

SandRidge Permian Trust  
Form 10-Q  
August 07, 2015  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**Form 10-Q**

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(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2015

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

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## SANDRIDGE PERMIAN TRUST

(Exact name of registrant as specified in its charter)

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**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**45-6276683**

(I.R.S. Employer  
Identification No.)

**The Bank of New York Mellon  
Trust Company, N.A., Trustee  
919 Congress Avenue, Suite 500  
Austin, Texas**  
(Address of principal executive offices)

**78701**  
(Zip Code)

Registrant's telephone number, including area code:

**(512) 236-6531**

Former name, former address and former fiscal year, if changed since last report: **Not applicable**

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

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

Large accelerated filer

Accelerated filer

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Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of July 31, 2015, 39,375,000 Common Units and 13,125,000 Subordinated Units of Beneficial Interest in SandRidge Permian Trust were outstanding.

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**SANDRIDGE PERMIAN TRUST**

**FORM 10-Q**

**Quarter Ended June 30, 2015**

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All references to we, us, our, or the Trust refer to SandRidge Permian Trust. References to SandRidge refer to SandRidge Energy, Inc., and where the context requires, its subsidiaries. The royalty interests conveyed by SandRidge from its interests in certain properties in the Permian Basin in Andrews County, Texas and held by the Trust are referred to as the Royalty Interests.

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**DISCLOSURES REGARDING FORWARD-LOOKING STATEMENTS**

This Quarterly Report on Form 10-Q ( Quarterly Report ) includes forward-looking statements about the Trust, SandRidge and other matters discussed herein that are subject to risks and uncertainties within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act ), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act ). All statements other than statements of historical fact included in this document, including, without limitation, statements under Trustee s Discussion and Analysis of Financial Condition and Results of Operations in Item 2 of Part I and elsewhere herein regarding the Trust s or SandRidge s plans and objectives for future operations, including information regarding target distributions, are forward-looking statements. Actual outcomes and results may differ materially from those projected. Forward-looking statements are generally accompanied by words such as estimate, target, project, predict, believe, expect, anticipate, potential, could, may, foresee, plan, goal, should, intend or other words that convey uncertainty of future events or outcomes. We have based these forward-looking statements on our current expectations and assumptions about future events. These statements are based on certain assumptions made by us in light of our experience and our perception of historical trends, current conditions and expected future developments as well as other factors we believe are appropriate under the circumstances. However, whether actual results and developments will conform with our expectations and predictions is subject to a number of risks and uncertainties, including the risk factors discussed in Item 1A of the Trust s Annual Report on Form 10-K for the fiscal year ended December 31, 2014 (the 2014 Form 10-K ), which could affect the future results of the energy industry in general, and the Trust and SandRidge in particular, and could cause those results to differ materially from those expressed in such forward-looking statements. The actual results or developments anticipated may not be realized or, even if substantially realized, they may not have the expected consequences to or effects on SandRidge s business or the Trust s results. Such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in such forward-looking statements. The Trust undertakes no obligation to publicly update or revise any forward-looking statements.

Table of Contents**PART I. Financial Information****ITEM 1. Financial Statements****SANDRIDGE PERMIAN TRUST****STATEMENTS OF ASSETS AND TRUST CORPUS****(In thousands, except unit data)**

	<b>June 30, 2015 (Unaudited)</b>	<b>December 31, 2014</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 5,335	\$ 4,755
Investment in royalty interests	549,831	549,831
Less: accumulated amortization	(174,466)	(154,705)
Net investment in royalty interests	375,365	395,126
Total assets	\$ 380,700	\$ 399,881
<b>TRUST CORPUS</b>		
Trust corpus, 39,375,000 common units and 13,125,000 subordinated units issued and outstanding at June 30, 2015 and December 31, 2014	\$ 380,700	\$ 399,881

The accompanying notes are an integral part of these financial statements.

Table of Contents**SANDRIDGE PERMIAN TRUST****STATEMENTS OF DISTRIBUTABLE INCOME****(In thousands, except unit and per unit data)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
	(Unaudited)			
<b>Revenues</b>				
Royalty income	\$ 13,349	\$ 30,992	\$ 37,125	\$ 66,417
Derivative settlements, net	15,874	1,228	23,633	2,586
<b>Total revenues</b>	<b>29,223</b>	<b>32,220</b>	<b>60,758</b>	<b>69,003</b>
<b>Expenses</b>				
Post-production expenses	15	25	41	55
Property taxes			1,990	1,940
Production taxes	630	1,460	1,751	3,128
Franchise taxes	378	440	378	440
Trust administrative expenses	482	450	1,116	942
Cash reserves withheld (used) for current Trust expenses, net of amounts (used) withheld	30	193	(1,546)	(1,352)
<b>Total expenses</b>	<b>1,535</b>	<b>2,568</b>	<b>3,730</b>	<b>5,153</b>
<b>Distributable income available to unitholders</b>	<b>27,688</b>	<b>29,652</b>	<b>57,028</b>	<b>63,850</b>
<b>Distributable income per common unit</b>				
(39,375,000 units issued and outstanding)	\$ 0.640	\$ 0.608	\$ 1.296	\$ 1.259
<b>Distributable income per subordinated unit</b>				
(13,125,000 units issued and outstanding)	\$ 0.190	\$ 0.435	\$ 0.457	\$ 1.086

The accompanying notes are an integral part of these financial statements.

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**SANDRIDGE PERMIAN TRUST**

**STATEMENTS OF CHANGES IN TRUST CORPUS**

**(In thousands)**

	<b>Six Months Ended June 30,</b>	
	<b>2015</b>	<b>2014</b>
	<b>(Unaudited)</b>	
Trust corpus, beginning of period	\$ 399,881	\$ 443,892
Amortization of investment in royalty interests	(19,761)	(22,884)
Net cash reserves used	(1,546)	(1,352)
Distributable income	57,028	63,850
Distributions paid or payable to unitholders	(54,902)	(63,525)
Trust corpus, end of period	\$ 380,700	