

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934.

Date of Report: (Date of Earliest Event Reported) **July 19, 2018** (July 16, 2018)

PANHANDLE OIL AND GAS INC.

(Exact name of registrant as specified in its charter)

OKLAHOMA

(State or other jurisdiction
of incorporation)

001-31759

(Commission File Number)

73-1055775

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

**5400 North Grand Blvd.,
Suite 300**

Oklahoma City, OK

(Address of principal executive
offices)

73112

(Zip code)

(405) 948-1560

(Registrant's telephone number including area code)

Not Applicable

(Former name or former address if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act
- Pre-commencement communications pursuant to Rule 14d-2 (b) under the Exchange Act
- Pre-commencement communications pursuant to Rule 13e-4 (c) under the Exchange Act

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

ITEM 8.01 Other Events

Panhandle Oil and Gas Inc. (the “Company”) has signed an agreement to acquire certain mineral acreage and producing oil and gas properties. The properties are being purchased from a private seller at a price of \$9,000,000 with an effective date of June 1, 2018, and the transaction is projected to close within 45 days. The acquisition will be funded utilizing the Company’s bank credit facility.

The acquisition includes 3,126 net mineral acres in the core of the Bakken/Three Forks Play in Williams, McKenzie, Dunn and Divide Counties, North Dakota, 802 net mineral acres in Atoka, Beckham and Creek Counties, Oklahoma, 389 net mineral acres in Crockett, Gaines, Grayson, Reeves and Ward Counties, Texas, and 200 net mineral acres in Wyoming and Colorado. The acquisition also includes royalty interest in 94 Bakken and Three Forks producing wells with current net production of 53 Boe per day, royalty interest in 20 Bakken and Three Forks drilled uncompleted (DUC) wells and royalty interest in 194 Bakken and Three Forks undeveloped locations at current spacing. The primary operators include Continental Resources, Crescent Point, Hess, Oasis, Statoil and Whiting. Production and reserves are approximately 66% oil, 17% NGL and 17% gas.

ITEM 9.01 Financial Statements and Exhibits

(d) *Exhibits*

Exhibit

Number	Description
99.1	<u>Press Release issued by Panhandle Oil and Gas Inc., dated July 19, 2018</u>

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PANHANDLE OIL AND GAS INC.

By: /s/ Paul F. Blanchard Jr.

Paul F. Blanchard Jr.,
President and CEO

DATE: July 19, 2018



FOR IMMEDIATE RELEASE
PLEASE CONTACT:
Paul F. Blanchard Jr.
405.948.1560
Website: www.panhandleoilandgas.com

PANHANDLE OIL AND GAS INC. ANNOUNCES BAKKEN AND THREE FORKS MINERAL ACREAGE AND PRODUCING PROPERTY ACQUISITION

OKLAHOMA CITY, July 19, 2018— PANHANDLE OIL AND GAS INC. (NYSE: PHX) today reported that it has entered into a definitive agreement to acquire certain mineral acreage and producing oil and gas properties from a private seller for total consideration of \$9,000,000 cash. The transaction is expected to close within 45 days and will have an effective date of June 1, 2018. The acquisition will be funded utilizing the Company's bank credit facility, which was reaffirmed on July 2, 2018, at \$80 million with approximately \$40 million in current availability. The Company has paid down approximately \$12 million of debt since the beginning of fiscal 2018.

Acquisition Overview

- 3,126 net mineral acres in the core of the Bakken/Three Forks Play in Williams, McKenzie, Dunn and Divide Counties, N.D.
- Royalty interest in 94 Bakken and Three Forks producing wells with current net production of 53 Boe per day
- Royalty interest in 20 Bakken and Three Forks drilled uncompleted (DUC) wells
- Royalty interest in 194 Bakken and Three Forks undeveloped locations at current spacing
- Primary operators include Continental Resources, Crescent Point, Hess, Oasis, Statoil and Whiting
- Production and reserves are approximately 66% oil, 17% NGL and 17% gas
- Meaningful opportunity for improved well performance from enhanced completion designs
- 802 net mineral acres in Atoka, Beckham and Creek Counties, Okla.
- 389 net mineral acres in Crockett, Gaines, Grayson, Reeves and Ward Counties, Texas
- 200 net mineral acres in Wyoming and Colorado

Paul Blanchard, President and CEO, said, "This acquisition is consistent with our stated intent to re-enter the acquisition market in a measured way, focusing on relatively small mineral transactions. In fact, the Company also closed last month on a \$940,000 acquisition of 54 net mineral acres and producing oil and gas properties in the SCOOP play in Grady and Stephens Counties, Okla., with undeveloped locations identified in both the Woodford and Springer Shales. These acquisitions are perfect examples of the Company's focused mineral strategy which is outlined below."

*****MORE*****

Panhandle Mineral Strategy

- The Company patiently pursues opportunities to buy **mineral rights** in contrarian plays where we see value, while avoiding overpriced plays.
- We focus our search on the cores of well-defined shale plays where the Company has expertise. These plays must have the following characteristics: high quality, low risk, predictable and repeatable, scale that requires highly technical and proficient operators.
- Our valuations are driven by pre-tax rate of return analysis using conservative assumptions. We only pursue mineral acquisitions that meet our return thresholds, which are set to create long-term shareholder value and we believe are the best allocation of capital for the Company.
- We focus on properties with existing production and well-defined undeveloped locations.
- The current resource plays we are evaluating for acquisition opportunities are the Bakken Shale, Arkoma Basin Woodford Shale, Eagle Ford Shale and the Cana/SCOOP Woodford and Springer Shales.
- We also continually evaluate our existing mineral holdings and seek to optimize them through: 1) leasing out, 2) participating in high return wells or 3) divesting of the minerals in situations of limited opportunity or clear over-valuation.

Panhandle Oil and Gas Inc. (NYSE: PHX) is engaged in the exploration for and production of natural gas and oil. Additional information on the Company can be found on the Internet at www.panhandleoilandgas.com.

*****END*****