NRP to Buy Oil and Gas Interests for About $35.3M

HOUSTON (AP) — Natural Resource Partners LP said Monday that it reached a deal to buy non-operated working interests in producing oil and gas properties in North Dakota and Montana from Abraxas Petroleum Corp. for about $35.3 million in cash.

The acquisition consists of about 13,500 net acres with an estimated average working interest of 11 percent in the Bakken and Three Forks play. It includes about 120 producing wells, along with interests in 22 wells that are in various stages of development, NRP said

The Houston-based coal and oil property manager said it expects to fund $8.1 million in additional capital spending related to the new wells this year, some of which will be paid at closing. NRP expects the acquisition to close in the third quarter of 2013 and to immediately boost returns for its unit holders.

NRP President and Chief Operating Officer Nick Carter said the acquisition marks NRP's strategic entry into the Bakken area and into owning non-operated working interests in oil and gas assets.

San Antonio, Texas-based Abraxas said it will use the proceeds from the sale to pay down debt and speed growth at its core operations.

The acquisition will have an effective date of March 1, 2013.

Natural Resource Partners units closed at $22.50 on Friday, and have traded between $16.90 and $24.37 in the past 52 weeks. Abraxas Petroleum shares ended Friday at $2.16, near the middle of a 52-week range of $1.56 to $32.45.

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