

Sanchez Production Partners LP
 Form 4
 March 02, 2016

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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 Patricio D.

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)
 02/29/2016

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

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) | (A) or (D) | 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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|------------|---|--|---|
| Common Units | 02/29/2016 | | A ⁽¹⁾ | 58,363 | A | \$ 13.21 58,363 | I | By SP Holdings, LLC ⁽²⁾ |
| Common Units | 02/29/2016 | | J ⁽¹⁾ | 58,363 | D | \$ 0 0 | I | By SP Holdings, LLC ⁽²⁾ |
| Common Units | | | | | | 53,392 ⁽¹⁾ | D | |
| Common Units | | | | | | 19,602 | I | By 1988 Trust #14 ⁽³⁾ |

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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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Sanchez Patricio D. 1000 MAIN STREET, SUITE 3000 HOUSTON, TX 77002 | X | | Chief Operating Officer | |

Signatures

| | |
|---|------------|
| /s/ Alfredo R. Gutierrez Attorney-in-fact for Patricio D. Sanchez | 03/02/2016 |
| __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 an anticipated distribution to SP Holdings, LLC ("SP Holdings") of 58,363 Issuer common units on or before March 14, 2016 pursuant to the Amended and Restated Shared Services Agreement, by and between Issuer and SP Holdings, dated March 6, 2015, and an anticipated concurrent distribution by SP Holdings of all 58,363 common units to its sole member, SP Capital Holdings, LLC ("SP Capital"), for no consideration, and an anticipated concurrent distribution by SP Capital of (i) 53,986 common units to its members on a pro rata basis and for no consideration (including the 14,036 common units to be distributed to Patricio Sanchez), resulting in exempt distributions under Rule 16a-9 and/or Rule 16a-13 of 58,363 common units to SP Capital and 53,986 common units from SP Capital to the members of SP Capital, including Patricio Sanchez, and (ii) the remaining 4,377 units to one individual.
- (2) These common units will be owned directly by SP Holdings. SP Holdings is owned and controlled by its sole member, SP Capital. SP Capital is managed by Patricio Sanchez and other members of the Sanchez family. Patricio Sanchez may be deemed to share voting and

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dispositive power over the securities controlled by SP Capital. Patricio 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 Patricio Sanchez of the reported securities for purposes of Section 16 or any other purpose.

These common units are owned directly by 1998 Trust #14 ("Trust 14"). Patricio Sanchez is a co-trustee, along with A. R. Sanchez, Jr., and beneficiary of Trust 14. Patricio Sanchez may be deemed to share voting and dispositive power over the common units held by Trust

- (3) 14. Patricio 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 Patricio Sanchez of the reported securities for purposes of Section 16 or any other purpose.

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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