

CONTINENTAL RESOURCES INC

Form S-4

April 27, 2012

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As filed with the Securities and Exchange Commission on April 27, 2012

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-4
REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

CONTINENTAL RESOURCES, INC.

(Exact Name of Registrant as Specified in Its Charter)

Oklahoma
(State or Other Jurisdiction of
Incorporation or Organization)

1311
(Primary Standard Industrial
Classification Code Number)
20 N. Broadway

73-0767549
(I.R.S. Employer
Identification Number)

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Oklahoma City, Oklahoma 73102

(405) 234-9000

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Eric S. Eissenstat

Senior Vice President, General Counsel and Secretary

20 N. Broadway

Oklahoma City, Oklahoma 73102

(405) 234-9000

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

Copies to:

Michael E. Dillard

Sean T. Wheeler

Latham & Watkins LLP

811 Main St., Suite 3700

Houston, TX 77002

713-546-5400

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 the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, 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(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. "

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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. (Check one):

Large accelerated filer

Accelerated filer

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

Smaller reporting company

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issue Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	Amount to be Registered	Amount of Registration Fee (1)
5% Senior Notes due 2022	\$ 800,000,000	\$ 91,680.00
Guarantees of 5% Senior Notes due 2022 (2)		None (3)

(1) Calculated pursuant to Rule 457(f)(2) under the Securities Act of 1933.

(2) Banner Pipeline Company, L.L.C., one of our two subsidiaries, will guarantee the Notes being registered.

(3) Pursuant to Rule 457(n) of the Securities Act of 1933, no registration fee is required for the Guarantees.

Each 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 which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

TABLE OF ADDITIONAL REGISTRANT GUARANTORS

Exact Name of Registrant Guarantor(1)	State or Other Jurisdiction of Incorporation or Formation	IRS Employer Identification Number
Banner Pipeline Company, L.L.C.	Oklahoma	20-3304849

(1) The address for the Registrant Guarantor is 20 N. Broadway Oklahoma City, Oklahoma 73102 and the telephone number for the Registrant Guarantor is (405) 234-9000. The Primary Industrial Classification Code for the Registrant Guarantor is 1311.

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The information in this prospectus is not complete and may be changed. We 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 jurisdiction where the offering is not permitted.

SUBJECT TO COMPLETION, DATED April 27, 2012

PROSPECTUS

Offer to Exchange

Up To \$800,000,000 of

5% Senior Notes due 2022

That Have Not Been Registered Under

The Securities Act of 1933

For

Up To \$800,000,000 of

5% Senior Notes due 2022

That Have Been Registered Under

The Securities Act of 1933

Terms of the New 5% Senior Notes due 2022 Offered in the Exchange Offer:

The terms of the new notes (the *New Notes*) are identical to the terms of the old notes that were issued on March 8, 2012 (the *Old Notes*), except that the New Notes will be registered under the Securities Act of 1933 and will not contain restrictions on transfer, registration rights or provisions for additional interest.

Terms of the Exchange Offer:

We are offering to exchange up to \$800,000,000 of our Old Notes for New Notes with materially identical terms that have been registered under the Securities Act of 1933 and are freely tradable.

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We will exchange all Old Notes that you validly tender and do not validly withdraw before the exchange offer expires for an equal principal amount of New Notes.

The exchange offer expires at 5:00 p.m., New York City time, on _____, 2012, unless extended.

Tenders of Old Notes may be withdrawn at any time prior to the expiration of the exchange offer.

The exchange of New Notes for Old Notes will not be a taxable event for U.S. federal income tax purposes.

Broker-dealers who receive New Notes pursuant to the exchange offer acknowledge that they will deliver a prospectus in connection with any resale of such New Notes.

Broker-dealers who acquired the Old Notes as a result of market-making or other trading activities may use the prospectus for the exchange offer, as supplemented or amended, in connection with resales of the New Notes.

You should carefully consider the risk factors beginning on page 8 of this prospectus before participating in the exchange offer.

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 May _____, 2012

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This prospectus is part of a registration statement we filed with the Securities and Exchange Commission. In making your investment decision, you should rely only on the information contained or incorporated by reference in this prospectus and in the accompanying letter of transmittal. We have not authorized anyone to provide you with any other information. We are not making an offer to sell these securities or soliciting an offer to buy these securities in any jurisdiction where an offer or solicitation is not authorized or in which the person making that offer or solicitation is not qualified to do so or to anyone whom it is unlawful to make an offer or solicitation. You should not assume that the information contained in this prospectus, as well as the information we previously filed with the Securities and Exchange Commission that is incorporated by reference herein, is accurate as of any date other than its respective date.

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In this prospectus, we, us, our, the Company, and Continental refer to Continental Resources, Inc. and its consolidated subsidiaries, unless otherwise indicated or the context otherwise requires.

This prospectus incorporates important business and financial information about us that is not included or delivered with this prospectus. Such information is available without charge to holders of Old Notes upon written or oral request made to Continental Resources, Inc., 20 N. Broadway, Oklahoma City, Oklahoma 73102, Attention: Chief Financial Officer (Telephone (405) 234-9000). To obtain timely delivery of any requested information, holders of Old Notes must make any request no later than five business days prior to the expiration of the exchange offer.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

The information in this prospectus, including information in documents incorporated by reference, includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). All statements, other than statements of historical fact included or incorporated by reference in this prospectus, regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this prospectus, the words could, believe, anticipate, intend, estimate, expect, project and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on our current expectations and assumptions about future events and are based on currently available information.

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information as to the outcome and timing of future events. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements described under the heading "Risk Factors" included in this prospectus, and the risk factors and other cautionary statements described under the headings "Risk Factors" included in our Annual Report on Form 10-K for the year ended December 31, 2011, which is incorporated by reference in this prospectus, and, to the extent applicable, in any subsequently filed reports.

These forward-looking statements are based on management's current belief, based on currently available information, as to the outcome and timing of future events. Without limiting the generality of the foregoing, certain statements incorporated by reference or included in this prospectus constitute forward-looking statements.

Forward-looking statements may include statements about:

our business strategy;

our future operations;

our reserves;

our technology;

our financial strategy;

crude oil and natural gas prices;

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

the amount, nature and timing of capital expenditures;

estimated revenues and results of operations;

drilling of wells;

competition;

marketing of crude oil and natural gas;

transportation of crude oil and natural gas to markets;

exploitation or property acquisitions;

costs of exploiting and developing our properties and conducting other operations;

our financial position;

general economic conditions;

credit markets;

our liquidity and access to capital;

the impact of regulatory and legal proceedings involving us and of scheduled or potential regulatory changes;

our future operating results; and

plans, objectives, expectations and intentions contained in this prospectus or in the documents incorporated by reference in this prospectus that are not historical, including, without limitation, statements regarding our future growth plans.

We caution you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond our control, incident to the exploration for and development, production, and sale of crude oil and natural gas. These risks include, but are not limited to, commodity price volatility, inflation, lack of availability of drilling and production equipment and services, environmental risks, drilling and other operating risks, regulatory changes, the uncertainty inherent in estimating crude oil and natural gas reserves and in projecting future rates of production, cash flows and access to capital, the timing of development expenditures, and the other risks described under **Risk Factors** in this prospectus and in our Annual Report on Form 10-K for the year ended December 31, 2011 (which is incorporated by reference in this prospectus) and, to the extent applicable, in any subsequently filed reports.

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Reserve engineering is a process of estimating underground accumulations of crude 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 reservoir engineers. In addition, the results of drilling, testing, and production activities may justify revisions of estimates that were made previously. If significant, such revisions could change the schedule of any further production and development drilling. Accordingly, reserve estimates may differ significantly from the quantities of crude oil and natural gas that are ultimately recovered.

Should one or more of the risks or uncertainties described or incorporated by reference in this prospectus occur, or should underlying assumptions prove incorrect, our actual results and plans could differ materially from those expressed in any forward-looking statements.

All forward-looking statements, expressed or implied, included in this prospectus, or in the documents incorporated by reference in this prospectus, are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue.

Except as otherwise required by applicable law, we disclaim any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this prospectus. See also [Where You Can Find More Information](#); [Incorporation by Reference](#).

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PROSPECTUS SUMMARY

*This summary highlights some of the information contained in this prospectus and does not contain all of the information that may be important to you. You should read this entire prospectus and the documents incorporated by reference and to which we refer you before making an investment decision. You should carefully consider the information set forth under **Risk Factors** beginning on page 8 of this prospectus, the other cautionary statements described in this prospectus, and the risk factors and other cautionary statements, including those described under the heading **Risk Factors**, in our Annual Report on Form 10-K for the year ended December 31, 2011, which are incorporated by reference in this prospectus, and, to the extent applicable, any subsequently filed reports. In addition, certain statements include forward-looking information that involves risks and uncertainties. See **Cautionary Statement Regarding Forward-Looking Statements**.*

*In this prospectus we refer to the notes to be issued in the exchange offer as the **New Notes** and the notes issued on March 8, 2012 as the **Old Notes**. We refer to the **New Notes** and the **Old Notes** collectively as the **Notes**.*

Continental Resources, Inc.

We are an independent crude oil and natural gas exploration and production company with operations in the North, South and East regions of the United States. For additional information about our business, operations and financial results, see the documents listed under **Where You Can Find More Information; Incorporation By Reference**.

Our principal executive offices are located at 20 N. Broadway, Oklahoma City, Oklahoma 73102, and our telephone number at that address is (405) 234-9000.

Risk Factors

You should carefully consider all the information contained in this prospectus, including information in documents incorporated by reference, prior to participating in the exchange offer. In particular, we urge you to carefully consider the factors set forth under **Risk Factors** beginning on page 8 of this prospectus and those risk factors incorporated by reference from our Annual Report on Form 10-K for the year ended December 31, 2011, which are incorporated by reference in this prospectus, and, to the extent applicable, any subsequently filed reports.

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The Exchange Offer

On March 8, 2012, we completed a private offering of the Old Notes. We entered into a registration rights agreement with the initial purchasers in the private offering in which we agreed to deliver to you this prospectus and to use commercially reasonable efforts to complete the exchange offer within 400 days after the date we issued the Old Notes.

Exchange Offer	We are offering to exchange New Notes for Old Notes.
Expiration Date	The exchange offer will expire at 5:00 p.m., New York City time, on _____, 2012, unless we decide to extend it.
Condition to the Exchange Offer	The registration rights agreement does not require us to accept Old Notes for exchange if the exchange offer, or the making of any exchange by a holder of the Old Notes, would violate any applicable law or interpretation of the staff of the Securities and Exchange Commission. The exchange offer is not conditioned on a minimum aggregate principal amount of Old Notes being tendered.
Procedures for Tendering Old Notes	<p>To participate in the exchange offer, you must follow the procedures established by The Depository Trust Company, which we call DTC, for tendering Old Notes held in book-entry form. These procedures, which we call ATOP, require that (i) the exchange agent receive, prior to the expiration date of the exchange offer, a computer generated message known as an agent's message that is transmitted through DTC's automated tender offer program, and (ii) DTC has received:</p> <p style="padding-left: 40px;">your instructions to exchange your Old Notes, and</p> <p style="padding-left: 40px;">your agreement to be bound by the terms of the letter of transmittal.</p> <p>For more information on tendering your Old Notes, please refer to the sections in this prospectus entitled Exchange Offer Terms of the Exchange Offer, Procedures for Tendering, and Description of Notes Book Entry; Delivery and Form.</p>
Guaranteed Delivery Procedures	None.
Withdrawal of Tenders	You may withdraw your tender of Old Notes at any time prior to the expiration date. To withdraw, you must submit a notice of withdrawal to the exchange agent using ATOP procedures before 5:00 p.m., New York City time, on the expiration date of the exchange offer. Please refer to the section in this prospectus entitled Exchange Offer Withdrawal of Tenders.
Acceptance of Old Notes and Delivery of New Notes	If you fulfill all conditions required for proper acceptance of Old Notes, we will accept any and all Old Notes that you properly tender in the exchange offer on or before 5:00 p.m. New York City time on the expiration date. We will return any Old Notes that we do

not accept for exchange to you without expense promptly after the expiration date and acceptance of the Old Notes for exchange. Please refer to the section in this prospectus entitled "Exchange Offer" Terms of the Exchange Offer.

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Fees and Expenses	We will bear expenses related to the exchange offer. Please refer to the section in this prospectus entitled "Exchange Offer - Fees and Expenses."
Use of Proceeds	The issuance of the New Notes will not provide us with any new proceeds. We are making this exchange offer solely to satisfy our obligations under our registration rights agreement.
Consequences of Failure to Exchange Old Notes	If you do not exchange your Old Notes in this exchange offer, you will no longer be able to require us to register the Old Notes under the Securities Act of 1933 except in limited circumstances provided under the registration rights agreement. In addition, you will not be able to resell, offer to resell or otherwise transfer the Old Notes unless we have registered the Old Notes under the Securities Act of 1933, or unless you resell, offer to resell or otherwise transfer them under an exemption from the registration requirements of, or in a transaction not subject to, the Securities Act of 1933.
U.S. Federal Income Tax Consequences	The exchange of New Notes for Old Notes in the exchange offer will not be a taxable event for U.S. federal income tax purposes. Please read "Material United States Federal Tax Consequences."
Exchange Agent	We have appointed Wilmington Trust, National Association as exchange agent for the exchange offer. You should direct questions and requests for assistance, requests for additional copies of this prospectus or the letter of transmittal to the exchange agent addressed as follows: Wilmington Trust, National Association, c/o Wilmington Trust Company, Corporate Capital Markets, Rodney Square North, 1100 N. Market Street, Wilmington, DE 19890-1626. Eligible institutions may make requests by facsimile at (302) 636-4139 and may confirm facsimile delivery by calling (302) 636-6181.

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Terms of the New Notes

The New Notes will be identical to the Old Notes except that the New Notes are registered under the Securities Act of 1933 and will not have restrictions on transfer, registration rights or provisions for additional interest. The New Notes will evidence the same debt as the Old Notes, and the same indenture dated March 8, 2012 among the Company, Banner Pipeline Company, L.L.C., and Wilmington Trust, National Association (a national banking association), as trustee (the Indenture), will govern the New Notes and the Old Notes.

The following summary contains basic information about the New Notes and is not intended to be complete. It does not contain all information that may be important to you. For a more complete understanding of the New Notes, please refer to the section entitled Description of Notes in this prospectus.

Issuer	Continental Resources, Inc.
Securities Offered	\$800 million aggregate principal amount of 5% Senior Notes due 2022.
Maturity	September 15, 2022.
Interest Payment Dates	Interest on the New Notes will be paid semi-annually in arrears on March 15 and September 15 of each year commencing on September 15, 2012.
Guarantees	The payment of the principal, premium, if any, and interest on the New Notes will be fully and unconditionally guaranteed on a senior unsecured basis by Banner Pipeline Company, L.L.C., which currently has no assets or operations, and by certain of our future restricted subsidiaries. Any guarantees will be unsecured senior indebtedness of our subsidiary guarantors and will have the same ranking with respect to the indebtedness of our subsidiary guarantors as the New Notes will have with respect to our indebtedness. For the purposes of the Indenture, 20 Broadway Associates LLC has been designated an unrestricted subsidiary and, as such, will not guarantee the New Notes. See Description of Notes Guarantees.
Ranking	The New Notes will be our general unsecured senior obligations. The New Notes will: rank equally in right of payment with all of our existing and future senior indebtedness, including our outstanding 8 1/4% Senior Notes due 2019, 7 3/8% Senior Notes due 2020 and 7 1/8% Senior Notes due 2021; rank senior in right of payment to any of our future subordinated indebtedness; be structurally subordinated to all obligations of each of our existing and future subsidiaries that do not guarantee the Notes; and

effectively rank junior in right of payment to all of our and any guarantor's existing and future secured indebtedness and other obligations, including borrowings under our revolving credit facility, to the extent of the value of the assets securing such indebtedness and other obligations.

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As of February 29, 2012, after giving effect to the application of the net proceeds from the offering of the Old Notes, we had \$2.0 million of indebtedness outstanding under our revolving credit facility.

In addition, as of February 29, 2012, our non-guarantor subsidiary 20 Broadway Associates LLC had approximately \$22.0 million of liabilities (excluding intercompany obligations).

Optional Redemption

We will have the option to redeem the New Notes, in whole or in part, at any time on or after March 15, 2017, in each case at the redemption prices described in this prospectus under the heading **Description of Notes Optional Redemption**, together with any accrued and unpaid interest to the date of redemption.

Prior to March 15, 2017, we may redeem the New Notes, in whole or in part, at a **make-whole** redemption price described under **Description of Notes Optional Redemption**, together with any accrued and unpaid interest to the date of redemption.

In addition, prior to March 15, 2015, we may, at any time or from time to time, redeem up to 35% of the aggregate principal amount of the Notes with the net proceeds of certain equity offerings at a redemption price equal to 105.000% of the principal amount of the New Notes, plus any accrued and unpaid interest to the date of redemption, if (i) at least 65% of the aggregate principal amount of the Notes issued under the Indenture remains outstanding after such redemption; (ii) we mail notice of redemption no later than 60 days after the closing of the equity offering and (iii) the redemption occurs within 90 days of the closing of the equity offering.

Mandatory Offers to Purchase

Upon the occurrence of a change of control, holders of the New Notes will have the right to require us to purchase all or a portion of the New Notes at a price equal to 101% of the principal amount, together with any accrued and unpaid interest to the date of purchase. In connection with certain asset dispositions, we will be required to use the Available Cash Proceeds of the asset dispositions to make an offer to purchase the New 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 New Notes under an Indenture with Wilmington Trust, National Association, as trustee. The Indenture will, among other things, limit our ability and the ability of our restricted subsidiaries to:

incur, assume or guarantee additional indebtedness or issue redeemable stock;

pay dividends on stock, repurchase stock or redeem subordinated debt;

make certain investments;

enter into certain transactions with affiliates;

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create certain liens on our assets;

sell or otherwise dispose of certain assets, including capital stock of subsidiaries;

restrict dividends, loans or other asset transfers from our restricted subsidiaries;

enter into new lines of business; and

consolidate with or merge with or into, or sell all or substantially all of our properties to, another person.

However, many of these covenants will terminate if:

both Standard & Poor's Ratings Services and Moody's Investors Service, Inc. assign the Notes an investment grade rating;

our bank credit facility is no longer secured; and

no default under the Indenture exists.

These covenants are subject to important exceptions and qualifications, which are described under "Description of Notes - Certain Covenants."

Absence of a Public Market for the New Notes

The New Notes generally will be freely transferable, but will also be new securities for which there will not initially be a market. There can be no assurance as to the development or liquidity of any market for the New Notes. We do not intend to apply for a listing of the New Notes on any securities exchange or any automated dealer quotation system.

Risk Factors

The New Notes involve risks. See "Risk Factors" beginning on page 8 for a discussion of certain factors you should consider in evaluating an investment in the New Notes.

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The following table sets forth our ratio of earnings to fixed charges for the periods presented:

	Year Ended December 31,					
	Pro forma 2011	2011	2010	2009	2008	2007
Ratio of earnings to fixed charges	7.0x(1)	10.0x	5.9x	5.7x	43.5x	23.9x

- (1) Because the net proceeds of the offering of the Old Notes were used to repay indebtedness and because of the increase in interest related to the Old Notes, our ratio of earnings to fixed charges changed by 10% or more. Earnings for the year ended December 31, 2011 covered fixed charges by \$687.4 million. After giving effect to the application of the net proceeds, our pro forma ratio of earnings to fixed charges for the year ended December 31, 2011 would have been 7.0x.

For purposes of computing the ratio of earnings to fixed charges, earnings consists of pretax income from continuing operations plus fixed charges (excluding capitalized interest). Fixed charges represents interest incurred (whether expensed or capitalized), amortization of debt expense and that portion of rental expense on operating leases deemed to be the equivalent of interest.

We did not have any preferred stock outstanding and there were no preferred stock dividends paid or accrued during the periods presented above.

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RISK FACTORS

You should carefully consider the information included or incorporated by reference in this prospectus, including the matters addressed under Cautionary Statement Regarding Forward-Looking Statements, and the risks described below. In addition, you should read the risk factors in our Annual Report on Form 10-K for the year ended December 31, 2011, which is incorporated by reference in this prospectus and, to the extent applicable, any subsequently filed reports.

We are subject to certain risks and hazards due to the nature of the business activities we conduct. The risks discussed below, any of which could materially and adversely affect our business, financial condition, cash flows and results of operations, are not the only risks we face. We may experience additional risks and uncertainties not currently known to us; or, as a result of developments occurring in the future, conditions that we currently deem to be immaterial may also materially and adversely affect our business, financial condition, cash flows, and results of operations.

Risks Relating to the Notes

If you do not properly tender your Old Notes, you will continue to hold unregistered Old Notes and your ability to transfer Old Notes will remain restricted and may be adversely affected.

We will only issue New Notes in exchange for Old Notes that you timely and properly tender. Therefore, you should allow sufficient time to ensure timely delivery of the Old Notes and you should carefully follow the instructions on how to tender your Old Notes. Neither we nor the exchange agent is required to tell you of any defects or irregularities with respect to your tender of Old Notes.

If you do not exchange your Old Notes for New Notes pursuant to the exchange offer, the Old Notes you hold will continue to be subject to the existing transfer restrictions. In general, you may not offer or sell the Old Notes except under an exemption from, or in a transaction not subject to, the Securities Act of 1933 and applicable state securities laws. We do not plan to register Old Notes under the Securities Act of 1933 unless our registration rights agreement with the initial purchasers of the Old Notes requires us to do so. Further, if you continue to hold any Old Notes after the exchange offer is consummated, you may have trouble selling them because there will be fewer of the Old Notes outstanding.

We may not be able to generate sufficient cash to service all of our indebtedness, including the Notes, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or to refinance our debt obligations depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We may not be able to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness, including the Notes.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure or refinance our indebtedness, including the Notes. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments and the Indenture governing the Notes may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. Our revolving credit

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facility, the indentures governing our 8 1/4% Senior Notes due 2019, 7 3/8% Senior Notes due 2020 and 7 1/8% Senior Notes due 2021 and the Indenture governing the Notes restrict our ability to dispose of assets and use the proceeds from the disposition. We may not be able to consummate those dispositions or to obtain the proceeds that we could realize from them and these proceeds may not be adequate to meet any debt service obligations then due. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations.

If we are unable to comply with the restrictions and covenants in the agreements governing our Notes and other debt, there could be a default under the terms of these agreements, which could result in an acceleration of payment of funds that we have borrowed and would impact our ability to make principal and interest payments on the Notes.

If we are unable to comply with the restrictions and covenants in the agreements governing our Notes or in current or future debt financing agreements, there could be a default under the terms of these agreements. Our ability to comply with these restrictions and covenants, including meeting financial ratios and tests, may be affected by events beyond our control. As a result, we cannot assure you that we will be able to comply with these restrictions and covenants or meet these tests. Any default under the agreements governing our indebtedness, including a default under our revolving credit facility or under the indentures governing the Notes, our 8 1/4% Senior Notes due 2019, 7 3/8% Senior Notes due 2020 and 7 1/8% Senior Notes due 2021, that is not waived by the required lenders or holders, as the case may be, and the remedies sought by the holders of such indebtedness, could prevent us from paying principal, premium, if any, and interest on the Notes and substantially decrease the market value of the Notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants in the instruments governing our indebtedness (including covenants in our revolving credit facility and the Indenture governing the Notes), we could be in default under the terms of the agreements governing such indebtedness, including our revolving credit facility and the Indenture governing the Notes. In the event of such default:

the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest;

the lenders under our revolving credit facility could elect to terminate their commitments thereunder, cease making further loans and institute foreclosure proceedings against our assets; and

we could be forced into bankruptcy or liquidation.

If our operating performance declines, we may in the future need to obtain waivers from the required lenders under our revolving credit facility to avoid being in default. If we breach our covenants under our revolving credit facility and seek a waiver, we may not be able to obtain a waiver from the required lenders. If this occurs, we would be in default under our revolving credit facility, the lenders could exercise their rights, as described above, and we could be forced into bankruptcy or liquidation.

Your ability to transfer the Notes may be limited by the absence of an active trading market, and there is no assurance that any active trading market will develop for the Notes.

The Old Notes have not been registered under the Securities Act of 1933, and may not be resold by holders thereof unless the Old Notes are subsequently registered or an exemption from the registration requirements of the Securities Act of 1933 is available. However, we cannot assure you that, even following registration or exchange of the Old Notes for New Notes, that an active trading market for the Old Notes or the New Notes will exist, and we will have no obligation to create such a market. At the time of the private placement of the Old Notes, the initial purchasers advised us that they intended to make a market in the Old Notes and, if issued, the New Notes. The initial purchasers are not obligated, however, to make a market in the Old Notes or the New Notes and any market making may be discontinued at any time at their sole discretion. No assurance can be given as to the liquidity of or trading market for the Old Notes or the New Notes.

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The liquidity of any trading market for the Notes and the market price quoted for the Notes will depend upon the number of holders of the Notes, the overall market for high yield securities, our financial performance or prospects or the prospects for companies in our industry generally, the interest of securities dealers in making a market in the Notes and other factors.

We may not be able to repurchase the Notes in certain circumstances.

Under the terms of the Indenture, you may require us to repurchase all or a portion of your Notes if we sell certain assets or in the event of a change of control. Also, in these circumstances holders of our outstanding 8 ¹/₄% Senior Notes due 2019, 7 ³/₈% Senior Notes due 2020 and 7 ¹/₈% Senior Notes due 2021 and lenders under our revolving credit facility may have the right to require us to repurchase those Notes or repay borrowings under our revolving credpt;">

SYNOVUS BANK

Date: February 11, 2019
By: /s/ Allan E. Kamensky

Name: Allan E. Kamensky

Title: Executive Vice President, General Counsel

and Corporate Secretary

SYNOVUS TRUST COMPANY, N.A.

Date: February 11, 2019
By: /s/ J. Barton Singleton

Name: J. Barton Singleton

Title: President