

ROAN RESOURCES, INC.

Form S-1/A

April 18, 2019

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As filed with the Securities and Exchange Commission on April 18, 2019

Registration No. 333-227953

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**Amendment No. 2**  
**to**  
**Form S-1**  
**REGISTRATION STATEMENT**  
**UNDER**  
**THE SECURITIES ACT OF 1933**

**Roan Resources, Inc.**

**(Exact name of registrant as specified in its charter)**

**Delaware**  
**(State or other jurisdiction of**  
**incorporation or organization)**

**1311**  
**(Primary Standard Industrial**  
**Classification Code Number)**

**83-1984112**  
**(IRS Employer**  
**Identification Number)**

**14701 Hertz Quail Springs Pkwy**

**Oklahoma City, OK 73134**

**(405) 241-2150**

**(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)**

**David Edwards**

**Chief Financial Officer**

**14701 Hertz Quail Springs Pkwy**

**Oklahoma City, OK 73134**

**(405) 896-8050**

**(Name, address, including zip code, and telephone number, including area code, of agent for service)**

*Copies to:*

**Alan Beck**

**James R. Brown**

**Vinson & Elkins L.L.P.**

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**Houston, Texas 77002**

**(713) 758-2222**

**Approximate date of commencement of proposed sale of the securities to the public:** As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of large accelerated filer, accelerated filer, smaller reporting company and emerging growth company in Rule 12b-2 of the Exchange Act:

Large accelerated filer  
Non-accelerated filer

Accelerated filer  
Smaller reporting company  
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

**The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment that specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

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**The information in this prospectus is not complete and may be changed. The Selling stockholders may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.**

**SUBJECT TO COMPLETION, DATED APRIL 18, 2019**

**117,176,843 Shares**

**Roan Resources, Inc.**

**Class A Common stock**

The selling stockholders named in this prospectus may offer 117,176,843 shares of our Class A common stock, par value \$0.001 per share ( Class A common stock ), which the selling stockholders acquired in the reorganization described under Reorganization. The selling stockholders will receive all proceeds, and we will not receive any proceeds from the sale of the shares of Class A common stock being offered in this prospectus. We will bear all costs, expenses, and fees in connection with the registration of the shares of Class A common stock. The selling stockholders will bear all commissions and discounts, if any, attributable to their sale of shares of Class A common stock.

Our Class A common stock trades on the New York Stock Exchange (the NYSE ) under the symbol ROAN. The last reported sales price of our Class A common stock on April 17, 2019 was \$4.12 per share. You are urged to obtain current market quotations for our Class A common stock.

The selling stockholders may sell the shares of Class A common stock being offered by them from time to time on the NYSE, in market transactions, in negotiated transactions or otherwise, and at prices and terms that will be determined by the then prevailing market price for the shares of Class A common stock or at negotiated prices directly or through a broker or brokers, who may act as agent or as principal or by a combination of such methods of sale. For additional information regarding the methods of sale, you should refer to the section entitled Plan of Distribution beginning on page 141 of this prospectus.

Because all of the shares of Class A common stock offered under this prospectus are being offered by the selling stockholders, we cannot currently determine the price or prices at which our shares may be sold under this prospectus.

We may amend or supplement this prospectus from time to time by filing amendments or supplements as required. You should read this entire prospectus and any amendments carefully before you make your investment decision.

Investing in our Class A common stock involves risks. See Risk Factors on page 18.

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 \_\_\_\_\_, 2019.

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**This prospectus is part of a shelf registration statement that we have filed with the SEC using a shelf registration process. Under this shelf registration process, the selling stockholders may, from time to time, offer and sell the shares described in this prospectus in one or more offerings.**

**This prospectus provides you with a general description of the shares the selling stockholders may offer. Each time the selling stockholders sell our shares using this prospectus, to the extent necessary, we may provide a prospectus supplement that will contain specific information about the terms of that offering, including the number of shares being offered, the manner of distribution, the identity of any underwriters or other counterparties and other specific terms related to the offering. The prospectus supplement may also add, update or change information contained in this prospectus. To the extent that any statement made in an accompanying prospectus supplement is inconsistent with statements made in this prospectus, the statements made in this prospectus will be deemed modified or superseded by those made in the accompanying prospectus supplement. You should read both this prospectus and any prospectus supplement together.**

**You should rely only on the information contained in this prospectus, as may be amended and supplemented from time to time, and any free writing prospectus prepared by us or on behalf of us or the information to which we have referred you. Neither we nor the selling stockholders have authorized anyone to provide you**

**with information different from that contained in this prospectus, as may be amended and supplemented from time to time, and any free writing prospectus. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. The selling stockholders are offering to sell shares of Class A common stock and seeking offers to buy shares of Class A common stock only in jurisdictions where offers and sales are permitted.**

**This prospectus contains forward-looking statements that are subject to a number of risks and uncertainties, many of which are beyond our control. See Risk Factors and Cautionary Statement Regarding Forward-Looking Statements.**

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**Industry and Market Data**

The market data and certain other statistical information used throughout this prospectus are based on independent industry publications, government publications and other published independent sources. Although we believe these third-party sources are reliable as of their respective dates, neither we, nor the selling stockholders have independently verified the accuracy or completeness of this information. Some data is also based on our good faith estimates. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section entitled Risk Factors. These and other factors could cause results to differ materially from those expressed in these publications.

**Trademarks and Trade Names**

We own or have rights to various trademarks, service marks and trade names that we use in connection with the operation of our business. This prospectus may also contain trademarks, service marks and trade names of third parties, which are the property of their respective owners. Our use or display of third parties' trademarks, service marks, trade names or products in this prospectus is not intended to, and does not imply, a relationship with us or an endorsement or sponsorship by or of us. Solely for convenience, the trademarks, service marks and trade names referred to in this prospectus may appear without the ®, TM or SM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trademarks, service marks and trade names.

**Basis of Presentation**

Unless otherwise indicated or the context otherwise requires, references herein to

Roan, we, our, us, the Company and our company refer (i) prior to the consummation of our reorganization described under Reorganization, to Roan LLC and (ii) after the consummation of such reorganization, to Roan Inc. and its consolidated subsidiaries;

Roan Inc. refer to Roan Resources, Inc.;

Roan LLC refer to Roan Resources LLC, our predecessor;

Reorganization refer to the transactions contemplated by the Merger Agreements and the Master Reorganization Agreement, as described in Reorganization ;

Old Linn refer to Linn Energy, Inc. prior to the Riviera Separation and described in Reorganization ;

New Linn refer to New LINN Inc. (subsequently renamed Linn Energy, Inc.);



Roan Holdings refer to Roan Holdings, LLC;

Roan Holdco refer to Roan Holdings Holdco, LLC, a wholly owned subsidiary of Roan Holdings;

Riviera refer to Riviera Resources, Inc.;

Riviera Separation refer to the reorganization transactions pursuant to which Old Linn contributed certain of its assets to Riviera except for its 50% equity interest in Roan LLC, as further described in Reorganization ;

Legacy Linn Stockholders refer to the stockholders of New Linn;

Effective Date refer to September 24, 2018, the closing date of the Reorganization;

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Merge refer to the play located in the Canadian, Grady and McClain counties in the Anadarko Basin of Oklahoma;

SCOOP refer to the South Central Oklahoma Oil Province play principally located in the Anadarko Basin area of Oklahoma; and

STACK refer to the Sooner Trend, Anadarko (Basin), Canadian and Kingfisher play located in the Anadarko Basin area of Oklahoma.

Roan Inc. was incorporated in September 2018 to serve as a holding company and, prior to our reorganization, had no previous operations, assets or liabilities. Unless otherwise indicated, the historical financial, reserve and operational information presented in this prospectus (i) on and after September 24, 2018, is that of Roan Inc., and (ii) prior to September 24, 2018, is that of Roan LLC, our predecessor. The historical financial and operational information of Roan LLC presented in this prospectus, (i) prior to August 31, 2017, the date of the completion of the Contribution (as defined herein) described under Recent Developments History and Reorganization and Reorganization, is that of Citizen Energy II, LLC ( Citizen ), the predecessor of Roan LLC for financial reporting purposes and (ii) on and after August 31, 2017, is that of Roan LLC. Therefore, the historical financial and operating information of Citizen prior to August 31, 2017 does not include financial information relating to certain oil and gas assets contributed to Roan LLC by subsidiaries of Linn Energy, Inc. (the Linn Contributed Business ).

The financial data and certain other data presented in this prospectus have been rounded to the nearest whole number or the nearest decimal. Therefore, the sum of the numbers in a column may not conform exactly to the total figure given for that column in certain tables in this prospectus. In addition, certain percentages presented in this prospectus reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers or may not sum due to rounding.

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**PROSPECTUS SUMMARY**

*This summary highlights information contained elsewhere in this prospectus. You should read the entire prospectus carefully, including the information under the headings Risk Factors, Cautionary Statement Regarding Forward-Looking Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations and the financial statements and the notes to those financial statements appearing elsewhere in this prospectus. You should read Risk Factors for more information about important risks that you should consider carefully before investing in our Class A common stock. Certain oil and gas industry terms used in this prospectus are defined in the Glossary of Oil and Natural Gas Terms in Annex A of this prospectus.*

Roan Inc. was incorporated in September 2018 to serve as a holding company and, prior to our reorganization, had no previous operations, assets or liabilities. Unless otherwise indicated, the historical financial, reserve and operational information presented in this prospectus (i) on and after September 24, 2018, is that of Roan Inc., and (ii) prior to September 24, 2018, is that of Roan LLC, our predecessor. The historical financial and operational information of Roan LLC presented in this prospectus, (i) prior to August 31, 2017, the date of the completion of the Contribution described under Recent Developments History and Reorganization and Reorganization, is that of Citizen, the predecessor of Roan LLC for financial reporting purposes and (ii) on and after August 31, 2017, is that of Roan LLC. Therefore, the historical financial and operating information of Citizen prior to August 31, 2017 does not include financial information relating to the Linn Contributed Business.

**Our Company**

We are an independent oil and natural gas company focused on the development of our assets throughout the eastern and southern Anadarko Basin. The Anadarko Basin, which spans from south-central Oklahoma to the northeast corner of the Texas panhandle, is one of the largest and most prolific onshore oil and natural gas basins in the United States, featuring multiple producing horizons and extensive well production history demonstrated over seven decades of development. We focus our development on formations where we believe we can apply our technical and operational expertise in order to increase production and cash flow. Our objective is to maximize shareholder value and corporate returns by generating steady production growth, strong pre-tax margins and significant cash flow.

Through December 31, 2018, we and our predecessors have drilled 214 gross (72 net) wells in the Merge, SCOOP and STACK plays. Our acreage position is concentrated in areas that we believe demonstrate higher percentage production of oil and NGLs, and provides us development opportunities through multiple stacked prospective development horizons. We believe these development horizons have been substantially de-risked through the development of more than 400 horizontal wells since early 2014, of which 152 were drilled by us or our predecessors, and over 4,450 vertical wells drilled in our development area, as well as associated subsurface data, including well cores and logs and 3-D seismic and the consistent geology surrounding our position. As of December 31, 2018, we operated 163 gross (131 net) horizontal producing wells and had an interest in an additional 317 gross (19 net) horizontal producing wells.

As of December 31, 2018, we held leasehold interests in approximately 383,000 gross (172,000 net) acres in the Anadarko Basin. As of December 31, 2018, our total estimated proved reserves were approximately 305,959 MBoe. For the quarter ended December 31, 2018 our average net daily production was 54.1 MBoe/d (approximately 27% oil, 42% natural gas and 31% NGLs).



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We have chosen to focus our development efforts on the Merge play, as we believe it benefits from the following attributes:

**Stacked Formations.** The Merge has been proven to be prospective for two primary resource formations: the Mayes (Meramec/Sycamore equivalent) formation and the Woodford formation. We and our predecessors have demonstrated successful economic development of both benches, with 63 gross (53 net) and 80 gross (65 net) horizontal operated wells producing from the Mayes and Woodford formations, respectively.

**Reservoir Quality.** Reservoir characteristics from petrophysical analysis demonstrate high porosity and permeability development in the Merge as compared to other unconventional plays.

**Phase Window Positioning.** The thermal maturity of the source rock throughout the eastern portion of the Merge results in production profiles characterized by high percentages of oil and NGLs. Specifically, over 80% of our operated acreage is within areas we believe demonstrate higher percentage production of oil and NGLs within the Merge play.

**Pressure Gradients.** Geopressure across our operated acreage position in the Merge play ranges from slightly to significantly overpressured at approximately 0.45 to 0.65 pounds per square inch ( psi ) per foot of true vertical depth, resulting in superior well deliverability and improved GOR trend stability as compared to normal to under-pressured reservoirs.

As of December 31, 2018, we had assembled a total leasehold position of approximately 172,000 net acres, which is predominantly concentrated in the Merge and SCOOP plays. In addition to the subsurface benefits of our position, we believe our acreage position benefits from the following characteristics:

**High Degree of Operational Control.** We expect that we will be able to control operations on approximately 71% of our acreage in the Merge, SCOOP and STACK plays. For these purposes, we have assumed that we will control any unit in which we have leased a minimum of 37.5% of the acreage in the unit. Operational control of our leasehold positions allows us to control the development and production methods, as well as the pace of development on our wells.

**Contiguous Acreage Position.** A substantial portion of the sections in which we have operational control are offset to the north or south by adjacent controlled sections. Specifically, approximately 66% of our sections in the Merge, SCOOP and STACK plays can be developed on a multi-unit basis. As a result, we are able to develop long lateral horizontal wells for the majority of our drilling program, which we believe have exhibited superior economics as compared to shorter laterals as a result of development cost efficiencies.

**Largely Held-by-Production.** Approximately 84% of our total acreage position was held-by-production ( HBP ) as of December 31, 2018. We expect this high percentage of HBP acreage to enhance capital

efficiencies in our development program, as we will pursue development locations with the favorable risk-adjusted rates of return in our location selection process, as opposed to selecting locations in order to hold acreage.

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The table below provides a summary of our acreage position as of December 31, 2018:

	<b>Total</b>
Operated Sections	313
Operated Acres	122,254
Non-Operated Acres	49,717
<b>Total Acres</b>	<b>171,970</b>
<i>% HBP</i>	<i>84%</i>
<i>% Operated</i>	<i>71%</i>

**Our Drilling Program and Completion Techniques**

We intend to target accretive growth in production and cash flow by developing and expanding our significant portfolio of drilling locations. We believe that our recent well results demonstrate that many of our development projects are capable of producing attractive rates of return that are competitive with many of the top performing basins in the United States. We are focused on drilling wells with high rates of return, repeatable production profiles and increasing estimated ultimate recoveries ( EURs ) while at the same time seeking to capitalize on drilling, completion and operating efficiencies. Our management team assumed operation of our properties in the first half of 2018 and has achieved meaningful operational advancements, including (i) improvement in lateral targeting, (ii) reductions in development cycle times, (iii) optimization testing of well completion methods, (iv) well flowback management, and (v) expanded subsurface data coverage, including 3-D seismic.

**Reserves Information**

The following table provides summary information regarding our proved reserves as of December 31, 2018, based on a reserve report prepared by DeGolyer and MacNaughton, our independent reserve engineers ( DeGolyer and MacNaughton ).

Oil (MMBbls)	NGLs (MMBbls)	Estimated Total Proved Reserves			% Oil	% Liquids	% Developed
		Natural Gas (Bcf)	Total (MMBoe)	PV-10 \$(1)(2)			
55.7	98.4	911.2	306.0	2,091,509	18.2	50.4	39.3

- (1) Presented in thousands. PV-10 is not a financial measure calculated or presented in accordance with GAAP and generally differs from standardized measure, the most directly comparable GAAP financial measure, because it does not include the effects of income taxes on future net revenues. Please see Risk Factors The standardized measure of our estimated reserves contained in this prospectus and in the footnotes to our financial statements is not an accurate estimate of the current fair value of our estimated reserves. Neither PV-10 nor standardized measure represents an estimate of the fair market value of our oil and natural gas properties. We and others in the industry use PV-10 as a measure to compare the relative size and value of proved reserves held by companies without regard to the specific tax characteristics of such entities. Please see Summary Historical and Unaudited Pro Forma Financial Data Non-GAAP Financial Measure PV-10 .

(2)

Our estimated net proved reserves were determined using average first-day-of-the-month prices for the prior 12 months in accordance with SEC guidance adjusted for quality, transportation fees, regional price differentials, and in the case of natural gas, energy content. For oil and NGLs volumes, the average WTI posted price of \$65.66 per barrel as of December 31, 2018, was adjusted for gravity, quality, local conditions, gathering, transportation fees and distance from market. For natural gas volumes, the average



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Henry Hub spot price of \$3.16 per MMBtu as of December 31, 2018, was similarly adjusted for gravity, quality, local conditions, gathering, transportation fees and distance from market. All prices are held constant throughout the lives of the properties. The average adjusted product prices weighted by production over the remaining lives of the properties are \$64.49 per barrel of oil, \$20.35 per barrel of NGLs and \$1.90 per Mcf of natural gas as of December 31, 2018.

**Our Business Strategies**

Our primary objective is to maximize shareholder value across business cycles by pursuing the following strategies:

***Generate attractive full-cycle returns through the efficient development of our extensive, low-risk drilling inventory.*** We intend to efficiently achieve industry leading rates of return by leveraging the scale of our core leasehold positions, experience from the success of our drilling program to date, technical understanding of the reservoirs, our extensive catalogue of technical information and experience of our operational teams. We intend to allocate capital in a disciplined manner to projects that we believe will produce predictable and attractive full-cycle rates of return. We consider our extensive inventory of high-potential, oil and liquids-weighted drilling locations to be relatively low-risk based on information gathered from over 400 horizontal wells developed since early 2014, of which 152 were drilled by us or our predecessors, and over 4,450 vertical wells developed in our development area, industry activity surrounding our acreage, subsurface data, including well cores and logs and 3-D seismic and the consistent geology surrounding our position.

***Maximize value of our asset base through constant focus on improving operating, production and capital efficiencies.*** We utilize proprietary data analytics, combined with operational procedures and metrics, to evaluate well results and adjust drilling and production techniques in real time. We use this framework in an effort to maximize hydrocarbon recoveries per well by optimizing location selection, wellbore targeting, well completion designs and production techniques. Our management and technical teams intend to apply their operational expertise, data gained from our large acreage position in the Merge play and available third-party data to deploy advanced drilling, completion and production management technologies that maximize well productivity and control capital and operating costs. Additionally, we seek to reduce capital and operating costs of drilling and completing horizontal wells by decreasing development cycle times, optimizing the use of surface facilities, capitalizing on our knowledge of the target formations and focusing on service cost management practices. Our highly experienced management and technical teams have a substantial track record of developing unconventional plays, which we believe is instrumental in our achievement of these operational and capital efficiencies.

***Maintain a high degree of operational control to facilitate efficient development and capital budgeting.*** We seek to maintain operational control of our properties in order to better execute on our strategy of enhancing returns through operational improvements and cost efficiencies. As of December 31, 2018, we operated approximately 71% of our total acreage. We believe that maintaining a high degree of control of the development of our properties and of our production enables us to increase hydrocarbon recovery rates, lower capital and operating costs and improve drilling performance through optimization of our drilling, completion and production management techniques. Additionally, we believe operatorship allows us to control wellsite selection, spacing and lateral targeting and manage the pace of our development activities, which we believe can significantly enhance full-cycle returns. We will adjust the size of our rig program to

optimize our overall development program and with a view to limiting the lag time between the development of parent and child wells. Through these measures, we seek to target an optimal combination of net present value and

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rate of return associated with the development of a particular unit. According to RS Energy Group, child wells are generally at least 25% more productive if drilled within 1.5 years of the development of the parent well, as compared to child wells drilled 1.5 to 3 years following the development of the parent well. Operational and developmental control positions us to minimize the adverse impacts associated with this time lag.

***Maintain a disciplined, returns-driven strategy with a focus on maintaining financial flexibility.*** We intend to maintain a conservative financial profile that will afford us flexibility through the commodity price and capital market cycles inherent in the oil and natural gas industry. We intend to generate stable production and reserves growth by funding our development program primarily with cash flow from operations, borrowings under our credit facility and capital markets offerings. Consistent with our disciplined approach to financial management, we have an active commodity hedging program that seeks to reduce our exposure to downside commodity price volatility, enabling us to protect future cash flows and maintain liquidity to fund our development program.

***Selectively pursue opportunities to augment our asset base through the disciplined acquisition or leasing of oil and natural gas properties.*** We believe we are well positioned to selectively pursue accretive consolidation opportunities. We believe the strength of our operational program provides a competitive advantage in the pursuit of such opportunities. We will continue to identify and evaluate acquisition and leasing opportunities around and within our concentrated acreage position, as well as other areas in Oklahoma, that meet our strategic and financial objectives.

#### **Our Competitive Strengths**

We believe the following strengths will allow us to successfully execute on our business strategies:

***Large, contiguous acreage position in the core of the Merge play with significant operational control.*** We are the largest leaseholder in the Merge play, with approximately 115,000 net acres as of December 31, 2018. We believe that the scale and concentration of our acreage position allows for efficient field development through long laterals and shared facilities, with approximately 80% of our Merge sections capable of 1.5 mile or longer lateral development. Additionally, our acreage position is concentrated in areas that we believe demonstrate higher percentage production of oil and NGLs within the Merge play, and provides us development opportunities through multiple stacked prospective development horizons. As of December 31, 2018, we operated 81% of our net acreage in the Merge and we intend to maintain operational control over the majority of our drilling inventory, as we believe this enables us to increase our production and reserves and control our development costs, and ultimately increase shareholder value. Operatorship of our position allows us the flexibility to control the pace of our development plan, as well as the lengths of our laterals and our drilling and well completion techniques.

***Long-lived inventory of locations with predictable production profiles that provide high rate-of-return development opportunities.*** Through the drilling of over 163 operated horizontal wells and participation in over 317 non-operated horizontal wells across our acreage, we have substantially delineated our acreage and have acquired significant amounts of subsurface information. Based on this delineation and general industry Merge, SCOOP and STACK well production history, we believe that our acreage position will provide a

large portfolio of drilling locations characterized by long-lived reserves, predictable production profiles and attractive return potential.

***Geographically advantaged assets with significant available midstream infrastructure and favorable regulatory climate.*** Our acreage position is in close proximity or has available access to end markets for oil, natural gas and NGLs providing us with a regional price advantage relative to other U.S.

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onshore oil-weighted basins. For example, our realized oil price differential to NYMEX WTI average prices in the year ended December 31, 2018 was \$1.67 per barrel compared to a WTI-Midland oil price differential to NYMEX WTI average prices in the year ended December 31, 2018 of \$7.29 per barrel. While oil represents a significant portion of our total revenues, natural gas and NGLs comprise a majority of our reserves and production. While we believe we have favorable realized price differentials for natural gas and NGLs compared to other basins, our realized natural gas price differential is based on the sales price at multiple hubs and our NGLs are sold on a product by product basis. Oklahoma has a long history of oil and natural gas production, and therefore there is existing midstream infrastructure in place across our acreage position to support our drilling program. In addition, we believe that oilfield services availability is greater in our focus area than in other major U.S. onshore basins and that such availability is a competitive advantage in assuring the ability to access necessary development services at attractive pricing.

***Experienced operations leadership with substantial technical expertise.*** We believe our operational management team provides us with a distinct competitive advantage. Our team has significant experience working together throughout the Mid-Continent and evaluating the Merge play in particular. Joel Pettit, our Executive Vice President Operations and Marketing, worked in EOG's Mid-Continent Division for over a decade. Greg Condray, our Executive Vice President Geosciences and Business Development, worked with Mr. Pettit in EOG's Mid-Continent Division as Division Exploration Manager, and had considerable experience at Chesapeake Energy leading initial delineation and development efforts in the Eagle Ford, Haynesville and Powder River Basin. We believe their experience is instrumental in the execution of our pursuit of operational and capital efficiencies.

***Significant financial strength and flexibility.*** We believe we have a strong financial position, including a low debt profile and a large production base that generates significant cash flow, allowing us to strategically allocate capital in order to enhance shareholder value. We are well-positioned to adjust our development program based on market and industry conditions, as we have minimal commitments to deliver specified volumes, no rig contracts extending beyond 12 months and approximately 84% of our acreage is held by production as of December 31, 2018. We believe that our conservative capital structure, which we will seek to maintain through a disciplined approach to capital spending, and other potential financing sources will provide us with sufficient liquidity and flexibility to execute our development capital program.

**Historical Capital Expenditures and Capital Budget**

Our 2019 capital budget is approximately \$520 million to \$570 million. For the year ended December 31, 2018, our aggregate drilling and completion capital expenditures were approximately \$705.2 million.

Because we are the operator of a high percentage of our acreage and a majority of our acreage is held by production, the amount and timing of our capital expenditures is largely discretionary and within our control. We could choose to defer a portion of these planned capital expenditures depending on a variety of factors, including, but not limited to, the success of our drilling activities, and prevailing and anticipated prices for oil and natural gas. A deferral of planned capital expenditures, particularly with respect to drilling and completing new wells, could result in a reduction in anticipated production and cash flows and loss of acreage through lease expirations.



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In addition, we may be required to reclassify some portion of our reserves currently booked as proved undeveloped reserves to no longer be proved reserves if such a deferral of planned capital expenditures means we will be unable to develop such reserves within five years of their initial booking.

## **Recent Developments**

### **History and Reorganization**

Our predecessor, Roan LLC, was initially formed by Citizen in May 2017. In June 2017, subsidiaries of Old Linn, together with Citizen and Roan LLC entered into a contribution agreement pursuant to which, among other things, Old Linn and Citizen agreed to contribute certain oil and natural gas assets to Roan LLC (the Contribution), each in exchange for a 50% equity interest in Roan LLC. On August 31, 2017, Old Linn and Citizen consummated the transactions contemplated by such contribution agreement. Following these transactions, Citizen's equity interest in Roan LLC was held through its wholly owned subsidiary, Roan Holdings.

In the third quarter of 2018, Old Linn and certain of its subsidiaries undertook an internal reorganization, pursuant to which Old Linn merged with and into a wholly owned subsidiary of New Linn. Following such internal reorganization, New Linn completed the spin-off of substantially all of its assets, other than its 50% equity interest in Roan LLC.

On September 17, 2018, New Linn, Roan Holdings and Roan LLC entered into a Master Reorganization Agreement (the Master Reorganization Agreement), to effectuate the reorganization of New Linn's and Roan Holdings' respective 50% equity interests in Roan LLC under Roan Resources, Inc. On September 24, 2018, the Company consummated the Reorganization, which resulted in the existing stockholders of New Linn receiving 50% of the Class A common stock of the Company and Roan Holdings receiving 50% of the Class A common stock of the Company. In connection with the Reorganization, the Company became the owner, indirectly through its wholly-owned subsidiaries, of 100% of the equity in, and is the sole manager of, Roan LLC. The Company is responsible for all operational, management and administrative decisions relating to Roan LLC's business.

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The following chart provides a simplified overview of our organizational structure after giving effect to the Reorganization.

On November 9, 2018, the Company's Class A common stock began trading on the NYSE under the symbol ROAN.

## **Credit Facility Amendment**

On March 13, 2019, the Company amended its existing credit agreement, dated as of September 5, 2017 (as amended, amended and restated, supplemented or otherwise modified from time to time, our credit facility) to, among other things, (i) increase the borrowing base under the credit facility to \$750 million, provided that there will be no reduction of the borrowing base in connection with the issuance of any Permitted Additional Debt (as defined in the credit facility) for the first (x) \$400 million in principal of such unsecured Permitted Additional Debt and (y) \$250 million in principal of such secured Permitted Additional Debt and (ii) permit certain additional restricted payments to be made. As of December 31, 2018, after giving effect to this amendment, our outstanding borrowings under the credit facility were \$514.6 million with available borrowing capacity of \$235.4 million and a cash balance of \$6.9 million. See Management's Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Credit Facility.

## **Risk Factors**

Investing in our Class A common stock involves risks. You should carefully read and consider the section of this prospectus titled Risk Factors beginning on page 18 and all other information in this prospectus before investing in our Class A common stock.

## **Corporate Information**

Our principal executive offices are located at 14701 Hertz Quail Springs Pkwy, Oklahoma City, Oklahoma 73134, and our telephone number at that address is (405) 896-8050. Our website is located at [www.roanresources.com](http://www.roanresources.com). We make our periodic reports and other information filed with or furnished to the Securities and Exchange Commission (the SEC) available, free of charge, through our website, as soon as reasonably practicable after those reports and other information are electronically filed with or furnished to the SEC. Information on our website or any other website is not incorporated by reference into this prospectus and does not constitute a part of this prospectus.



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**The Offering**

Class A common stock offered by the selling stockholders	117,176,843 shares.
Class A common stock outstanding	152,539,532 shares.
Use of proceeds	We will not receive any proceeds from the sale of shares by the selling stockholders. Please see Use of Proceeds.
Dividend policy	We do not anticipate paying any cash dividends on our Class A common stock. In addition, our credit facility places certain restrictions on our ability to pay cash dividends. Please see Dividend Policy.
Listing and trading symbol	Our Class A common stock trades on the NYSE under the symbol ROAN.
Risk factors	You should carefully read and consider the information set forth under the heading Risk Factors and all other information set forth in this prospectus before deciding to invest in our Class A common stock.

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**Summary Historical and Unaudited Pro Forma Financial Data**

Roan Resources, Inc. was incorporated in September 2018 to serve as a holding company and, prior to the Reorganization, had no previous operations, assets or liabilities. The historical financial information included in this prospectus (i) on and after September 24, 2018, is that of Roan Inc., and (ii) prior to September 24, 2018, is that of Roan LLC, our predecessor. The historical financial and operational information of Roan LLC presented in this prospectus, (i) prior to August 31, 2017, the date of the completion of the Contribution is that of Citizen, the predecessor of Roan LLC for financial reporting purposes and (ii) on and after August 31, 2017, is that of Roan LLC. Therefore, the historical financial and operational information of Citizen prior to August 31, 2017 does not include financial information relating to the oil and natural gas assets contributed to Roan LLC by Old Linn in connection with the Contribution.

The summary historical statement of operations data for the years ended December 31, 2018, 2017 and 2016 was derived from the audited historical financial statements of Roan Inc. included elsewhere in this prospectus. The summary historical balance sheet data as of December 31, 2018 and 2017 was derived from the audited historical financial statements of Roan Inc. included elsewhere in this prospectus.

Our historical results are not necessarily indicative of future results. You should read the following table in conjunction with Selected Historical and Unaudited Pro Forma Financial Data, Management's Discussion and Analysis of Financial Condition and Results of Operations and the historical and pro forma financial statements and accompanying notes included elsewhere in this prospectus.

The summary unaudited pro forma condensed statement of operations data for the year ended December 31, 2018 has been prepared to give pro forma effect to the Reorganization as if it had occurred on January 1, 2018. The summary unaudited pro forma condensed financial data is provided for illustrative purposes only and is not indicative of the results that actually would have occurred had the transactions been in effect on the dates or for the periods indicated, or of results that may occur in the future.

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	<b>Pro Forma Year Ended December 31, 2018 (Unaudited)</b>	<b>Year Ended December 31,</b>		
		<b>2018</b>	<b>2017(1)</b>	<b>2016</b>
(in thousands, except per share data)				
<b>Statement of Operations Data:</b>				
<b>Revenues(2):</b>				
Oil sales	\$ 275,239	\$ 275,239	\$ 76,876	\$ 30,565
Natural gas sales	46,966	46,966	46,303	16,093
Natural gas sales Affiliates	29,090	29,090	2,908	
Natural gas liquid sales	51,467	51,467	35,217	8,307
Natural gas liquid sales Affiliates	37,005	37,005	5,081	
Gain (loss) on derivative contracts	78,054	78,054	(6,797)	
<b>Total revenues</b>	<b>517,821</b>	<b>517,821</b>	<b>159,588</b>	<b>54,965</b>
<b>Operating Expenses(2):</b>				
Production expenses	47,600	47,600	16,872	5,090
Gathering, transportation and processing			18,602	5,920
Production taxes	17,579	17,579	3,685	1,087
Exploration expenses				