Sanchez Energy Corp
Form 424B5
June 16, 2014

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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-185853
333-196653

PROSPECTUS SUPPLEMENT
(To the Prospectus dated January 14, 2013 and the Prospectus dated June 11, 2014)

5,000,000 Shares

Sanchez Energy Corporation

Common Stock

We are offering 5,000,000 shares of common stock to be sold in this offering.

Our common stock is traded on the NYSE under the symbol "SN." On June 10, 2014, the last reported sale price of our common stock as reported on the NYSE was $34.71 per share.

Investing in our common stock involves a high degree of risk. See "Risk Factors beginning on page S-27 of this prospectus supplement and pages 6 and 6 of the accompanying base prospectuses, respectively.

	Per Share	Total
Price to Public	$ 35.2500	$ 176,250,000.0000
Underwriting Discounts and Commissions	1.6743	8,371,500.0000
Proceeds, Before Expenses, to Us	33.5757	167,878,500.0000
Proceeds, Before Expenses, to the Selling Stockholders	33.5757	25,181,775.0000

The underwriters may also purchase up to an additional 750,000 shares of common stock from Sanchez Oil & Gas Corporation, TAEP Security Trust and A.R. Sanchez, Jr. (collectively, the "selling stockholders") at the public offering price above, less underwriting discounts and commissions, within 30 days of the date of this prospectus supplement to cover any over-allotments. If the underwriters exercise this option in full, the total underwriting discounts and commissions will be $9,627,225, but our total proceeds, after underwriting discounts and commissions but before expenses, will not change. We will not receive any of the proceeds from the stock sold by the selling stockholders

The Securities and Exchange Commission and state securities regulators have not approved or disapproved of these securities, or determined if this prospectus is truthful and complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares of common stock to purchasers on or before June 18, 2014.

Joint Book-Running Managers

JOHNSON RICE & COMPANY L.L.C. RBC CAPITAL MARKETS CREDIT SUISSE

Senior Co-Managers

CAPITAL ONE SECURITIES **SUNTRUST ROBINSON HUMPHREY**

Co-Managers

CANACCORD GENUITY
GLOBAL HUNTER SECURITIES
IBERIA CAPITAL PARTNERS L.L.C.
MACQUARIE CAPITAL
NORTHLAND CAPITAL MARKETS
SIMMONS & COMPANY INTERNATIONAL
STIFEL

The date of this prospectus supplement is June 12, 2014.

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PROSPECTUS SUPPLEMENT

PROSPECTUS DATED JANUARY 14, 2013

PROSPECTUS DATED JUNE 11, 2014

You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectuses and in any written communication from us or the underwriters, including any free writing prospectus. We, the selling stockholders, and the underwriters have not authorized anyone to provide you with different information. We, the selling stockholders, and the underwriters are not making an offer of these securities in any state where the offer or sale is not permitted. You

should not assume that the information provided by this prospectus supplement, the accompanying prospectuses, or the documents incorporated by reference in this prospectus supplement and in the accompanying prospectuses is accurate as of any date other than their respective dates. Our business, financial condition, results of operations, and prospects may have changed since those dates.

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None of Sanchez Energy Corporation, the selling stockholders, the underwriters or any of their respective representatives is making any representation to you regarding the legality of an investment in our common stock by you under applicable laws. You should consult your own legal, tax and business advisors regarding an investment in our common stock. Information in this prospectus supplement and the accompanying base prospectuses is not legal, tax or business advice to any prospective investor.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part is (i) the base prospectus, dated January 14, 2013, including the documents incorporated by reference (the "primary base prospectus") and (ii) the base prospectus, dated June 11, 2014, including the documents incorporated by reference (the "secondary base prospectus"), each of which give more general information, some of which may not apply to this offering. The accompanying prospectuses were filed as part of our registration statements on Form S-3 (primary base prospectus registration dated January 14, 2013 and secondary base prospectus registration dated June 11, 2014 with the Securities and Exchange Commission (the "SEC") as part of a "shelf" registration process. Generally, when we refer to the prospectuses, we are referring to all of these documents combined. We urge you to carefully read this prospectus supplement, the information incorporated by reference, the accompanying prospectuses, and any free writing prospectus that we authorize to be distributed to you before buying any of the securities being offered under this prospectus supplement. This prospectus supplement may supplement, update, or change information contained in the accompanying prospectuses. To the extent that any statement that we make in this prospectus supplement is inconsistent with statements made in the accompanying prospectuses or any documents incorporated by reference herein or therein, the statements made in this prospectus supplement will be deemed to modify or supersede those made in the accompanying prospectuses and such documents incorporated by reference herein and therein.

Before you invest in our common stock, you should carefully read the registration statements described in the accompanying prospectuses (including the exhibits thereto) of which this prospectus supplement and the accompanying prospectuses form a part, as well as this prospectus supplement, the accompanying prospectuses, and the documents incorporated by reference into this prospectus supplement and the accompanying prospectuses. The incorporated documents are described in this prospectus supplement under "Where You Can Find More Information."

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement includes, and the documents we incorporate by reference herein contain, "forward-looking statements" within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, included in this prospectus supplement or incorporated herein by reference that address activities, events or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements. These statements are based on certain assumptions we made based on management's experience, perception of historical trends and technical analyses, current conditions, anticipated future developments and other factors believed to be appropriate and reasonable by management. When used in this prospectus supplement, words such as "will," "potential," "believe," "estimate," "intend," "expect," "may," "should," "anticipate," "could," "plan," "predict," "project," "profile," "model," "strategy," "future" or their negatives or the statements that include these words or other words that convey the uncertainty of future events or outcomes, are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. In particular, statements, express or implied, concerning our future operating results and returns or our ability to replace or increase reserves, increase production, or generate income or cash flows are forward-looking statements. Forward-looking statements are not guarantees of performance. Although we believe that the expectations reflected in our forward-looking statements are reasonable and are based on reasonable assumptions, no assurance can be given that these assumptions are accurate or that any of these expectations will be achieved (in full or at all) or will prove to have been correct. Important factors that could cause our actual results to differ materially from the expectations reflected in the forward-looking statements include, among others:

- our ability to successfully execute our business and financial strategies;
- our ability to replace the reserves we produce through drilling and property acquisitions;
- our ability to close our recently announced Catarina acquisition described below;
- the realized benefits of the acreage acquired in our various acquisitions, including our pending Catarina acquisition, and other assets and liabilities assumed in connection therewith;
- the extent to which our drilling plans are successful in economically developing our acreage in, and to produce reserves and achieve anticipated production levels from, our existing and future projects;
- the accuracy of reserve estimates, which by their nature involve the exercise of professional judgment and may therefore be imprecise;
- the extent to which we can optimize reserve recovery and economically develop our plays utilizing horizontal and vertical drilling, advanced completion technologies and hydraulic fracturing;
- our ability to successfully execute our hedging strategy and the resulting realized prices therefrom;

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- competition in the oil and natural gas exploration and production industry for employees and other personnel, equipment, materials and services and, related thereto, the availability and cost of employees and other personnel, equipment, materials and services;
- our ability to access the credit and capital markets to obtain financing on terms we deem acceptable, if at all, and to otherwise satisfy our capital expenditure requirements;
- the availability, proximity and capacity of, and costs associated with, gathering, processing, compression and transportation facilities;
- the timing and extent of changes in prices for, and demand for, crude oil and condensate, natural gas liquids ("NGLs"), natural gas and related commodities;
- our ability to compete with other companies in the oil and natural gas industry;
- the impact of, and changes in, government policies, laws and regulations, including tax laws and regulations, environmental laws and regulations relating to air emissions, waste disposal, hydraulic fracturing and access to and use of water, laws and regulations imposing conditions and restrictions on drilling and completion operations and laws and regulations with respect to derivatives and hedging activities;
- developments in oil-producing and natural gas-producing countries;
- our ability to effectively integrate acquired crude oil and natural gas properties into our operations, fully identify existing and potential problems with respect to such properties and accurately estimate reserves, production and costs with respect to such properties;
- the extent to which our crude oil and natural gas properties operated by others are operated successfully and economically;
- the use of competing energy sources and the development of alternative energy sources;
- unexpected results of litigation filed against us;
- the extent to which we incur uninsured losses and liabilities or losses and liabilities in excess of our insurance coverage; and
- the other factors described under "Risk Factors" in this prospectus supplement or incorporated by reference into this prospectus supplement.

In light of these risks, uncertainties and assumptions, the events anticipated by our forward-looking statements may not occur, and, if any of such events do, we may not have correctly anticipated the timing of their occurrence or the extent of their impact on our actual results. Accordingly, you should not place any undue reliance on any of our forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement or incorporated by reference into this prospectus supplement and the accompanying prospectuses. Because this summary provides only a brief overview of the key aspects of this offering, it does not contain all of the information that you should consider before investing in our common stock. You should carefully read the entire prospectus supplement, the accompanying prospectuses, and any free writing prospectus distributed by us before making an investment decision, including the information presented under the headings "Risk Factors," "Cautionary Note Regarding Forward-Looking Statements," "Summary Historical and Pro Forma Financial Data" and the consolidated financial statements and related notes incorporated by reference into this prospectus supplement.

As used in this prospectus supplement, unless otherwise indicated: (i) the "Company," "we," "our," "us" or similar terms refer collectively to Sanchez Energy Corporation and its operating subsidiaries; (ii) "SOG" refers to Sanchez Oil and Gas Corporation, a Delaware corporation; (iii) "SEP I" refers to Sanchez Energy Partners I, LP, a Delaware limited partnership; (iv) "Sanchez Group" refers to SOG, SEP I and their affiliates (but excludes the Company); (v) "SEP I Assets" refers to the assets we acquired through our acquisition of the limited liability company interests in SEP Holdings III, LLC; (vi) "existing senior notes" means our 7.75% senior notes due 2021; (vii) the "Catarina acquisition" refers to the transactions contemplated by the purchase and sale agreement we entered into with SWEPI LP and Shell Gulf of Mexico Inc., subsidiaries of Royal Dutch Shell plc ("Shell"), on May 21, 2014 (as amended or waived, the "Purchase and Sale Agreement"), which is expected to close on or about June 30, 2014; (viii) the "Catarina assets" refers to the assets to be acquired in the Catarina acquisition; (ix) "notes offering" means our concurrent offering of $850 million aggregate principal amount of senior notes in an offering exempt from registration under the Securities Act of 1933, as amended, as described under "Notes Offering" below; and (x) "notes" means the securities offered in the notes offering.

Our estimated proved reserve information as of December 31, 2013 is based on reports prepared by Ryder Scott Company, L.P. ("Ryder Scott"), our independent reserve engineers. The December 31, 2013 information includes our reserves and, unless otherwise stated, the reserves to be acquired in the Catarina acquisition. Unless otherwise stated, this prospectus supplement gives pro forma effect to the completion of the Catarina acquisition and all references in this prospectus supplement to (i) reserves as of December 31, 2013 and (ii) acreage, operational and production information as of March 31, 2014 or later are pro forma for the Catarina acquisition, except for the "Overview" section immediately following this paragraph, which does not give pro forma effect to the Catarina acquisition.

Overview

We are an independent exploration and production company focused on the exploration, acquisition and development of unconventional oil and natural gas resources in the onshore U.S. Gulf Coast region, with a current focus on the Eagle Ford Shale in South Texas and, to a lesser extent, the Tuscaloosa Marine Shale ("TMS") in Mississippi and Louisiana. We have accumulated approximately 120,000 net leasehold acres in the oil and condensate windows of the Eagle Ford Shale and, as of March 31, 2014, we had accumulated approximately 40,000 net leasehold acres in what we believe to be the core of the TMS. We are currently focused on the horizontal development of significant resource potential from the Eagle Ford Shale, with plans to invest a majority of our 2014 drilling and completion capital budget in this area.

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Our management team has extensive experience acquiring and operating oil and gas properties and significant expertise in horizontal drilling and fracture stimulation which we believe will contribute to the development of our sizeable inventory of drilling locations. We have demonstrated the ability to successfully integrate over $500 million of acquired Eagle Ford Shale assets during 2013 while at the same time successfully implementing and demonstrating the cost efficiencies of pad drilling and a manufacturing process style of work flow. The resulting cost efficiencies include 10% cost reductions compared to single well drilling, a 30% decrease in total well costs across all assets and a 53% reduction in cash operating cost per boe since 2011. Our operating plan will continue to focus on being a low cost operator and further improving our manufacturing and capital efficiency, with the goal of continuously increasing the rate of return on our invested capital.

We are continuously evaluating opportunities to increase both our acreage and our producing assets through acquisitions. Our successful acquisition of such assets will depend on both the opportunities and financing alternatives available to us at the time we consider such opportunities.

We have significantly increased our production since our initial public offering in December 2011 ("IPO") and believe the location, size and concentration of acreage in our core project areas provide us an opportunity to continue to increase production, lower costs and further delineate our resource potential. As of May 31, 2014, we have brought 41 new wells on-line since the beginning of 2014. We also had 11 wells in various stages of drilling, completion or initial flow back as of May 31, 2014. The resulting production rates achieved by this program, together with recent acquisitions, increased our first quarter 2014 sales volumes by approximately 376% over our first quarter 2013 sales volume to 1,691 mboe, of which 87% was crude oil and NGLs. Our estimated average net daily production rate for the month of May was approximately 19,500 boe/d and our current daily production is approximately 21,000 boe/d.

We have also delivered strong growth in our proved reserves since our IPO. As of December 31, 2013, we had 59 mmboe of proved reserves which were 77% oil, 11% NGLs and 12% natural gas. The PV-10 of our proved reserves on such date was approximately $1,465 million, 60% of which was attributed to proved developed reserves.

Our common stock is listed on the NYSE under the ticker symbol "SN." As of June 9, 2014, our market capitalization was approximately $1,854 million and we had preferred stock outstanding with an aggregate liquidation preference of $271 million and an as converted value of $440 million.

Acquisition Track Record

During 2013, we significantly expanded our footprint in the Eagle Ford Shale by adding proved reserves, production and undeveloped acreage through a series of acquisitions beginning with the Cotulla acquisition (described below) which we closed on May 31, 2013. The Cotulla acquisition added approximately 44,461 net acres in Dimmit, Frio, LaSalle and Zavala Counties, Texas. At the principal Cotulla asset, Alexander Ranch, we have significantly reduced well costs. At the time of the acquisition, the previous operator was drilling wells at an average cost of approximately $8.8 million. Initially, we planned to reduce well costs to approximately $7.0 million. However since closing this acquisition we have achieved average well costs of approximately $6.0 million. These cost reductions have significantly increased well economics in the area enabling

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a larger portion of the Cotulla acreage to be developed at what we believe to be a more attractive rate of return than was initially estimated to be drillable at the time the acquisition was completed.

In July 2013, we acquired approximately 10,300 net acres in Fayette, Gonzales and Lavaca Counties, Texas. This acquisition, now known as our Five Mile Creek development within our Marquis area, is directly northwest of our Prost development project. We have recently started development activities on this asset and recently brought online our first four-well pad.

On October 4, 2013, we closed our Wycross acquisition in the Eagle Ford Shale, which added approximately 3,600 net contiguous acres of leasehold in McMullen County, Texas. We moved a rig onto Wycross and commenced full scale development in the first quarter of this year.

In addition to these Eagle Ford acquisitions, on August 16, 2013, we completed an asset acquisition of approximately 40,000 net undeveloped acres in the TMS in Southwest Mississippi and Southeast Louisiana and formed an area of mutual interest and 50/50 joint venture with our affiliate, SR Acquisition I, LLC. The joint venture controls approximately 115,000 gross and 80,000 net acres in what we believe to be the core of the TMS.

Recent Developments

Catarina Acquisition

On May 21, 2014, we signed the Purchase and Sale Agreement with two subsidiaries of Shell to acquire the Catarina assets for approximately $639 million in cash, subject to usual and customary closing adjustments. We expect to close the Catarina acquisition on or about June 30, 2014, which will significantly expand our asset base and production in the Eagle Ford Shale. The effective date of the transaction is January 1, 2014 and the closing purchase price adjustments are expected to be approximately $72 million, bringing our estimated purchase price to Shell at closing to approximately $567 million. The Catarina assets are located in the Eagle Ford Shale approximately 15 to 20 miles from our Alexander and Briggs Ranch operations in our Cotulla area. These assets consist of approximately 60 mmboe of proved reserves (57% liquids) as of December 31, 2013, 24,000 boe/d of production as of March 31, 2014 and approximately 106,000 net acres in Dimmit, LaSalle, and Webb Counties, Texas. The additional acreage brings our total position in the Eagle Ford Shale area to approximately 226,000 acres.

With the exception of one well drilled to meet a continuous development clause in the mineral lease, Shell stopped its Catarina drilling program in late 2013 and has not completed a well since the fourth quarter of 2013, which has resulted in a decline in production from 29,262 boe/d in the fourth quarter of 2013 to an estimated 24,000 boe/d in the first quarter of 2014 and is expected to continue to decline until we bring new wells online after closing the Catarina acquisition. The Catarina assets have a backlog of 22 wells that have been drilled to total depth and cased but not yet completed and 27 wells that have been drilled with surface casing set. We expect the resulting production from the Catarina assets to ramp up towards the end of 2014 once these additional wells are brought online and we implement our planned continuous development drilling program.

The Catarina acquisition provides a multi-year inventory of what we believe to be low-risk and expected high-rate-of-return development drilling locations and a large prospective new

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drilling appraisal area complemented with significant supporting production and midstream infrastructure. These assets are expected to generate a substantial amount of near term cash flow and fully fund our currently planned drilling and completion activities in 2015, with only a modest outspend in 2014. The Catarina lease commitment includes a provision that requires us to drill at least 50 wells per year, with the year defined as July to July, and to go no longer than 120 days without spudding a well. Failure to comply with the obligations of this commitment could require us to forfeit our acreage not held by production (excluding, in certain instances, acreage upon which associated midstream assets are located). The asset comes with extensive midstream and gathering infrastructure in place including four regional processing facilities for separation and stabilization, a field gathering system for all produced fluids that contains over 180 miles of pipeline, and a water disposal well.

We believe the Catarina acquisition will be a strategic and accretive transaction which will increase our near-term growth opportunities and resource potential while also increasing our economies of scale, financial flexibility and funding capacity. This transaction is expected to be immediately accretive to reserves and production and is a catalyst for our strategy to grow through both the drill bit and prudent asset acquisitions. The acquisition is expected to provide a multi-year inventory of 200 identified low-risk and high-rate-of-return drilling locations and up to 800 additional potential locations to be added pending planned appraisal drilling, bringing our total potential drilling locations to up to 2,900 net wells. The acquisition will also increase our total proved reserves by 60 mmboe and proved developed reserves by 36 mmboe as of December 31, 2013, the PV-10 value of which offsets a substantial portion of the purchase price.

On a pro forma basis for the twelve months ended March 31, 2014, our revenue and Adjusted EBITDA were $882 million and $625 million, respectively.

Liquidity Update

Throughout 2013, we raised approximately $1.1 billion in aggregate new capital through two offerings of our existing senior notes, a convertible preferred stock offering and a common stock offering. In connection with the Catarina acquisition, we expect to issue $850 million in aggregate principal amount of senior notes and enter into a newly amended and restated $1.5 billion revolving credit facility with an initial borrowing base of $550 million which we expect to be revised downward to $437.5 million as a result of the closing of the notes offering, additional availability of $100 million, which will be reduced to zero on the earlier of the issuance of the notes and the one year anniversary of the effective date of the amended and restated credit agreement, and an elected commitment of $425 million. The closing of this offering is not contingent upon the amendment and restatement of our credit facility or the notes offering. This offering represents a continuation of our plan to grow through a combination of acquisitions and organic sources while maintaining substantial liquidity. We intend to use the net proceeds of this offering, together with the net proceeds of our notes offering or borrowings under our credit facility, to fund the Catarina acquisition. If the Catarina acquisition is not consummated, we intend to use the net proceeds from this offering for general corporate purposes, including working capital and to repay borrowings under our credit facility. See "Use of Proceeds."

In connection with the Catarina acquisition, on June 3, 2014, we obtained a commitment (the "Bridge Commitment") from Royal Bank of Canada, RBC Capital Markets, Credit Suisse AG, Credit Suisse Securities (USA) LLC, Capital One, National Association and SunTrust Bank to

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provide, arrange, bookrun and agent, as applicable, a senior unsecured bridge facility (the "Bridge Facility"), in an aggregate amount up to $300 million (subject to the reduction from the issuance and sale of senior unsecured notes). The Bridge Commitment will expire upon the earliest to occur of (a) August 19, 2014, (b) the date of execution and delivery of definitive bridge documentation by us and the lenders under the Bridge Facility or (c) the termination of the commitments by us. The Bridge Commitment is subject to customary conditions precedent for acquisition facilities of this nature. We will not seek to enter into or utilize the Bridge Facility unless the credit facility or other financing sources, including this offering and the notes offering, are insufficient to fund the Catarina acquisition, and in which event we would expect to utilize the Bridge Facility only to the extent of such insufficiency.

Updated 2014 Capital Program

Our 2014 capital budget is focused on the development of our approximately 226,000 net acres in the Eagle Ford Shale. In 2014 we plan on investing $710 to $765 million, or 92%, of our drilling and completion budget to spud 93 and complete 105 Eagle Ford Shale net wells and $60 to $65 million, or 8%, of our drilling and completion budget to spud and complete two TMS net wells and to participate in 10 to 15 gross non-operated TMS wells with working interests ranging from 1% to 25%. We also plan to invest $70 million for facilities, leasing and seismic activities. This 2014 capital budget of $840 to $900 million represents an increase of approximately 80% over our capital spending during 2013 of $480 million and 40% over our pre-acquisition 2014 spending plan of $600 to $650 million. The increase in our 2014 capital budget is attributable to the planned development of new locations added through the Catarina acquisition and additional leasing activities. Moving forward, our operating plan will continue to focus on improvements to our manufacturing efficiency with the goal of steadily improving our capital efficiency.

TMS Acreage Acquisitions

Since March 31, 2014, we have been acquiring additional undeveloped acreage in the TMS and as of May 31, 2014 we had accumulated approximately 57,000 net acres.

Description of Properties

We and our predecessor entities have a long history in the Eagle Ford Shale where, as of March 31, 2014, we had assembled approximately 226,000 net leasehold acres with an average working interest of approximately 93%. Consistent with other operators in this area, we perform multi-stage hydraulic fracturing of up to 30 stages on each well depending upon the length of the lateral section.

Using approximately 40 acre well-spacing for our Cotulla and Palmetto areas, 60 acre well-spacing for our Marquis area, 75 acre well-spacing for our Catarina area and assuming 80% of the acreage is drillable for all areas except the Palmetto area, which assumes 90% is drillable, we believe that there could be up to 2,800 net Eagle Ford Shale locations for potential future drilling. Additionally, we have classified the acreage acquired in the Catarina acquisition into three areas: Western Catarina, Central Catarina and Eastern Catarina. Western Catarina consists of approximately 43,000 net acres with approximately 200 de-risked Lower Eagle Ford drilling locations at 75 to 100 acre spacing, plus additional Upper Eagle Ford locations. Eastern Catarina consists of approximately 37,000 net undeveloped acres with approximately 400 potential drilling locations at 75 acre spacing. Central Catarina consists of approximately 26,000 net acres with Upper Eagle Ford potential. We plan to further evaluate the Central Catarina acreage to assess its full potential.

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As of March 31, 2014, we also held approximately 40,000 net acres in the core of the TMS which we believe has considerable upside potential, but we currently have not booked any proved reserves. We recently spud our first operated well in May in Wilkinson County, Mississippi. For 2014, we plan to invest approximately 8% of our overall $770 to $830 million drilling and completion capital budget, or $60 to $65 million, in the TMS to spud and complete two net wells and to participate in 10 to 15 gross non-operated TMS wells with working interests ranging from 1% to 25%.

Production and Reserves

The Catarina acquisition increases production by approximately 24,000 boe/d over the Company's 18,784 boe/d average rate for first quarter of 2014 and total proved reserves by 60 mmboe as of December 31, 2013, an increase of over 100% to year-end 2013 reserves of 59 mmboe for a total of 119 mmboe. Proved developed reserves increase by 36 mmboe as a result of the Catarina acquisition.

The following table provides information regarding our proved reserves by area as of December 31, 2013:

	Estimated Total Proved Reserves						
	Oil (mmbbls)	NGLs (mmbbls)	Natural Gas (bcf)	Total (mmboe)	% Liquids	% Developed	PV-10 (in millions)
Catarina	12.6	21.9	154.1	60.2	57%	60%	$ 475.4
Marquis	9.2	1.1	5.2	11.2	92%	46%	284.0
Cotulla	19.3	3.3	21.3	26.2	86%	47%	692.5
Palmetto	16.9	2.2	13.6	21.3	90%	33%	488.8
Total	58.0	28.5	194.2	118.9	73%	51%	$ 1,940.7

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The following table presents summary data for each of our primary project areas as of March 31, 2014 and our revised drilling and completion capital expenditure budget for 2014:

			Identified Drilling Locations(1)		2014 Drilling & Completion Capital Expenditure Budget		
	Net Acreage	Average Working Interest	Gross	Net	Net Wells Spud	Net Wells Completed	Capex (in millions)
Catarina	106,000	100%	1,000	1,000	25	37	$205 - $215
Marquis	70,465	100%	900	900	35	32	270 - 285
Palmetto	9,493	48%	395	190	5	8	45 - 55
Cotulla	38,640	85%	725	680	28	28	190 - 210
Total Eagle Ford Shale	224,598	93%	3,020	2,770	93	105	$710 - $765
TMS	40,211	50%	260	130			