

Petrohawk Holdings, LLC  
Form 424B3  
September 15, 2009  
Table of Contents

Filed Pursuant to Rule 424(b)(3)

Registration Statement No. 333-158614

PROSPECTUS

**\$600,000,000**

## **Petrohawk Energy Corporation**

**Offer to Exchange up to**

**\$600,000,000 of 10.5% Senior Notes due 2014**

**that have been Registered under the Securities Act of 1933**

**for**

**\$600,000,000 of 10.5% Senior Notes due 2014**

**that have not been Registered under the Securities Act of 1933**

We are offering to exchange up to \$600,000,000 aggregate principal amount of registered 10.5% Senior Notes Due 2014, for any and all of our \$600,000,000 aggregate principal amount of unregistered 10.5% Senior Notes Due 2014.

We refer to the registered notes as the new notes and the unregistered notes as the old notes. The new notes are being offered as additional debt securities under the indenture pursuant to which we previously issued the old notes.

The terms of the new notes are substantially identical to those of the old notes, except that the transfer restrictions and registration rights do not apply to the new notes.

We will exchange for an equal principal amount of new notes all old notes that you validly tender and do not validly withdraw before the exchange offer expires.

This exchange offer expires at 5:00 p.m., New York City time, on October 16, 2009, unless extended. We do not currently intend to extend the exchange offer.

## Edgar Filing: Petrohawk Holdings, LLC - Form 424B3

You may withdraw tenders of old notes at any time prior to the expiration of the exchange offer.

The exchange of new notes for old notes should not be a taxable transaction for United States federal income tax purposes.

The old notes are, and the new notes will be, guaranteed by each of our existing and future domestic restricted subsidiaries. There is no existing public market for your old notes, and there is currently no public market for the new notes to be issued to you in the exchange offer. We do not intend to apply for listing of the new notes on any national securities exchange.

Each broker-dealer that receives new notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such new notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of new notes received in exchange for old notes where such old notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed to make this prospectus available for a period of 180 days from the expiration date of this exchange offer to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

**This investment involves risks. Please read Risk Factors beginning on page 9 for a discussion of the risks that you should consider prior to tendering your outstanding old notes in the exchange offer.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

**The date of this prospectus is September 14, 2009.**

**Table of Contents**

**TABLE OF CONTENTS**

<u>Where You Can Find More Information</u>	1
<u>Cautionary Statement Regarding Forward-Looking Statements</u>	1
<u>Prospectus Summary</u>	3
<u>Risk Factors</u>	9
<u>Ratio of Earnings to Fixed Charges</u>	14
<u>Use of Proceeds</u>	15
<u>Description of Other Indebtedness</u>	16
<u>The Exchange Offer</u>	18
<u>Description of the New Notes</u>	27
<u>Global Securities: Book-Entry System</u>	65
<u>Material United States Federal Income Tax Considerations</u>	67
<u>ERISA Considerations</u>	73
<u>Plan of Distribution</u>	76
<u>Legal Matters</u>	77
<u>Experts</u>	77

**This prospectus incorporates by reference important business and financial information about us that is not included in or delivered with this document. This information is available to you without charge upon written or oral request to: 1000 Louisiana, Suite 5600, Houston, Texas 77002, Attention: Secretary, (832) 204-2700. The exchange offer is expected to expire on October 16, 2009 and you must make your exchange decision by the expiration date. To obtain timely delivery, you must request the information no later than October 9, 2009, or the date which is five business days before the expiration date of this exchange offer.**

This prospectus is part of a registration statement we filed with the Securities and Exchange Commission, referred to in this prospectus as the SEC or the Commission. In making your investment decision, you should rely only on the information contained in this prospectus and in the accompanying letter of transmittal. We have not authorized anyone to provide you with any other information. If you received any unauthorized information, you must not rely on it. We are not making an offer to sell these securities in any state or jurisdiction where the offer is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front cover of this prospectus.

In this prospectus, when we use the terms Petrohawk, we, us, or our, we mean Petrohawk Energy Corporation and its consolidated subsidiaries, unless otherwise indicated or the context requires otherwise.

---

**Table of Contents**

**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and current reports, proxy statements and other information with the SEC (File No. 001-33334). We have also filed with the SEC a registration statement on Form S-4 with respect to the new notes being offered by this prospectus. As permitted by SEC rules, this prospectus does not contain all of the information found in the registration statement. For further information regarding us and the exchange notes offered by this prospectus, please review the full registration statement, including its exhibits. Our SEC filings are available to the public over the Internet at the SEC's website at <http://www.sec.gov>. You may also read and copy at prescribed rates any document we file at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. You can obtain information about the operation of the SEC's public reference room by calling the SEC at 1-800-SEC-0330.

Our common stock is listed on the NYSE under the symbol **HK**, and reports, proxy statements and other information also can be inspected at the offices of the NYSE located at 20 Broad Street, New York, New York 10005.

The SEC allows us to incorporate by reference the information that we file with it, which means that we can disclose important information to you by referring you to other documents. The information incorporated by reference is an important part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference the following documents and all documents that we subsequently file with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act (other than, in each case, information furnished rather than filed):

our Annual Report on Form 10-K for the fiscal year ended December 31, 2008, filed on February 25, 2009, as amended on Form 10-K/A filed on April 2, 2009 and on Form 10-K/A filed on April 30, 2009 (Commission File No. 001-33334); and

our Quarterly Reports on Form 10-Q for the quarter ended March 31, 2009, filed on May 6, 2009, and for the quarter ended June 30, 2009, filed on August 4, 2009 (Commission File No. 001-33334);

our Current Reports on Form 8-K filed on January 22, 2009, January 28, 2009, February 26, 2009, February 27, 2009, June 12, 2009, June 23, 2009, August 7, 2009, August 10, 2009 and September 9, 2009, and on Form 8-K/A filed September 9, 2009 (Commission File No. 001-33334).

You may request a copy of these filings (other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing), at no cost, by writing to us at the following address or calling the following number:

Petrohawk Energy Corporation

Attn: Investor Relations

1000 Louisiana, Suite 5600

Houston, Texas 77002

Phone (832) 204-2700

*investors@petrohawk.com*

**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

The information discussed in this prospectus, our filings with the Securities and Exchange Commission (SEC) and our public releases include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, referred to as the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, referred to as the Exchange Act. All statements, other than statements of historical facts, included or incorporated by reference herein concerning, among other things, planned capital expenditures, increases in oil and natural gas production, the number of anticipated wells to be drilled after the date hereof, future cash flows and borrowings, pursuit of potential

## Edgar Filing: Petrohawk Holdings, LLC - Form 424B3

acquisition opportunities, our financial position, business strategy and other plans and objectives for future operations, are forward-looking statements. These forward-looking statements are identified by their use of terms and phrases such as may, expect, estimate, project, plan, believe, intend, achievable, anticipate, will, continue, potential, should, could and similar terms and phrases. Although we believe expectations reflected in these forward-looking statements are reasonable, they do involve certain assumptions, risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including, among others:

our ability to successfully develop our large inventory of undeveloped acreage primarily held in resource-style areas in Louisiana, Arkansas and Texas, including our resource-style plays such as the Haynesville, Fayetteville and Eagle Ford Shales;

the volatility in commodity prices for oil and natural gas, including continued declines in prices;

the possibility that the industry may be subject to future regulatory or legislative actions (including any additional taxes and changes in environmental regulation);

**Table of Contents**

the possibility that the United States economy remains in an extended recessionary period, which would negatively impact the price of commodities, including oil and natural gas;

the presence or recoverability of estimated oil and natural gas reserves and the actual future production rates and associated costs;

the possibility that production decline rates in some of our resource-style plays are greater than we expect;

our ability to generate sufficient cash flow from operations, borrowings or other sources to enable us to fully develop our undeveloped acreage positions;

the ability to replace oil and natural gas reserves;

environmental risks;

drilling and operating risks;

exploration and development risks;

competition, including competition for acreage in resource-style areas;

management's ability to execute our plans to meet our goals;

our ability to retain key members of our senior management and key technical employees;

our ability to obtain goods and services, such as drilling rigs and tubulars, and access to adequate gathering systems and pipeline take-away capacity, to execute our drilling program;

our ability to secure firm transportation for natural gas we produce and to sell the natural gas at market prices;

general economic conditions, whether internationally, nationally or in the regional and local market areas in which we do business, may be less favorable than expected, including the possibility that the current economic recession and credit crisis in the United States will be severe and prolonged, which could adversely affect the demand for oil and natural gas and make it difficult to access financial markets;

continued hostilities in the Middle East and other sustained military campaigns or acts of terrorism or sabotage; and

## Edgar Filing: Petrohawk Holdings, LLC - Form 424B3

other economic, competitive, governmental, legislative, regulatory, geopolitical and technological factors may negatively impact our businesses, operations or pricing.

Finally, our future results will depend upon various other risks and uncertainties, including, but not limited to, those detailed in our other filings with the SEC that are incorporated by reference herein and in the section entitled "Risk Factors" included elsewhere in this prospectus. For additional information regarding risks and uncertainties, please read our other filings with the SEC under the Exchange Act and the Securities Act, including our annual report on Form 10-K, as amended, for the fiscal year ended December 31, 2008 and our quarterly reports on Form 10-Q for the quarters ended March 31, 2009 and June 30, 2009. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements in this paragraph and elsewhere in this prospectus and in the documents incorporated by reference. Other than as required under the securities laws, we do not assume a duty to update these forward-looking statements, whether as a result of new information, subsequent events or circumstances, changes in expectations or otherwise.

**Table of Contents**

**PROSPECTUS SUMMARY**

*The following summary highlights selected information from the prospectus and may not contain all of the information that is important to you. This prospectus includes specific terms of the new notes, as well as information regarding our business and detailed financial data. We encourage you to read this entire prospectus carefully, including the discussion of the risks and uncertainties affecting our business included under the caption Risk Factors, and the documents that have been incorporated into this prospectus, before making an investment decision.*

**Our Company**

We are an independent oil and natural gas company engaged in the exploration, development and production of predominately natural gas properties located onshore in the United States. Our properties are primarily located in Louisiana, Texas, Arkansas and Oklahoma. We organize our operations into two principal regions: the Mid-Continent, which includes our Louisiana and Arkansas properties, and the Western, which includes our Texas and Oklahoma properties.

At December 31, 2008, our estimated total proved oil and natural gas reserves, as prepared by our independent reserve engineering firm, Netherland, Sewell & Associates, Inc., were approximately 1,418 billion cubic feet of natural gas equivalent, consisting of 14 million barrels of oil, and 1,335 billion cubic feet of natural gas and natural gas liquids. Approximately 56% of our proved reserves were classified as proved developed. We maintain operational control of approximately 83% of our proved reserves. Historically, we have grown through acquisitions of proved reserves and undeveloped acreage, with a focus on properties within our core operating areas which we believe have significant development and exploration opportunities and where we can apply our technical experience and economies of scale to increase production and proved reserves while lowering lease operating costs. During 2008 and the first half of 2009, we have significantly expanded our leasehold position in natural gas shale plays, particularly in the Haynesville Shale play in northern Louisiana and East Texas and the Eagle Ford Shale play in South Texas. We currently own leasehold interests in approximately 325,000 net acres in the Haynesville Shale play, 210,000 net acres in the Eagle Ford Shale play, and 157,000 net acres in the Fayetteville Shale play. The vast majority of our acreage in these plays is currently undeveloped.

**Our Business and Recent Developments**

For a description of our business, our core properties (including our Haynesville, Fayetteville and Eagle Ford Shale properties) and recent events affecting our business, which is incorporated herein by reference, please see our annual report on Form 10-K, as amended, for the year ended December 31, 2008, filed with the Securities and Exchange Commission on February 25, 2009 as well as the other documents incorporated herein by reference.

**Corporate Information**

Petrohawk is a Delaware corporation originally organized in Nevada in June 1997 and reincorporated in Delaware during 2004. Our principal offices are located at 1000 Louisiana Street, Suite 5600, Houston, Texas 77002, telephone number (832) 204-2700, fax number (832) 204-2800, and our website can be found at [www.petrohawk.com](http://www.petrohawk.com). Unless specifically incorporated by reference in this prospectus, information that you may find on our website, or any other website, is not part of this prospectus.

**The Exchange Offer**

*On January 27, 2009, we completed a private offering of \$600 million in aggregate principal of the old notes. In connection with that private offering, we entered into a registration rights agreement in which we agreed, among other things, to deliver this prospectus to you and to use our best efforts to complete the exchange offer. The following is a summary of the exchange offer.*

Old Notes	10.5% Senior Notes due 2014, which were issued on January 27, 2009.
New Notes	10.5% Senior Notes due 2014. The terms of the new notes are substantially identical to those terms of the outstanding old notes, except that the transfer restrictions and registration rights relating to the old notes do not apply to the new notes.



**Table of Contents**

Exchange Offer	We are offering to exchange up to \$600,000,000 aggregate principal amount of our new notes that have been registered under the Securities Act for an equal amount of our outstanding old notes that have not been registered under the Securities Act to satisfy our obligations under the registration rights agreement.
Expiration Date	The exchange offer will expire at 5:00 p.m., New York City time, on October 16, 2009 unless we decide to extend it.
Conditions to the Exchange Offer	The registration rights agreement does not require us to accept old notes for exchange if the exchange offer or the making of any exchange by a holder of the old notes would violate any applicable law or interpretation of the staff of the SEC. A minimum aggregate principal amount of old notes being tendered is not a condition to the exchange offer.
Procedures for Tendering Old Notes	<p>Unless you comply with the procedures described under the caption <b>The Exchange Offer Procedures for Tendering Guaranteed Delivery</b>, you must do one of the following on or prior to the expiration of the exchange offer to participate in the exchange offer:</p> <p style="padding-left: 40px;">tender your old notes by sending the certificates for your old notes, in proper form for transfer, a properly completed and duly executed letter of transmittal, with any required signature guarantees, and all other documents required by the letter of transmittal, to U.S. Bank National Association, as registrar and exchange agent, at the address listed under the caption <b>The Exchange Offer Exchange Agent</b> ; or</p> <p style="padding-left: 40px;">tender your old notes by using the book-entry transfer procedures described below and transmitting a properly completed and duly executed letter of transmittal, with any required signature guarantees, or an agent's message instead of the letter of transmittal, to the exchange agent. In order for a book-entry transfer to constitute a valid tender of your old notes in the exchange offer, U.S. Bank National Association, as registrar and exchange agent, must receive a confirmation of book-entry transfer of your old notes into the exchange agent's account at The Depository Trust Company prior to the expiration of the exchange offer. For more information regarding the use of book-entry transfer procedures, including a description of the required agent's message, please read the discussion under the caption <b>The Exchange Offer Procedures for Tendering Book-Entry Transfer</b>.</p>
Guaranteed Delivery Procedures	<p>If you are a registered holder of the old notes and wish to tender your old notes in the exchange offer, but</p> <p style="padding-left: 40px;">the old notes are not immediately available,</p> <p style="padding-left: 40px;">time will not permit your old notes or other required documents to reach the exchange agent before the expiration of the exchange offer, or</p> <p style="padding-left: 40px;">the procedure for book-entry transfer cannot be completed prior to the expiration of the exchange offer,</p> <p>then you may tender old notes by following the procedures described under the caption <b>The Exchange Offer Procedures for Tendering Guaranteed Delivery</b>.</p>

**Table of Contents**

Special Procedures for Beneficial Owners	<p>If you are a beneficial owner whose old notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender your old notes in the exchange offer, you should promptly contact the person in whose name the old notes are registered and instruct that person to tender on your behalf.</p> <p>If you wish to tender in the exchange offer on your own behalf, prior to completing and executing the letter of transmittal and delivering the certificates for your old notes, you must either make appropriate arrangements to register ownership of the old notes in your name or obtain a properly completed bond power from the person in whose name the old notes are registered.</p>
Withdrawal; Non-Acceptance	<p>You may withdraw any old notes tendered in the exchange offer at any time prior to 5:00 p.m., New York City time, on October 16, 2009. If we decide for any reason not to accept any old notes tendered for exchange, the old notes will be returned to the registered holder at our expense promptly after the expiration or termination of the exchange offer. In the case of old notes tendered by book-entry transfer into the exchange agent's account at The Depository Trust Company, any withdrawn or unaccepted old notes will be credited to the tendering holder's account at The Depository Trust Company. For further information regarding the withdrawal of tendered old notes, please read "The Exchange Offer - Withdrawal Rights."</p>
United States Federal Income Tax Considerations	<p>The exchange of new notes for old notes in the exchange offer should not be a taxable event for United States federal income tax purposes. Please read the discussion under the caption "Material United States Federal Income Tax Considerations" for more information regarding the tax consequences to you of the exchange offer.</p>
Use of Proceeds	<p>The issuance of the new notes will not provide us with any new proceeds. We are making this exchange offer solely to satisfy our obligations under the registration rights agreement.</p>
Fees and Expenses	<p>We will pay all of our expenses incident to the exchange offer.</p>
Exchange Agent	<p>We have appointed U.S. Bank National Association as exchange agent for the exchange offer. You can find the address, telephone number and fax number of the exchange agent under the caption "The Exchange Offer - Exchange Agent."</p>
Resales of New Notes	<p>Based on interpretations by the staff of the SEC, as set forth in no-action letters issued to third parties that are not related to us, we believe that the new notes you receive in the exchange offer may be offered for resale, resold or otherwise transferred by you without compliance with the registration and prospectus delivery provisions of the Securities Act so long as:</p> <ul style="list-style-type: none"> <li>the new notes are being acquired in the ordinary course of business;</li> <li>you are not participating, do not intend to participate, and have no arrangement or understanding with any person to participate in the distribution of the new notes issued to you in the exchange offer;</li> <li>you are not our affiliate; and</li> <li>you are not a broker-dealer tendering old notes acquired directly from us for your account.</li> </ul> <p>The SEC has not considered this exchange offer in the context of a no-action letter, and we cannot assure you that the SEC would make similar determinations with respect to this exchange offer. If any of these conditions are not satisfied, or if our belief is not accurate, and you transfer any new notes issued to you in the exchange offer without delivering a resale prospectus meeting the requirements of the Securities Act or without an exemption from registration of your new notes from those requirements, you may incur liability under the Securities Act. We will not assume, nor will we indemnify you against, any</p>

**Table of Contents**

such liability. Each broker-dealer that receives new notes for its own account in exchange for old notes, where the old notes were acquired by such broker-dealer as a result of market-making or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such new notes. Please read [Plan of Distribution](#).

Please read [The Exchange Offer Resales of New Notes](#) for more information regarding resales of the new notes.

Consequences of Not Exchanging Your Old Notes

If you do not exchange your old notes in this exchange offer, you will no longer be able to require us to register your old notes under the Securities Act, except in the limited circumstances provided under the registration rights agreement. In addition, you will not be able to resell, offer to resell or otherwise transfer your old notes unless we have registered the old notes under the Securities Act or unless you resell, offer to resell or otherwise transfer them under an exemption from the registration requirements of, or in a transaction not subject to, the Securities Act.

For information regarding the consequences of not tendering your old notes and our obligation to file a registration statement, please read [The Exchange Offer Consequences of Failure to Exchange Outstanding Securities](#) and [Description of the New Notes](#).

**Description of the New Notes**

The terms of the new notes and those of the outstanding old notes are substantially identical, except that the transfer restrictions and registration rights relating to the old notes do not apply to the new notes. As a result, the new notes will not bear legends restricting their transfer and will not have the benefit of the registration rights and special interest provisions contained in the old notes. The new notes represent the same debt as the old notes for which they are being exchanged. Both the old notes and the new notes are governed by the same indenture.

The following is a summary of the terms of the new notes. It may not contain all the information that is important to you. For a more detailed description of the new notes, please read [Description of the New Notes](#).

Issuer	Petrohawk Energy Corporation
Securities Offered	\$600,000,000 aggregate principal amount of 10.5% Senior Notes due 2014. The new notes are being offered as additional debt securities under the indenture pursuant to which we previously issued the old notes.
Maturity Date	August 1, 2014.
Interest	Interest on the new notes will accrue at the rate of 10.5% per year and will be payable semi-annually on February 1 and August 1 of each year, beginning on February 1, 2010. Interest will accrue from the last interest payment date on which interest was paid on the old notes surrendered in exchange for the new notes or, if no interest has been paid on the old notes, from January 27, 2009.
	In addition, if:
	the exchange offer is not consummated on or before December 3, 2009,
	we are obligated to file a shelf registration statement and we fail to do so on or prior to the 30th day after the obligation arises or the shelf registration statement is not declared effective on or prior to the 90th day after the date of filing, or
	the registration statement to which this prospectus relates or the shelf registration statement, as the case may be, is declared effective and such registration statement thereafter ceases to be effective or usable (subject to certain exceptions),

**Table of Contents**

	we agree to pay additional interest in an amount equal to 0.50% per year of the principal amount of old notes for the first 90-day period immediately following a default event, increasing by an additional 0.50% per year with respect to each subsequent 90-day period until all defaults have been cured, up to a maximum additional interest rate of 1.50% per year.
Guarantees	The notes will be jointly and severally guaranteed on a senior unsecured basis by all of our current subsidiaries. If we cannot make payments on the notes when they are due, the guarantor subsidiaries must make them instead.
Ranking	The new notes will be our senior unsecured obligations. The new notes will rank equally with all our current and future senior indebtedness. The new notes will rank effectively junior to our secured debt to the extent of the collateral, including secured debt under our existing senior revolving credit facility.
Optional Redemption	<p>At any time on or prior to February 1, 2012, we may redeem up to 35% of the aggregate principal amount of the notes with the net cash proceeds of certain equity offerings at the redemption price set forth under Description of the New Notes Optional Redemption, if at least 65% of the aggregate principal amount of the notes issued under the indenture remains outstanding immediately after such redemption and the redemption occurs within 180 days of the closing date of such equity offering.</p> <p>At any time prior to February 1, 2012, we may redeem the notes, in whole or in part, at a make whole redemption price set forth under Description of the New Notes Optional Redemption. On and after February 1, 2012, we may redeem the notes, in whole or in part, at the redemption prices set forth under Description of the New Notes Optional Redemption.</p>
Mandatory Offer to Repurchase	If we experience specific kinds of changes of control or sell certain assets, each holder of the new notes may require us to purchase all or a portion of such holder's new notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the date of purchase. See Description of the New Notes Repurchase at the Option of Holders.
Basic Covenants of Indenture	<p>We will issue the new notes under the indenture, as supplemented, between us, the subsidiary guarantors and U.S. Bank National Association, as trustee. The indenture contains covenants that will limit our ability and the ability of our restricted subsidiaries to, among other things:</p> <ul style="list-style-type: none"> <li>borrow money;</li> <li>pay dividends or make other distributions on stock;</li> <li>purchase or redeem stock or subordinated indebtedness;</li> <li>make investments;</li> <li>create liens;</li> <li>enter into transactions with affiliates;</li> <li>sell assets; and</li> <li>merge with or into other companies or transfer all or substantially all our assets.</li> </ul>

**Table of Contents**

	These limitations are subject to a number of important qualifications and exceptions which are described in <a href="#">Description of the New Notes</a> <a href="#">Certain Covenants</a> .
Original Issue Discount	The old notes were issued with original issue discount, or <a href="#">OID</a> , for United States federal income tax purposes, and the new notes will be treated as having been issued with <a href="#">OID</a> . United States holders (as defined below) of the notes will be required to include <a href="#">OID</a> in gross income for United States federal income tax purposes in advance of the receipt of cash attributable to that income. See <a href="#">Material United States Federal Tax Considerations</a> <a href="#">Consequences to United States Holders</a> <a href="#">Original Issue Discount</a> .
Events of Default	If there is an event of default on the notes, the principal amount of notes plus accrued and unpaid interest, if any, may be declared immediately due and payable in specified circumstances. Please read <a href="#">Description of the New Notes</a> <a href="#">Events of Default and Remedies</a> .
Use of Proceeds	The issuance of the new notes will not provide us with any new proceeds. We are making this exchange offer solely to satisfy our obligations under our registration rights agreement.
Transfer Restrictions; Absence of a Public Market for the Notes	The new notes generally will be freely transferable, but will also be new securities for which there will not initially be a market. There can be no assurance as to the development or liquidity of any market for the new notes.

**Risk Factors**

Investing in the new notes involves substantial risk. Please read [Risk Factors](#) beginning on page 9 for a discussion of certain factors you should consider in evaluating an investment in the new notes and in evaluating our business.

**Table of Contents**

**RISK FACTORS**

*You should carefully consider the risks described below, as well as other information contained in or incorporated by reference into this prospectus, including the risks described under Risk Factors in our Annual Report on Form 10-K, as amended, for the year ended December 31, 2008 and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2009 and June 30, 2009, as well as the other documents incorporated herein by reference, before tendering your old notes in the exchange offer.*

**Risks Related to the Exchange Offer and the New Notes**

*If you do not properly tender your old notes, you will continue to hold unregistered outstanding notes and your ability to transfer outstanding notes will be adversely affected.*

We will only issue new notes in exchange for old notes that you timely and properly tender. Therefore, you should allow sufficient time to ensure timely delivery of the old notes and you should carefully follow the instructions on how to tender your old notes. Neither we nor the exchange agent is required to tell you of any defects or irregularities with respect to your tender of old notes. Please read The Exchange Offer Procedures for Tendering and Description of the New Notes.

If you do not exchange your old notes for new notes in the exchange offer, you will continue to be subject to the restrictions on transfer of your old notes described in the legend on the certificates for your old notes. In general, you may only offer or sell the old notes if they are registered under the Securities Act and applicable state securities laws, or offered and sold under an exemption from these requirements. We do not plan to register any sale of the old notes under the Securities Act. For further information regarding the consequences of tendering your old notes in the exchange offer, please read The Exchange Offer Consequences of Failure to Exchange Outstanding Securities.

*You may find it difficult to sell your new notes.*

Although the new notes will trade in The PORTAL<sup>SM</sup> Market and will be registered under the Securities Act, the new notes will not be listed on any securities exchange. Because there is no public market for the new notes, you may not be able to resell them.

We cannot assure you that an active market will exist for the new notes or that any trading market that does develop will be liquid. If an active market does not develop or is not maintained, the market price and liquidity of our new notes may be adversely affected. If a market for the new notes develops, they may trade at a discount from their initial offering price. The trading market for the notes may be adversely affected by:

changes in the overall market for non-investment grade securities;

changes in our financial performance or prospects;

the financial performance or prospects for companies in our industry generally;

the number of holders of the notes;

the interest of securities dealers in making a market for the notes; and

prevailing interest rates and general economic conditions.

Historically, the market for non-investment grade debt has been subject to substantial volatility in prices. The market for the new notes, if any, may be subject to similar volatility. Prospective investors in the new notes should be aware that they may be required to bear the financial risks of such investment for an indefinite period of time.

*Some holders who exchange their old notes may be deemed to be underwriters.*

If you exchange your old notes in the exchange offer for the purpose of participating in a distribution of the new notes, you may be deemed to have received restricted securities and, if so, will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

---

## **Table of Contents**

### **Risks Related to Our Indebtedness and the Notes**

***We have a holding company structure in which our subsidiaries conduct our operations and own our operating assets and our ability to make payments on the notes is therefore dependent upon the performance of our subsidiaries.***

We are a holding company, and our subsidiaries conduct substantially all of our operations and own substantially all of our operating assets. We have no significant assets other than the equity interests in our subsidiaries. As a result, our ability to make required payments on the notes depends on the performance of our subsidiaries and their ability to distribute funds to us. Our subsidiaries generally are permitted to pay dividends and make other distributions to us, however, the ability of our subsidiaries to make distributions to us may be limited by, among other things, any future indebtedness of our subsidiaries, the terms of our senior revolving credit facility, and restrictions on cash or other deposits of our subsidiaries entered into in the ordinary course of business. See **Description of the New Notes** **Certain Covenants** **Dividend and Other Payment Restrictions Affecting Subsidiaries** below. If we are unable to obtain the funds necessary to pay the principal amount at the maturity of the notes, or to repurchase the notes upon an occurrence of a change of control, we may be required to adopt one or more alternatives, such as a refinancing of the notes. We cannot assure you that we would be able to refinance the notes.

***We may not be able to generate sufficient cash flow to meet our debt service obligations.***

Our ability to make payments on our indebtedness, including the notes, and to fund planned capital expenditures will depend on our ability to generate cash in the future. This, to a certain extent, is subject to conditions in the oil and gas industry, general economic and financial conditions, the impact of legislative and regulatory actions on how we conduct our business and other factors, all of which are beyond our control.

We cannot assure you that our business will generate sufficient cash flow from operations to service our outstanding indebtedness, or that future borrowings will be available to us in an amount sufficient to enable us to pay our indebtedness or to fund our other capital needs. If our business does not generate sufficient cash flow from operations to service our outstanding indebtedness, we may have to undertake alternative financing plans, such as:

refinancing or restructuring our debt;

selling assets;

reducing or delaying acquisitions or capital investments, such as remanufacturing our rigs and related equipment; or

seeking to raise additional capital.

However, we cannot assure you that we would be able to implement alternative financing plans, if necessary, on commercially reasonable terms or at all, or that implementing any such alternative financing plans would allow us to meet our debt obligations. Our inability to generate sufficient cash flow to satisfy our debt obligations, including our obligations under the notes, or to obtain alternative financings, could materially and adversely affect our business, financial condition, results of operations and prospects.

***The notes and the guarantees will be unsecured and effectively subordinated to our secured indebtedness and that of our subsidiary guarantors.***

The notes and the guarantees will be general, unsecured senior obligations ranking effectively junior in right of payment to any secured debt of ours and that of each subsidiary guarantor, respectively, including obligations under our senior revolving credit facility, to the extent of the value of the collateral securing the debt. As of December 31, 2008, the principal amount of our total long term debt was approximately \$2.4 billion and we had no secured indebtedness after giving effect to the sale of \$600 million in aggregate principal of the old notes on January 27, 2009 and the application of the net proceeds therefrom.

As of September 11, 2009, we were able to borrow up to \$950.0 million on a revolving basis (less the amount of outstanding letters of credit) under our senior revolving credit facility. If borrowed, any additional debt thereunder would be secured debt and would be effectively senior in



## Edgar Filing: Petrohawk Holdings, LLC - Form 424B3

right of payment to the notes to the extent of the value of the collateral securing that indebtedness. The indenture governing the notes will permit us and the subsidiary guarantors to incur additional secured debt in the future. If we or a subsidiary guarantor is declared bankrupt, becomes insolvent or is liquidated or reorganized, any secured debt of ours or that subsidiary guarantor will be entitled to be paid in full from our assets or the assets of the guarantor, as applicable, securing that debt before any payment may be made with respect to the notes or the affected guarantees. Holders of the notes will participate ratably with all holders of our unsecured indebtedness that does not rank junior to the notes, including all of our other general creditors and the holders of our secured debt to the extent such debt is not satisfied with the proceeds of the collateral therefor, based upon the respective amounts owed to each holder or creditor, in our remaining assets. In any of the foregoing events, we cannot assure you that there will be sufficient assets to pay amounts due on the notes. As a result, holders of the notes would likely receive less, ratably, than holders of secured indebtedness.

## **Table of Contents**

***Our debt level and the covenants in the agreements governing our debt could negatively impact our financial condition, results of operations and business prospects and prevent us from fulfilling our obligations under the notes.***

Our level of indebtedness, and the covenants contained in the agreements governing our debt, could have important consequences for our operations, including by:

making it more difficult for us to satisfy our obligations under the notes or other indebtedness and increasing the risk that we may default on our debt obligations;

requiring us to dedicate a substantial portion of our cash flow from operations to required payments on indebtedness, thereby reducing the availability of cash flow for working capital, capital expenditures and other general business activities;

limiting our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions and general corporate and other activities;

limiting management's discretion in operating our business;

limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;

detracting from our ability to withstand successfully a downturn in our business or the economy generally;

placing us at a competitive disadvantage against less leveraged competitors; and

making us vulnerable to increases in interest rates, because debt under any senior revolving credit facility may vary with prevailing interest rates.

We may be required to repay all or a portion of our debt on an accelerated basis in certain circumstances. If we fail to comply with the covenants and other restrictions in the agreements governing our debt, it could lead to an event of default and the consequent acceleration of our obligation to repay outstanding debt. Our ability to comply with these covenants and other restrictions may be affected by events beyond our control, including prevailing economic and financial conditions.

***Despite our and our subsidiaries' current level of indebtedness, we may still be able to incur substantially more debt. This could further exacerbate the risks associated with our substantial indebtedness.***

We and our subsidiaries may be able to incur substantial additional indebtedness in the future, subject to certain limitations. The terms of our indenture will not prohibit us or our subsidiaries from doing so. For example, as of September 11, 2009, we were able to borrow approximately \$950.0 million on a revolving basis (less the amount of outstanding letters of credit) under our senior revolving credit facility. If new debt is added to our current debt levels, the related risks that we and our subsidiaries now face could intensify. Increased leverage could, for example:

make it more difficult for us to satisfy our obligations under our indebtedness; if we fail to comply with the requirements of our indebtedness, that failure could result in an event of default of such indebtedness;

## Edgar Filing: Petrohawk Holdings, LLC - Form 424B3

require us to dedicate a substantial portion of our cash flow from operations to required payments on indebtedness, thereby reducing the availability of cash flow for working capital, capital expenditures and other business activities;

limit our ability to obtain additional financing in the future for working capital, capital expenditures and other general corporate purposes;

limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;

diminish our ability to successfully withstand a downturn in our business or the economy generally; and

place us at a competitive disadvantage against less leveraged competitors.

If new debt is added to our and our subsidiaries' current debt levels, the related risks that we and they now face could increase.

## **Table of Contents**

### ***We may not be able to repurchase the notes upon a change of control.***

Upon the occurrence of certain change of control events, we would be required to offer to repurchase all or any part of the notes then outstanding for cash at 101% of the principal amount. Other senior notes that we have outstanding have similar change of control repurchase obligations. The source of funds for any repurchase required as a result of any change of control will be our available cash or cash generated from our operations or other sources, including:

sales of assets; or

sales of equity.

We cannot assure you that sufficient funds would be available at the time of any change of control to repurchase your notes. In addition, our senior revolving credit facility prohibits such repurchases. Additionally, a change of control is an event of default under our senior revolving credit facility that would permit the lenders to accelerate the debt outstanding under such facility. Finally, using available cash to fund the potential consequences of a change of control may impair our ability to obtain additional financing in the future, which could negatively impact our ability to conduct our business operations.

### ***A subsidiary guarantee could be voided if it constitutes a fraudulent transfer under United States bankruptcy or similar state law, which would prevent the holders of the notes from relying on that subsidiary to satisfy claims.***

Under United States bankruptcy law and comparable provisions of state fraudulent transfer laws, our subsidiary guarantees of the notes can be voided, or claims under the subsidiary guarantees may be subordinated to all other debts of that subsidiary guarantor if, among other things, the subsidiary guarantor, at the time it incurred the indebtedness evidenced by its guarantee or, in some states, when payments become due under the guarantee, received less than reasonably equivalent value or fair consideration for the incurrence of the guarantee and:

was insolvent or rendered insolvent by reason of such incurrence;

was engaged in a business or transaction for which the guarantor's remaining assets constituted unreasonably small capital; or

intended to incur, or believed that it would incur, debts beyond its ability to pay those debts as they mature.

Our subsidiary guarantees may also be voided, without regard to the above factors, if a court found that the subsidiary guarantor entered into the guarantee with the actual intent to hinder, delay or defraud its creditors.

A court would likely find that a subsidiary guarantor did not receive reasonably equivalent value or fair consideration for its guarantee if the subsidiary guarantor did not substantially benefit directly or indirectly from the issuance of the guarantees. If a court were to void a subsidiary guarantee, you would no longer have a claim against the subsidiary guarantor. Sufficient funds to repay the notes may not be available from other sources, including the remaining subsidiary guarantors, if any. In addition, the court might direct you to repay any amounts that you already received from the subsidiary guarantor.

The measures of insolvency for purposes of fraudulent transfer laws vary depending upon the governing law. Generally, a guarantor would be considered insolvent if:

the sum of its debts, including contingent liabilities, were greater than the fair saleable value of all its assets;

## Edgar Filing: Petrohawk Holdings, LLC - Form 424B3

the present fair saleable value of its assets is less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or

it could not pay its debts as they become due.

Each subsidiary guarantee contains a provision intended to limit the subsidiary guarantor's liability to the maximum amount that it could incur without causing the incurrence of obligations under its subsidiary guarantee to be a fraudulent transfer. Such provision may not be effective to protect the subsidiary guarantees from being voided under fraudulent transfer law.

**Table of Contents**

*Your ability to transfer the notes may be limited by the absence of an active trading market, and there is no assurance that any active trading market will develop for the notes.*

The notes are a new issue of securities for which there is no established public market. We do not intend to have the notes or any exchange notes listed on a national securities exchange or to arrange for quotation on any automated dealer quotation systems, although we expect that they will be eligible for trading in the PORTAL<sup>SM</sup> Market. No party is obligated to make a market in the notes or the exchange notes. Therefore, we cannot assure you as to the development or liquidity of any trading market for the notes. The liquidity of any market for the notes will depend on a number of factors, including:

the number of holders of notes;

our operating performance and financial condition;

our ability to complete the offer to exchange the notes for the exchange notes;

the market for similar securities;

the interest of securities dealers in making a market in the notes; and

prevailing interest rates.

Historically, the market for non investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the notes. We cannot assure you that the market, if any, for the notes will be free from similar disruptions or that any such disruptions may not adversely affect the prices at which you may sell your notes. Therefore, we cannot assure you that you will be able to sell your notes at a particular time or the price that you receive when you sell will be favorable.

***You generally will be required to accrue income before you receive cash attributable to original issue discount on the notes. Additionally, in the event we enter into bankruptcy, you may not have a claim for all or a portion of any unamortized amount of the original issue discount on the notes.***

The old notes were issued with original issue discount ( OID ) for United States federal income tax purposes, and the new notes will be treated as having been issued with OID. Accordingly, if you are a United States Holder (as defined below), you generally will be required to accrue interest in the form of OID on a current basis in respect of the notes, include such accrued interest in income and pay tax accordingly, even before you receive cash attributable to that income. For further discussion of the computation and reporting of OID, see Material United States Federal Income Tax Considerations Consequences to United States Holders Original Issue Discount below.

Additionally, a bankruptcy court may not allow a claim for all or a portion of any unamortized amount of the OID on the notes.

**Table of Contents**

**RATIO OF EARNINGS TO FIXED CHARGES**

We have computed our ratio of earnings to fixed charges for each of our fiscal years ended December 31, 2008, 2007, 2006, 2005 and 2004 and for each of the six-month periods ended June 30, 2008 and 2009.

Ratio of earnings to fixed charges is calculated by dividing earnings by fixed charges. For this purpose, earnings represent the aggregate of pre-tax income from continuing operations plus fixed charges. Fixed charges include interest expensed, amortization of debt issuance costs, the amortization of debt discounts and premiums and the portion of non-capitalized rental expense deemed to be the equivalent of interest.

You should read the ratio information below in