

Sanchez Production Partners LP
 Form 4
 April 26, 2017

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 Sanchez Eduardo Augusto

2. Issuer Name and Ticker or Trading Symbol
 Sanchez Production Partners LP [SPP]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 1000 MAIN STREET, SUITE 3000
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 02/24/2017

Director 10% Owner
 Officer (give title below) Other (specify below)

HOUSTON, TX 77002

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--------------------------------------|
| | | | | (A) or (D) | Price | | |
| Common Units | 02/24/2017 | | A ⁽¹⁾⁽²⁾ | 170,750 | A \$ 11.66 | 170,750 | I By SP Holdings, LLC ⁽³⁾ |
| Common Units | 02/24/2017 | | A ⁽¹⁾⁽²⁾ | 154,737 | A \$ 13.45 | 325,487 | I By SP Holdings, LLC ⁽³⁾ |
| Common Units | 02/24/2017 | | J ⁽¹⁾⁽²⁾ | 325,487 | D \$ 0 | 0 | I By SP Holdings, LLC ⁽³⁾ |
| Common Units | 04/24/2017 | | S ⁽⁴⁾ | 15,000 | D \$ 13.97 | 215,675 ⁽⁵⁾ | D |

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned (Instr. 6) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Sanchez Eduardo Augusto 1000 MAIN STREET, SUITE 3000 HOUSTON, TX 77002 | | X | | |

Signatures

/s/ Alfredo Gutierrez,
Attorney-in-Fact
Date: 04/26/2017

**Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- Represents a distribution to SP Holdings, LLC ("SP Holdings") of a total of 325,487 Issuer common units, comprised of 170,750 and 154,737 common units valued at \$11.66 and \$13.45 per common unit, respectively, on February 24, 2017 pursuant to the Amended and
- (1) Restated Shared Services Agreement, by and between Issuer and SP Holdings, dated March 6, 2015 (the "Shared Services Agreement"), and a concurrent distribution by SP Holdings of all 325,487 common units to its sole member, SP Capital Holdings, LLC ("SP Capital"), for no consideration.
 - (2) Concurrently with such aforementioned distributions, SP Capital distributed (i) 301,076 common units to its members on a pro rata basis and for no consideration (including the 78,279 common units distributed to Eduardo Sanchez) and (ii) the remaining 24,411 common units to one individual, cumulatively resulting in exempt distributions under Rule 16a-9 and/or Rule 16a-13 of 325,487 common units to SP Capital, 301,076 common units to the members of SP Capital (including Eduardo Sanchez) and 24,411 common units to one

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individual.

- These common units were owned directly by SP Holdings. SP Holdings is owned and controlled by its sole member, SP Capital. SP Capital is managed by Eduardo Sanchez and other members of the Sanchez family. Eduardo Sanchez may be deemed to share voting and
- (3) dispositive power over the securities controlled by SP Capital. Eduardo Sanchez disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein, and the inclusion of these securities in this report shall not be deemed an admission of beneficial ownership by Eduardo Sanchez of the reported securities for purposes of Section 16 or any other purpose.

- The sale reported on this Form 4 was effected pursuant to a Rule 10b5-1 trading plan established by Eduardo Sanchez and was used to
- (4) satisfy Eduardo Sanchez's federal income tax obligations with respect to various distributions of common units pursuant to the Shared Services Agreement.

- This number represents the number of common units beneficially owned as of the date of this filing and takes into account, in addition to
- (5) the transactions reported herein, other transactions reported on Form 4 and Form 5 filings since February 24, 2017, the date of the earliest transaction reported herein.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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