Oasis Petroleum Inc.
Form 424B5
June 28, 2012
Table of Contents

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities Offered	Maximum Aggregate Offering Price	Amount of Registration Fee
6.875% Senior Notes due 2023	$400,000,000	$45,840

(1) The filing fee of $45,840 is calculated in accordance with Rule 457(r) of the Securities Act of 1933 has been transmitted to the SEC in connection with the securities offered from Registration Statement File No. 333-175603 by means of this prospectus supplement.

Table of Contents

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-175603

Prospectus supplement

(To prospectus dated July 15, 2011)

Oasis Petroleum Inc.

$400,000,000

6.875% Senior Notes due 2023

The notes will mature on January 15, 2023. Interest will accrue on the notes from July 2, 2012, and the first interest payment date will be January 15, 2013. We intend to use the net proceeds from this offering to fund our exploration, development and acquisition program and for general corporate purposes.

We may redeem some or all of the notes at any time on or after July 15, 2017 at the redemption prices set forth in this prospectus supplement. We may also redeem up to 35% of the aggregate principal amount of the notes prior to July 15, 2015 at the redemption price set forth herein with cash proceeds we receive from certain equity offerings. In addition, we may redeem the notes, in whole or in part, at any time before July 15, 2017 at a redemption price plus an applicable make-whole premium set forth in this prospectus supplement. If we undergo a change of control on or prior to July 15, 2013, we may redeem all, but not less than all, of the notes at a redemption price equal to 110% of the principal amount of the notes redeemed plus accrued and unpaid interest. We must offer to purchase the notes if we experience specific kinds of changes of control or sell assets under certain circumstances.

The notes will be our senior unsecured obligations and will rank senior in right of payment to any of our future indebtedness that is expressly subordinated to the notes. The notes will rank equally in right of payment with all our existing and future senior indebtedness, including our revolving credit facility and our outstanding series of senior notes, and will rank effectively junior in right of payment to all of our secured indebtedness (to the extent of the value of the collateral securing such indebtedness), including borrowings we guarantee under our revolving credit facility which are secured by substantially all of our consolidated assets. In addition, the notes will rank structurally junior in right of payment to any of the indebtedness and liabilities of any of our subsidiaries that do not guarantee the notes.

The notes initially will be guaranteed on a senior basis by all our existing material subsidiaries and certain future material restricted subsidiaries. The guarantees will be senior unsecured obligations of the guarantors and will rank senior in right of payment to any of their future indebtedness that is expressly subordinated to the guarantees. The guarantees will rank equally in right of payment with all existing and future senior indebtedness of the guarantors, including our borrowings and guarantees under our revolving credit facility and their guarantees of our outstanding series of senior notes, and will rank effectively junior in right of payment to all of the guarantors secured indebtedness (to the extent of the value of the collateral securing such indebtedness), including the guarantors borrowings and guarantees under our revolving credit facility.

Investing in the notes involves risk. See Risk factors beginning on page S-16 of this prospectus supplement.

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

	Price to public(1)	Underwriting discounts and commissions	Proceeds, before expenses, to Oasis Petroleum Inc.(1)
Per note	100.00%	1.65%	98.35%
Total	$ 400,000,000	$ 6,600,000	$ 393,400,000

(1) Plus accrued interest, if any, from July 2, 2012.

The notes will not be listed on a securities exchange. Currently, there is no public market for the notes.

We expect that delivery of the notes will be made on or about July 2, 2012 in book-entry form through The Depository Trust Company for the account of its participants, including Clearstream Banking *société anonyme* and Euroclear Bank S.A./N.V.

Joint Book-Running Managers

J.P. Morgan **Citigroup** **Wells Fargo Securities**

RBC Capital Markets **UBS Investment Bank**

RBS **Tudor, Pickering, Holt & Co.**

Co-Managers

Johnson Rice & Company L.L.C. **Simmons & Company International** **US Bancorp**

June 27, 2012

Table of contents

About this prospectus supplement

This document is in two parts. The first part is the prospectus supplement and the documents incorporated by reference herein, which describes the specific terms of this offering of the notes. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to the notes or this offering. If the information relating to the offering varies between the prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

You should rely only on the information contained in or incorporated by reference into this prospectus supplement, the accompanying prospectus and any related free writing prospectus. We have not, and the underwriters have not, authorized any dealer, salesman or other person to provide you with additional or different information. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus supplement and the accompanying prospectus are not an offer to sell or the solicitation of an offer to buy any securities other than the securities to which they relate and are not an offer to sell or the solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make an offer or solicitation in that jurisdiction. You should not assume that the information contained in this prospectus supplement is accurate as of any date other than the date on the front cover of this prospectus supplement, or that the information contained in any document incorporated by reference is accurate as of any date other than the date of the document incorporated by reference, regardless of the time of delivery of this prospectus supplement or any sale of a security.

Unless otherwise indicated or the context otherwise requires, all references in this prospectus supplement to we, us, our, Oasis Petroleum and th company refer to Oasis Petroleum LLC and its subsidiaries before the completion of our corporate reorganization in connection with our initial public offering in June 2010 and Oasis Petroleum Inc. and its subsidiaries as of the completion of our corporate reorganization and thereafter, the term Oasis refers to Oasis Petroleum Inc., and the term Subsidiary Guarantor refers to a guarantor of the notes.

Where you can find more information

We file annual, quarterly and current reports and other information with the Securities and Exchange Commission (the SEC) (File No. 001-34776) pursuant to the Securities Exchange Act of 1934 (the Exchange Act). You may read and copy any documents that are filed at the SEC s public reference room at 100 F Street, N.E., Washington, D.C. 20549. You may also obtain copies of these documents at prescribed rates from the public reference section of the SEC at its Washington address. Please call the SEC at 1-800-SEC-0330 for further information.

Our filings are also available to the public through the SEC s website at *http://www.sec.gov*.

The SEC allows us to incorporate by reference information that we file with them, which means that we can disclose important information to you by referring you to documents previously filed with the SEC. The information incorporated by reference is an important part of this prospectus supplement, and the information that we later file with the SEC will automatically update and supersede this information. The following documents we filed with the SEC pursuant to the Exchange Act are incorporated herein by reference:

- our Annual Report on Form 10-K for the year ended December 31, 2011;

Table of Contents

- our Quarterly Report on Form 10-Q for the quarter ended March 31, 2012;

- our Current Reports on Form 8-K filed on February 15, 2012, March 2, 2012, April 5, 2012, April 23, 2012 and May 7, 2012 (excluding any information furnished pursuant to Item 2.02 or Item 7.01 of any such Current Report on Form 8-K); and

- our Definitive Proxy Statement on Schedule 14A filed on March 14, 2012 (those parts incorporated by reference in Oasis s Annual Report on Form 10-K for the year ended December 31, 2011).

These reports contain important information about us, our financial condition and our results of operations.

All future documents filed pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act (excluding any information furnished pursuant to Item 2.02 or Item 7.01 on any Current Report on Form 8-K) before the termination of the offering of securities under this prospectus supplement shall be deemed to be incorporated in this prospectus supplement by reference and to be a part hereof from the date of filing of such documents. Any statement contained herein, or in a document incorporated or deemed to be incorporated by reference herein, shall be deemed to be modified or superseded for purposes of this prospectus supplement to the extent that a statement contained herein or in any subsequently filed document that also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement.

You may request a copy of these filings at no cost by writing or telephoning us at the following address and telephone number:

Oasis Petroleum Inc.

1001 Fannin Street, Suite 1500

Houston, Texas 77002

Attention: General Counsel

(281) 404-9500

We also maintain a website at *http://www.oasispetroleum.com*. However, the information on our website is not part of this prospectus supplement or the accompanying prospectus.

Table of Contents

Cautionary statement regarding forward-looking statements

Various statements contained in or incorporated by reference into this prospectus supplement that express a belief, expectation, or intention, or that are not statements of historical fact, are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 (the Securities Act) and Section 21E of the Exchange Act. These forward-looking statements include statements, projections and estimates concerning our operations, performance, business strategy, oil and natural gas reserves, drilling program, capital expenditures, liquidity and capital resources, the timing and success of specific projects, outcomes and effects of litigation, claims and disputes, derivative activities and potential financing. Forward-looking statements are generally accompanied by words such as estimate, project, predict, believe, expect, anticipate, potential, could, may, foresee, plan, goal or other words that convey the uncertainty of future events or outcomes. Forward-statements are not guarantees of performance. We have based these forward-looking statements on our current expectations and assumptions about future events. These statements are based on certain assumptions and analyses 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. Actual results may differ materially from those implied or expressed by the forward-looking statements. These forward-looking statements speak only as of the date of this prospectus supplement, or if earlier, as of the date they were made. We disclaim any obligation to update or revise these statements unless required by securities law, and we caution you not to rely on them unduly. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties relating to, among other matters, the risks discussed in Risk Factors, in our Annual Report on Form 10-K for the year ended December 31, 2011, our Quarterly Report on Form 10-Q for the quarter ended March 31, 2012 and our subsequent SEC filings, as well as those factors summarized below:

our business strategy;

estimated future net reserves and present value thereof;

technology;

cash flows and liquidity;

our financial strategy, budget, projections, execution of business plan and operating results;

oil and natural gas realized prices;

timing and amount of future production of oil and natural gas;

availability of drilling, completion and production equipment and materials;

availability of qualified personnel;

owning and operating a services company;

the amount, nature and timing of capital expenditures;

availability and terms of capital;

Table of Contents

- property acquisitions;
- costs of exploiting and developing our properties and conducting other operations;
- drilling and completion of wells;
- infrastructure for salt water disposal;
- gathering, transportation and marketing of oil and natural gas, both in the Williston Basin and domestically;
- general economic conditions;
- operating environment, including inclement weather conditions;
- competition in the oil and natural gas industry;
- effectiveness of risk management activities;
- environmental liabilities;
- counterparty credit risk;
- governmental regulation and the taxation of the oil and natural gas industry;
- developments in oil-producing and natural gas-producing countries;
- uncertainty regarding future operating results; and
- plans, objectives, expectations and intentions contained in this prospectus supplement that are not historical.

Reserve engineering is a process of estimating underground accumulations of oil and natural gas that cannot be measured in an exact way. The accuracy of any reserve estimate depends on the quality of available data, the interpretation of such data and price and cost assumptions made by our reserve engineers. In addition, the results of drilling, testing and production activities may justify revisions of estimates that were made previously. If significant, such revisions would change the schedule of any further production and development drilling. Accordingly, reserve estimates may differ from the quantities of oil and natural gas that are ultimately recovered.

Table of Contents

Summary

This summary provides a brief overview of information contained elsewhere in this prospectus supplement, the accompanying prospectus and the documents we incorporate by reference. Because it is abbreviated, this summary does not contain all of the information that you should consider before investing in the notes. You should read carefully the entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference before making an investment decision, including the information presented under the headings Risk factors, and Cautionary statement regarding forward-looking statements beginning on pages S-16 and S-iv, respectively, of this prospectus supplement. We have provided definitions for certain oil and natural gas terms used in this prospectus supplement in the Glossary of oil and natural gas terms beginning on page A-1 of this prospectus supplement.

In this prospectus supplement, unless otherwise indicated or the context otherwise requires, the terms we, us, our, Oasis Petroleum and the company refer to Oasis Petroleum LLC and its subsidiaries before the completion of our corporate reorganization in connection with our initial public offering in June 2010 (IPO) and Oasis Petroleum Inc. and its subsidiaries as of the completion of our corporate reorganization and thereafter, the term Oasis refers to Oasis Petroleum Inc., and the term Subsidiary Guarantor refers to a guarantor of the notes.

Overview

We are an independent exploration and production company focused on the acquisition and development of unconventional oil and natural gas resources in the Montana and North Dakota regions of the Williston Basin. As of December 31, 2011, we have accumulated 307,430 net leasehold acres in the Williston Basin. We are currently exploiting significant resource potential from the Bakken and Three Forks formations, which are present across a substantial portion of our acreage. We believe the location, size and concentration of our acreage in our primary project areas create an opportunity for us to achieve cost, recovery and production efficiencies through the large-scale development of our project inventory. Our management team has a proven track record in identifying, acquiring and executing large, repeatable development drilling programs, which we refer to as resource conversion opportunities, and has substantial Williston Basin experience. During the three months ended March 31, 2012, we completed and placed on production 26 gross operated wells in the Williston Basin and achieved 100% success in the finding of hydrocarbons (all of which are economic based on current prices as of March 31, 2012) through the application of the latest drilling and completion techniques. We have built our Williston Basin leasehold acreage position primarily through acquisitions in our three primary project areas: West Williston, East Nesson and Sanish. DeGolyer and MacNaughton, our independent reserve engineers, estimated our net proved reserves to be 78.7 MMBoe as of December 31, 2011, 46% of which were classified as proved developed and 88% of which were comprised of oil. The following table presents summary data for each of our primary project areas as of December 31, 2011, unless otherwise indicated:

	Net Acreage	Estimated net proved reserves as of December 31, 2011 MMBoe	% Developed	Average net daily production(1) (Boe/d)
West Williston	201,265	51.6	46%	12,131
East Nesson	97,756	21.1	35%	3,541
Sanish	8,409	6.0	75%	1,961
Total	307,430	78.7	46%	17,633

(1) Represents average net daily production for the three months ended March 31, 2012.

Currently, our total 2012 capital expenditure budget is $884 million, which includes $846 million for exploration and production (E&P) capital expenditures and $38 million for non-E&P capital expenditures. Our 2012 capital expenditure budget primarily consists of:

- $758 million of development capital for operated and non-operated wells (including expected savings from services provided by Oasis Well Services LLC, or OWS);
- $57 million for constructing infrastructure to support production in our core project areas, primarily related to salt water disposal systems that will lower lease operating expenses;
- $25 million for maintaining and expanding our leasehold position;
- $6 million for micro-seismic work, purchasing seismic data and other test work;
- $15 million for OWS, including $12 million for equipment budgeted and ordered in 2011 that arrived in the first quarter of 2012; and
- $23 million for other non-E&P capital expenditures, including items such as district tools, administrative capital and capitalized interest.

While we currently have budgeted $884 million for these purposes, the ultimate amount of capital we will expend may fluctuate materially based on market conditions and the success of our drilling results as the year progresses. The amount, timing and allocation of capital expenditures is largely discretionary and within our control. If oil and natural gas prices decline or costs increase significantly, we could defer a significant portion of our budgeted capital expenditures until later periods to prioritize capital projects that we believe have the highest expected returns and potential to generate near-term cash flows. We routinely monitor and adjust our capital expenditures in response to changes in prices, availability of financing, drilling and acquisition costs, industry conditions, the timing of regulatory approvals, the availability of rigs, success or lack of success in drilling activities, contractual obligations, internally generated cash flows and other factors both within and outside our control.

Table of Contents

Our business strategy

Our goal is to enhance value by investing capital to build reserves, production and cash flows at attractive rates of return through the following strategies:

Develop our Williston Basin leasehold position. We intend to continue to drill and develop our acreage position to maximize the value of our resource potential. During 2011, we completed and brought on production 63 gross (49.2 net) operated Bakken and Three Forks wells in the Williston Basin. As of March 31, 2012, we had 26 gross (20.6 net) operated wells awaiting completion and 7 gross (5.0 net) operated wells in the process of being drilled in the Bakken and Three Forks formations. We have the ability to increase or decrease the number of wells drilled during 2012 based on market conditions and program results.

Focus on operational and cost efficiencies. Our management team is focused on continuous improvement of our operations and has significant experience in successfully converting early-stage resource conversion opportunities into cost-efficient development projects. We believe the magnitude and concentration of our acreage within our project areas provide us with the opportunity to capture economies of scale, including the ability to drill multiple wells from a single drilling pad, utilizing centralized production and oil, gas and water fluid handling facilities and reducing the time and cost of rig mobilization.

Adopt and employ leading drilling and completion techniques. Our management team is focused on enhancing our drilling and completion techniques to maximize overall well economics. We believe these techniques have significantly evolved over the last several years, resulting in increased initial production rates and recoverable hydrocarbons per well through the implementation of techniques such as drilling longer laterals and more tightly spacing fracturing stimulation stages. We continuously evaluate our internal drilling and completion results and monitor the results of other operators to improve our operating practices. This continued evolution may enhance our initial production rates, ultimate recovery factors and rate of return on invested capital.

Pursue strategic acquisitions with significant resource potential. As opportunities arise, we intend to identify and acquire additional acreage and producing assets in the Williston Basin to supplement our existing operations. Going forward, we may selectively target additional basins that would allow us to employ our resource conversion strategy on large undeveloped acreage positions similar to what we have accumulated in the Williston Basin.

Maintain financial flexibility and conservative financial position. We are committed to maintaining a conservative financial strategy by managing our liquidity position and leverage levels. As of June 25, 2012, we had no outstanding borrowings under our revolving credit facility and no outstanding letters of credit issued under our revolving credit facility. As of June 25, 2012, after giving effect to this offering, we would have had $1.2 billion of liquidity available, including $679.2 million in cash and short-term investments and $500 million available under our revolving credit facility, subject to periodic borrowing base redeterminations. This liquidity position, along with internally generated cash flows, will provide additional financial flexibility as we continue to develop our acreage position in the Williston Basin. We now have access to the public equity and debt markets, and we intend to maintain a conservative, balanced capital structure by prudently raising proceeds from future offerings as additional capital needs arise.

Table of Contents

Our competitive strengths

We have a number of competitive strengths that we believe will help us to successfully execute our business strategies:

***Substantial leasehold position in one of North America s leading unconventional oil-resource plays*.** As of December 31, 2011, our 307,430 net leasehold acres in the Williston Basin was highly prospective in the Bakken formation and 88% of our 78.7 MMBoe net proved reserves in this area were comprised of oil. We believe our acreage is one of the larger concentrated leasehold positions that is prospective in the Bakken formation, and much of our acreage is in areas of significant drilling activity by other exploration and production companies. While our current drilling plans primarily target the Bakken formation, we are also actively drilling and evaluating what we believe to be significant prospectivity in the Three Forks formation that underlies a large portion of our acreage. We expect that the scale and concentration of our acreage will enable us to improve our drilling and completion costs and operational efficiency as we begin infill drilling during 2012 and move to full development mode in 2013.

***Large, multi-year project inventory*.** We believe we have a large inventory of potential drilling locations that we have not yet drilled, a majority of which is operated by us.

***Management team with proven operating and acquisition skills*.** Our senior management team has extensive expertise in the oil and gas industry. Our senior technical team has an average of more than 25 years of industry experience, including experience in multiple North American resource plays as well as experience in international basins. We believe our management and technical team is one of our principal competitive strengths relative to our industry peers due to our team s proven track record in identification, acquisition and execution of resource conversion opportunities. In addition, our technical team possesses substantial expertise in horizontal drilling techniques and managing and acquiring large development programs and also has prior experience in the Williston Basin.

***Incentivized management team*.** As of March 31, 2012, our executive officers owned approximately 6% of our common stock. We believe our executive officers ownership interest in us provides them with significant incentives to grow the value of our business for the benefit of all stakeholders.

***Operating control over the majority of our portfolio*.** In order to maintain better control over our asset portfolio, we have established a leasehold position comprised primarily of properties that we expect to operate. We expect to operate approximately 57% of our gross drilling locations, or 90% of our net drilling locations. As of December 31, 2011, over 90% of our total proved reserves were attributable to properties that we expect to operate. Approximately 95% of our estimated 2012 drilling and completion capital expenditure budget is related to operated wells, which we anticipate will result in an increase in 2012 of the percentage of our proved reserves attributable to properties we expect to operate. As of December 31, 2011, our average working interest in our operated and non-operated identified drilling locations was 69% and 10%, respectively. Controlling operations will allow us to dictate the pace of development as well as the costs, type and timing of exploration and development activities. We believe that maintaining operational control over the majority of our acreage will allow us to better pursue our strategies of enhancing returns through operational and cost efficiencies

Table of Contents

and maximizing hydrocarbon recovery through continuous improvement of drilling and completion techniques. We are also better able to control infrastructure investment to reduce operating costs and increase gas production and oil price realizations.

Recent developments

Amendment to revolving credit facility and redetermination of borrowing base. On April 3, 2012, we entered into an amendment to our amended and restated revolving credit facility. In connection with this amendment, the semi-annual redetermination of our borrowing base was completed, which resulted in our borrowing base increasing from $350 million to $500 million. The next scheduled redetermination of our borrowing base is October 1, 2012. On June 25, 2012, our lenders waived the mandatory reduction of our borrowing base that otherwise would have occurred as a result of the issuance of the notes offered hereby. For more information regarding our revolving credit facility, see Description of other indebtedness.

Marketing and transportation

The Williston Basin crude oil transportation and refining infrastructure has grown substantially in recent years, largely in response to drilling activity in the Bakken formation. According to a presentation from the North Dakota Pipeline Authority dated January 24, 2012, there were approximately 415,000 barrels per day of crude oil pipeline transportation capacity in the Williston Basin as of December 31, 2011. In addition, approximately 300,000 barrels per day of specifically dedicated railcar transportation capacity has been placed into service as of December 31, 2011. Based on publicly announced expansion projects, pipeline transportation and refining capacity for Williston Basin oil production could increase by approximately 222,000 barrels per day by the end of 2013. As of December 31, 2011, we sold a substantial majority of our oil production directly at the wellhead and were not responsible for its transportation. However, the price we receive at the wellhead is impacted by transportation and refining infrastructure constraints. For a discussion of the potential risks to our business that could result from transportation and refining infrastructure constraints in the Williston Basin, please see Risk factors Risks related to the oil and natural gas industry and our business Insufficient transportation or refining capacity in the Williston Basin could cause significant fluctuations in our realized oil and natural gas prices.

Corporate information

Our principal executive offices are located at 1001 Fannin Street, Suite 1500, Houston, Texas 77002, and our telephone number at that address is (281) 404-9500. Our website is located at *http://www.oasispetroleum.com*. Information contained on our website (other than the documents listed under Where you can find more information) or any other website is not incorporated by reference herein and does not constitute a part of this prospectus supplement and the accompanying prospectus.

Table of Contents

The offering

The following summary contains basic information about the notes and is not complete. For a more complete understanding of the notes, please refer to the section entitled Description of notes in this prospectus supplement and Description of Debt Securities in the accompanying base prospectus. For purposes of this section of the summary and the description of the notes included in this prospectus supplement, references to we, our, us, the Company, or Oasis refer only to Oasis Petroleum Inc. and do not include its subsidiaries.

Issuer	Oasis Petroleum Inc.
Notes offered	$400,000,000 aggregate principal amount of 6.875% senior notes due 2023.
Maturity	January 15, 2023.
Interest payment dates	January 15 and July 15 of each year, beginning on January 15, 2013. Interest will accrue from July 2, 2012.
Guarantees	The notes will be jointly and severally guaranteed on a senior unsecured basis by all our existing material subsidiaries and certain future subsidiaries. See Description of notes Covenants Subsidiary guarantees.
Ranking	The notes will be our general senior unsecured obligations and will:

- rank senior in right of payment to any future subordinated indebtedness of Oasis;
- rank *pari passu* in right of payment with any existing and future senior indebtedness of Oasis;
- rank effectively junior in right of payment to Oasis existing and future secured indebtedness, including indebtedness under our revolving credit facility, to the extent of the value of the assets of Oasis constituting collateral securing such indebtedness; and
- rank structurally junior in right of payment to any indebtedness or liabilities of any of our subsidiaries that do not guarantee the notes.

As of March 31, 2012, on an as adjusted basis after giving effect to the sale of the notes, the application of the net proceeds therefrom as described under Use of proceeds in this prospectus supplement, Oasis would have had no indebtedness outstanding, other than the notes offered hereby and its $800 million of outstanding senior unsecured notes, and Oasis would have had $350 million of secured borrowing capacity available under its revolving credit facility. As of March 31, 2012, the non-guarantor subsidiaries of Oasis had no material assets and no indebtedness outstanding.

Table of Contents

The guarantees will be the guarantors general senior unsecured obligations and will:

- rank senior in right of payment to any future subordinated indebtedness of such Subsidiary Guarantor;
- rank *pari passu* in right of payment with any existing and future senior indebtedness of such Subsidiary Guarantor, including its guarantee of Oasis outstanding senior unsecured notes; and
- rank effectively junior in right of payment to all existing and future secured indebtedness of such Subsidiary Guarantor (including any indebtedness under our revolving credit facility), to the extent of the value of the assets of such Subsidiary Guarantor constituting collateral securing such indebtedness.

As of March 31, 2012, on an as adjusted basis and after giving effect to the sale of the notes and the application of the net proceeds therefrom as described under Use of proceeds in this prospectus supplement, our material subsidiaries (all of which will initially guarantee the notes) collectively had no consolidated indebtedness, except for their guarantees of the notes offered hereby and Oasis outstanding senior unsecured notes.

Use of proceeds	We intend to use the net proceeds from this offering to fund our exploration, development and acquisition program and for general corporate purposes. Please see Use of proceeds.
Optional redemption	We will have the option to redeem the notes, in whole or in part, at any time on or after July 15, 2017, in each case at the redemption prices described in this prospectus supplement under the heading Description of notes Optional redemption, together with any accrued and unpaid interest to the date of such redemption.

At any time prior to July 15, 2017, we may redeem the notes, in whole or in part, at a redemption price plus an applicable make-whole premium described in this prospectus supplement under Description of notes Optional redemption, together with any accrued and unpaid interest to the date of such redemption.

In addition, prior to July 15, 2015, we may, from time to time, redeem up to 35% of the aggregate principal amount of the notes with the net cash proceeds of certain equity offerings at a redemption price equal to 106.875% of the principal amount of the notes, plus any accrued and unpaid interest to the date of redemption.

If certain transactions that would constitute a change of control occur on or prior to July 15, 2013, we may redeem all, but not less than all, of the notes at a redemption price equal to 110% of the principal amount of the notes redeemed plus any accrued and unpaid interest to the date of such redemption.

Table of Contents

Change of control; asset sales	Upon the occurrence of a change of control (as defined in the indenture for the notes), holders of the notes will have the right to require us to repurchase all or a portion of the notes at a price equal to 101% of the aggregate principal amount of the notes repurchased, together with any accrued and unpaid interest to the date of purchase. In connection with certain asset sales, we will be required to use the net cash proceeds of the asset sale to make an offer to purchase the notes at 100% of the principal amount, together with any accrued and unpaid interest to the date of purchase.
Certain covenants	We will issue the notes under an indenture with U.S. Bank National Association, as trustee. The indenture will, among other things, limit our and our restricted subsidiaries ability to: make investments; incur additional indebtedness or issue preferred stock; create liens; sell assets; enter into agreements that restrict dividends or other payments by restricted subsidiaries; consolidate, merge or transfer all or substantially all of the assets of our company; engage in transactions with our affiliates; pay dividends or make other distributions on capital stock or prepay subordinated indebtedness; and create unrestricted subsidiaries. These covenants are subject to important exceptions and qualifications, which are described in this prospectus supplement under Description of notes Covenants. However, most of the covenants will terminate if both Standard & Poor s Ratings Services and Moody s Investors Service, Inc. assign the notes an investment grade rating and no default exists with respect to the notes.
Additional notes	We may from time to time create and issue additional notes having the same terms as the notes being issued in this offering, so that such additional notes shall be consolidated and form a single series with the notes offered hereby.
No prior market	The notes will be new securities for which there is no market. Although the underwriters have informed us that they intend to make a market in the notes, they are not obligated to do so and may discontinue market making at any time without notice. Accordingly, a liquid market for the notes may not develop or

be maintained.

Governing law	The notes offered hereby and the indenture relating to the notes will be governed by New York law.
Risk factors	Investing in the notes involves risks. Please see Risk factors beginning on page S-16 of this prospectus supplement, as well as the other cautionary statements throughout this prospectus supplement and the documents we incorporate by reference, for a discussion of factors you should carefully consider before deciding to invest in the notes.

Table of Contents

Summary historical consolidated financial data

You should read the following summary financial data in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations in each of our Annual Report on Form 10-K for the year ended December 31, 2011 and our Quarterly Report on Form 10-Q for the period ended March 31, 2012 incorporated by reference into this prospectus supplement. We believe that the assumptions underlying the preparation of our historical consolidated financial statements are reasonable. The financial information included in this prospectus supplement may not be indicative of our future results of operations, financial position and cash flows.

Set forth below is our summary historical consolidated financial data for the years ended December 31, 2009, 2010 and 2011 and balance sheet data at December 31, 2009, 2010 and 2011, all of which have been derived from our audited consolidated financial statements incorporated by reference in this prospectus supplement. Our historical financial data below for the three months ended March 31, 2011 and 2012 and as of March 31, 2012 are derived from our unaudited condensed consolidated financial statements and the notes thereto included in our Quarterly Report on Form 10-Q for the period ended March 31, 2012 and incorporated by reference in this prospectus supplement and, in our opinion, have been prepared on a basis consistent with the audited consolidated financial statements and the notes thereto and include all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of this information.

	Year ended December 31,			Three months ended March 31,	
(Dollars in thousands)	**2009(1)**	**2010**	**2011**	**2011**	**2012**
Statement of operations data:					
Revenues:					
Oil and gas revenues	$ 37,755	$ 128,927	$ 330,422	$ 58,744	$ 137,906
Well services revenues					660
Total revenues	37,755	128,927	330,422	58,744	138,566
Expenses:					
Lease operating expenses(2)	8,473	14,118	32,707	5,630	9,816
Wells services operating expenses					477
Marketing, transportation and gathering expenses	218	464	1,365	312	2,569
Production taxes	3,810	13,768	33,865	6,083	13,266
Depreciation, depletion and amortization	16,670	37,832	74,981	13,812	38,886
Exploration expenses	1,019	297	1,685	32	2,835
Rig termination(3)	3,000				
Impairment of oil and gas properties	6,233	11,967	3,610	1,381	368
(Gain) loss on sale of properties	(1,455)		207		
Stock-based compensation expenses(4)		8,743			
General and administrative expenses	9,342	19,745	29,435	5,950	12,199
Total expenses	47,310	106,934	177,855	33,200	80,416
Operating income (loss)	(9,555)	21,993	152,567	25,544	58,150
Other income (expense):					
Net (loss) gain on derivative instruments	(4,747)	(7,653)	1,595	(31,666)	(18,586)
Interest expense	(912)	(1,357)	(29,618)	(5,198)	(13,899)
Other income (expense)	5	284	1,635	312	598
Total other income (expense)	(5,654)	(8,726)	(26,388)	(36,552)	(31,887)
Income (loss) before income taxes	(15,209)	13,267	126,179	(11,008)	26,263
Income tax (expense) benefit(5)		(42,962)	(46,789)	4,161	(9,822)
Net income (loss)	$ (15,209)	$ (29,695)	$ 79,390	$ (6,847)	$ 16,441

Table of Contents

(1) Our statement of operations data for the year ended December 31, 2009 does not include the effects of the acquisition of interests in certain oil and gas properties from Kerogen Resources, Inc. and Fidelity Exploration and Production Company for the full twelve months of 2009. We acquired such interests on June 15, 2009 and September 30, 2009, respectively. See Note 6 to our audited consolidated financial statements incorporated by reference into this prospectus supplement.

(2) For the years ended December 31, 2009, 2010 and 2011 and for the three months ended March 31, 2011, lease operating expenses excludes marketing, transportation and gathering expenses to conform such amounts to current year classifications.

(3) During the first quarter of 2009, we paid $3.0 million in rig termination expenses in connection with the early termination of two drilling rig contracts entered into in 2008.

(4) In March 2010, we recorded a $5.2 million stock-based compensation charge associated with Oasis Petroleum Management LLC (OPM) granting 1.0 million Class C common unit interests (C Units) to certain of our employees. During the fourth quarter of 2010, we recorded an additional $3.5 million in stock-based compensation expense primarily associated with OPM granting discretionary shares of our common stock to certain of our employees who were not C Unit holders and certain contractors. See Note 10 to our audited consolidated financial statements incorporated by reference into this prospectus supplement.

(5) Prior to our corporate reorganization, we were a limited liability company not subject to entity-level income tax. Accordingly, no provision for federal or state corporate income taxes was recorded for the year ended December 31, 2009, as the taxable income was allocated directly to our equity holders. In connection with the closing of our IPO, we merged into a corporation and became subject to federal and state entity-level taxation. See Note 11 to our audited consolidated financial statements incorporated by reference into this prospectus supplement.

	As of December 31,			As of March 31,
(Dollars in thousands)	**2009**	**2010**	**2011**	**2012**
Balance sheet data:				
Cash and cash equivalents	$ 40,562	$ 143,520	$ 470,872	$ 287,298
Net property, plant and equipment	181,573	483,683	1,079,955	1,339,012
Total assets	239,553	691,852	1,727,382	1,813,410
Long-term debt	35,000		800,000	800,000
Total members /stockholders equity	171,850	551,794	634,238	651,089

	Year ended December 31,			Three months ended March 31,	
(Dollars in thousands, except ratios)	**2009**	**2010**	**2011**	**2011**	**2012**
Other financial data:					
Net cash provided by operating activities	$ 6,148	$ 49,612	$ 176,024	$ 22,845	$ 62,765
Net cash used in investing activities	(80,756)	(309,535)	(629,390)	(200,789)	(245,133)
Net cash provided by (used in) financing activities	113,600	362,881	780,718	389,414	(1,206)
Adjusted EBITDA(1)	16,668	82,223	234,500	41,096	101,137
Ratio of earnings to fixed charges(2)(3)		9.72	4.74		2.72

(1) Adjusted EBITDA is a non-GAAP financial measure. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to our net income (loss) and net cash provided by operating activities, see Non-GAAP financial measure below.

(2) The ratio of earnings to fixed charges is calculated as earnings divided by fixed charges. Earnings consist of pre-tax income from continuing operations before fixed charges. Fixed charges consist of interest expensed and capitalized, amortized capitalized expenses related to indebtedness and an estimate of interest within rental expense.

(3) Due to our net pre-tax loss for the year ended December 31, 2009 and the three month period ended March 31, 2011, the ratio of earnings to fixed charges was less than 1:1. The Company would have needed additional earnings of $15.2 million and $11.0 million for the year ended December 31, 2009 and the three month period ended March 31, 2011, respectively, to achieve a coverage of 1:1.

Table of Contents

Non-GAAP financial measure

Adjusted EBITDA is a supplemental non-GAAP financial measure that is used by management and external users of our consolidated financial statements, such as industry analysts, investors, lenders and rating agencies.

We define Adjusted EBITDA as earnings before interest expense, income taxes, depreciation, depletion, amortization, exploration expenses and other similar non-cash charges. Adjusted EBITDA is not a measure of net income or cash flows as determined by United States generally accepted accounting principles, or GAAP.

Management believes Adjusted EBITDA is useful because it allows us to more effectively evaluate our operating performance and compare the results of our operations from period to period without regard to our financing methods or capital structure. We exclude the items listed above from net income in arriving at Adjusted EBITDA because these amounts can vary substantially from company to company within our industry depending upon accounting methods and book values of assets, capital structures and the method by which the assets were acquired. Adjusted EBITDA should not be considered as an alternative to, or more meaningful than, net income or cash flows from operating activities as determined in accordance with GAAP or as an indicator of our operating performance or liquidity. Certain items excluded from Adjusted EBITDA are significant components in understanding and assessing a company s financial performance, such as a company s cost of capital and tax structure, as well as the historic costs of depreciable assets, none of which are components of Adjusted EBITDA. Our computations of Adjusted EBITDA may not be comparable to other similarly titled measures of other companies. We believe that Adjusted EBITDA is a widely followed measure of operating performance and may also be used by investors to measure our ability to meet debt service requirements.

The following tables present a reconciliation of the non-GAAP financial measure of Adjusted EBITDA to the GAAP financial measures of net income (loss) and net cash provided by operating activities, respectively.

(Dollars in thousands)	Year ended December 31, 2009	2010	2011	Three months ended March 31, 2011	2012
Adjusted EBITDA reconciliation to net income (loss):					
Net income (loss)	$ (15,209)	$ (29,695)	$ 79,390	$ (6,847)	$ 16,441
Change in unrealized (gain) loss on derivative instruments	7,043	7,533	(5,436)	31,154	17,295
Interest expense	912	1,357	29,618	5,198	13,899
Depreciation, depletion and amortization	16,670	37,832	74,981	13,812	38,886
Impairment of oil and gas properties	6,233	11,967	3,610	1,381	368
Exploration expenses	1,019	297	1,685	32	2,835
Loss on sale of properties			207		
Stock-based compensation expenses		9,970	3,656	527	1,591
Income tax expense (benefit)		42,962	46,789	(4,161)	9,822
Adjusted EBITDA	$ 16,668	$ 82,223	$ 234,500	$ 41,096	$ 101,137

Table of Contents

(Dollars in thousands)	Year ended December 31, 2009	2010	2011	Three months ended March 31, 2011	2012
Adjusted EBITDA reconciliation to net cash provided by operating activities:					
Net cash provided by operating activities	$ 6,148	$ 49,612	$ 176,024	$ 22,845	$ 62,765
Realized gain (loss) on derivative instruments	2,296	(120)	(3,841)	(512)	(1,291)
Interest expense	912	1,357	29,618	5,198	13,899
Exploration expenses	1,019	297	1,685	32	2,835
Gain on sale of properties	1,455				
Debt discount amortization and other	(95)	(470)	(1,561)	(256)	(648)
Changes in working capital	4,933	31,547	32,575	13,789	23,577
Adjusted EBITDA	$ 16,668	$ 82,223	$ 234,500	$ 41,096	$ 101,137

Table of Contents

Summary historical operating and reserve data

The following table presents summary data with respect to our estimated net proved oil and natural gas reserves as of the dates indicated. For additional information regarding our reserves, as well as the impact of the SEC s rules governing the presentation of reserve information, see the section entitled Business in our Annual Report on Form 10-K for the year ended December 31, 2011. The reserve estimates presented in the table below are based on reports prepared by DeGolyer and MacNaughton, our independent reserve engineers, and were prepared consistent with the SEC s rules regarding oil and natural gas reserve reporting that are currently in effect.

	At December 31,		
	2009	2010	2011