leasehold position was 347,458 gross (205,818 net) acres, of which 60,041 gross (51,522 net) acres are in what we believe to be the core of the Terryville Complex. We are focused on creating shareholder value primarily through the development of our sizeable horizontal inventory. As of December 31, 2013, we had 1,582 gross (1,091 net) identified horizontal drilling locations, of which 1,431 gross (994 net) identified horizontal drilling locations are located in the Terryville Complex. These total gross identified horizontal drilling locations represent an inventory of over 42 years based on our expected 2014 drilling program. We believe our inventory to be repeatable and capable of generating high returns based on the extensive production history in the area, the results of our horizontal wells drilled to date, and the consistent reservoir quality across multiple target formations.

As of December 31, 2013, we had estimated proved, probable and possible reserves of approximately 1,126 Bcfe, 800 Bcfe and 1,711 Bcfe, respectively. As of such date, we operated 98% of our proved reserves, 71% of which were natural gas. For the nine months ended September 30, 2014, 56% of our pro forma MRD Segment revenues were attributable to natural gas production, 22% to NGLs and 22% to oil. For the nine months ended September 30, 2014, we generated pro forma MRD Segment Adjusted EBITDA of \$259 million and pro forma net loss of \$914 million, and made pro forma capital expenditures of \$268 million. For the year ended

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December 31, 2013, we generated pro forma MRD Segment Adjusted EBITDA of \$159 million and pro forma net loss of \$2.9 million, and made pro forma total capital expenditures of \$203 million. Please see Summary Historical Consolidated and Combined Pro Forma Financial Data Adjusted EBITDA for an explanation of the basis for the pro forma presentation and our use of Adjusted EBITDA to measure the MRD Segment's profitability.

Our average net daily production for the nine months ended September 30, 2014 was approximately 208 MMcfe/d (approximately 76% natural gas, 17% NGLs and 7% oil) and our reserve life was 14.8 years. The Terryville Complex represented 84% of our total net production for the nine months ended September 30, 2014. As of December 31, 2013, we produced from 95 horizontal wells and 800 vertical wells. Since January 1, 2014, in the Terryville Complex we have completed and brought online 21 horizontal wells through September 30, 2014, bringing our total number of producing horizontal wells to 41 in our primary formations.

The following chart provides information regarding our production growth and the increasing proportion of our horizontal well production since the beginning of 2012.

Our Properties

Cotton Valley Overview

The Cotton Valley formation extends across East Texas, North Louisiana and Southern Arkansas. The formation has been under development since the 1930s and is characterized by thick, multi-zone natural gas and oil reservoirs with well-known geologic characteristics and long-lived, predictable production profiles. Over 21,000 vertical wells have been completed throughout the play. In 2005, operators started redeveloping the Cotton Valley using horizontal drilling and advanced hydraulic fracturing techniques. To date, operators have drilled over 600 horizontal Cotton Valley wells. Some large, analogous redevelopment projects in the Cotton Valley include the Nan-Su-Gail Field in Freestone County, East Texas, where over 40 horizontal wells have been drilled by operators such as Devon Energy Corporation and Marathon Oil Corporation, and the Carthage

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Complex in Panola County, East Texas, where operators such as ExxonMobil Corporation, BP America, Memorial Production Partners LP and Anadarko Petroleum Corporation have drilled over 153 horizontal wells.

Cotton Valley Terryville Complex Horizontal Redevelopment

We are currently engaged in the horizontal redevelopment of the Terryville Complex in Lincoln Parish, Louisiana utilizing horizontal drilling and completion techniques similar to those employed at the Nan-Su-Gail Field, Carthage Complex in East Texas and other major resource plays across the United States. We have assembled a largely contiguous acreage position in the Terryville Complex of approximately 60,041 gross (51,522 net) acres as of December 31, 2013. The majority of our current and planned development is focused in and around what we believe to be the core of the Terryville Complex.

We entered the Terryville Complex via an acquisition from Petrohawk Energy Corporation in April 2010, with the goal of redeveloping the field with horizontal drilling and modern completion techniques. Since that acquisition, we have completed multiple bolt-on acquisitions and in-fill leases to build our current position. We believe the Terryville Complex, which has been producing since 1954, is one of North America's most prolific natural gas fields, characterized by high recoveries relative to drilling and completion costs, high initial production rates with high liquids yields, long reserve life, multiple stacked producing zones, available infrastructure and a large number of service providers.

After initially drilling eight vertical pilot wells in the Terryville Complex, we commenced a horizontal drilling program in 2011 to further delineate and define our position. In 2013, we shifted our operational focus to full-scale horizontal redevelopment of the Terryville Complex, going from two rigs to four rigs by the end of that year. Additionally, in the fourth quarter of 2013, we moved to drilling on multi-well pads that allow us to more efficiently drill wells and control costs as we develop our stacked pay zones. We intend to dedicate approximately \$304 million of our \$351 million drilling and completion budget in 2014 to develop multiple zones within the Terryville Complex, where we expect to drill 33 gross (29 net) horizontal wells and 3 gross (2.7 net) vertical wells. Our horizontal redevelopment program in the Terryville Complex will be focused on increasing our well performance and recoveries.

Within the Terryville Complex, as of December 31, 2013, we had 945 Bcfe, 688 Bcfe and 1,643 Bcfe of estimated proved, probable and possible reserves, respectively, and a drilling inventory consisting of 1,431 gross (994 net) identified horizontal drilling locations, including 91 gross (72 net) drilling locations to which we have attributed proved undeveloped reserves as of December 31, 2013. Since initiating our horizontal drilling program in 2011, we have drilled 44 gross (38 net) horizontal wells. Within the Terryville Complex, on a proved reserves basis, we operate approximately 99% of our existing acreage and hold an average working interest of approximately 74% across our acreage. Our high operating control allows us to more efficiently and economically manage the redevelopment of this extensive resource.

We believe seismic data, as well as information gathered from the results of our existing 275 vertical and 46 horizontal wells throughout the field, support the existence of at least ten stacked pay zones across the Terryville Complex. Our redevelopment program currently targets four of the stacked pay zones in the Cotton Valley formation—zones we term the Upper Red, Lower Red, Lower Deep Pink and Upper Deep Pink, all of which we are developing with horizontal wells through pad drilling. These four zones have an overall thickness ranging from 400 to 890 feet across our acreage position. We believe the overpressured nature of this section of the Cotton Valley formation is highly productive when accessed through horizontal drilling and fracture stimulation technologies. These qualities, when combined with the liquids-rich nature of the natural gas, high initial rates of production and competitive well costs, produce what we believe to be amongst the highest rate of return wells in the nation. Further, there are additional opportunities for redevelopment in the zones above the four main zones. NSAI has audited over \$1 billion PV-10 and 677 Bcfe in our possible reserve category as of December 31, 2013 for the redevelopment of these additional zones. Please see Reserves.

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Our well results have shown consistency in initial production, decline rates and estimated ultimate recovery. The consistency of these results gives us confidence that the full-scale redevelopment of the Terryville Complex that we began in 2013 will continue to be successful. The table below details certain information on estimated ultimate recoveries and production on a gross basis for our 41 existing horizontal wells currently producing from our four primary target zones in the Terryville Complex to the extent such data is available as of the dates and for the periods presented below. The wells below highlight the consistency of our drilling results in the four primary target zones in which we plan to focus our future development activity.

Well Name	Lateral Length (Feet)	Producing Wells EUR				Cumulative Production (Bcfe)	Gross Wellhead Flow Rates After Processing (MMcfe/d)(2)(3)				D&C (\$MM)	
		EUR (Bcfe)(1)	Bcfe/1,000	First Production	Days Producing		0-30	0-90	91-180	181-360		
Upper Red												
LD Barnett 23H-2	4,015	12.3	3.1	1/30/2012	975	5.0	14.5	12.0	7.7	5.6	6.7	
Colquitt 20 17H-1	4,357	11.5	2.6	7/30/2012	793	4.3	17.5	12.6	7.2	5.1	7.8	
Dowling 22 15H-1	5,376	9.4	1.8	9/22/2012	739	5.7	16.3	15.6	11.1	8.2	8.8	
Nobles 13H-1	4,216	9.1	2.1	11/17/2012	683	4.6	21.5	16.7	9.9	6.5	7.8	
Sidney McCullin 16 21H-1	4,604	13.8	3.0	1/19/2013	620	5.0	17.4	14.2	10.8	8.4	8.1	
Wright 14 11 HC-1	5,250	11.9	2.3	5/27/2013	492	5.5	19.6	18.1	16.1	8.4	8.8	
BF Fallin 22 15H-1	5,122	12.3	2.4	6/17/2013	471	3.9	14.8	13.7	11.8	5.9	7.5	
Dowling 20 17H-1	4,327	9.0	2.1	7/22/2013	436	2.6	15.2	11.0	5.7	4.5	10.7	
Gleason 31H-1	3,692	2.4	0.7	8/12/2013	415	0.6	2.9	2.3	1.6	1.2	9.5	
Burnett 26H-1	2,405	5.5	2.3	9/22/2013	374	1.2	6.9	5.6	3.5	2.4	6.9	
Drewett 17 8H-1	4,010	15.6	3.9	11/13/2013	322	3.9	22.1	18.6	11.9		7.7	
Wright 13 12 HC-2	6,009	24.0	4.0	12/21/2013	284	4.6	22.7	19.6	16.3		8.5	
LA Minerals 15 22H-2	5,814	17.3	3.0	1/21/2014	253	3.4	17.8	16.1	13.4		8.8	
Wright 13 24 HC-3	6,606	20.9	3.2	4/14/2014	170	3.4	30.3	24.6			10.8	
Wright 13 24 HC-1	6,678	15.5	2.3	4/14/2014	170							