

HALCON RESOURCES CORP

Form 424B3

June 27, 2012

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Registration No. 333-181537

### MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Halcón Resources Corporation, which we refer to as Halcón, and GeoResources, Inc., which we refer to as GeoResources, have entered into an agreement and plan of merger dated as of April 24, 2012, as it may be amended from time to time, which we refer to as the merger agreement and which is attached as Annex A to this joint proxy statement/prospectus and incorporated herein by reference. Under the merger agreement, a wholly owned subsidiary of Halcón, which we refer to as Merger Sub, will merge with and into GeoResources, at which time the separate existence of Merger Sub will cease, and Halcón will be the parent company of GeoResources and its subsidiaries. We refer to this as the merger. Promptly following the completion of the merger, GeoResources as the surviving corporation from the merger will merge with and into another wholly owned subsidiary of Halcón, which we refer to as Second Merger Sub, with Second Merger Sub surviving the second merger. We refer to this as the subsequent merger. The obligations of Halcón and GeoResources to effect the merger are subject to the satisfaction or waiver of several conditions set forth in the merger agreement. If the merger is completed pursuant to the merger agreement, each GeoResources stockholder will receive \$20.00 in cash and 1.932 shares of Halcón common stock, which we collectively refer to as the merger consideration, for each share of GeoResources common stock held immediately prior to the effective time. The stock exchange ratio and cash amount are fixed and will not be adjusted to reflect changes in the stock price of Halcón common stock or GeoResources common stock.

In connection with the proposed merger, Halcón and GeoResources will each hold a special meeting of their respective stockholders. At Halcón's special meeting, Halcón stockholders will be asked to vote on (i) a proposal to approve the issuance of shares of Halcón common stock to GeoResources stockholders pursuant to the merger agreement, (ii) a proposal to elect, conditioned upon closing of the merger, one individual, as mutually agreed by Halcón and GeoResources, as an additional Class A director to the Halcón board of directors and (iii) a proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of shares of Halcón common stock to GeoResources stockholders pursuant to the merger agreement or to elect one additional Class A director to Halcón's board of directors at the time of the special meeting. At GeoResources' special meeting, GeoResources stockholders will be asked to vote on (i) a proposal to approve and adopt the merger agreement, (ii) a non-binding, advisory proposal to approve the compensation that may become payable to GeoResources' named executive officers in connection with the merger and (iii) a proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve and adopt the merger agreement at the time of the special meeting.

The board of directors of Halcón unanimously: (i) has determined that the merger agreement and the transactions contemplated thereby, including the merger, are fair to, and in the best interests of, Halcón and its stockholders; (ii) has approved the merger agreement, the merger and the other transactions contemplated thereby; and (iii) recommends that the stockholders of Halcón vote FOR the approval of the issuance of shares of Halcón common stock in connection with the merger, FOR the proposal to elect one additional Class A director to the Halcón board of directors, and FOR the proposal to authorize Halcón's board of directors to adjourn the special meeting. The issuance of shares of Halcón common stock in the merger requires the affirmative vote of a majority of the votes cast in person or by proxy and entitled to vote at the Halcón special meeting. The election of the Class A director requires the affirmative vote by a plurality of votes cast in person or by proxy and entitled to vote at the Halcón special meeting. To approve the proposal to authorize Halcón's board of directors to adjourn the special meeting requires the affirmative vote of a majority of the stock present in person or by proxy and entitled to vote at the Halcón special meeting.

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The board of directors of GeoResources unanimously: (i) has determined that the merger agreement, the merger, in accordance with the terms of the merger agreement, and the other transactions contemplated thereby are advisable, fair to, and in the best interests of GeoResources and its stockholders; (ii) has approved and adopted the merger agreement and approved the merger and the other transactions contemplated thereby; (iii) has directed that the merger agreement be submitted to a vote of the GeoResources stockholders at the GeoResources special meeting; and (iv) recommends that the stockholders of GeoResources vote **FOR** the proposal to approve and adopt the merger agreement, **FOR** the proposal to approve, on an advisory basis, the compensation that may become payable to GeoResources named executive officers in connection with the merger, and **FOR** any proposal to authorize GeoResources board of directors, in its discretion, to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve and adopt the merger agreement at the time of the special meeting. The approval of the merger agreement requires the affirmative vote of the holders of at least a majority of the shares of GeoResources common stock issued and outstanding and entitled to vote at the GeoResources special meeting. The affirmative vote of a majority of the votes cast by holders of GeoResources common stock at the GeoResources special meeting is required to approve (i) on a non-binding, advisory basis, the compensation that may be paid or become payable to GeoResources named executive officers that is based on or otherwise relates to the merger and (ii) the proposal to adjourn the GeoResources special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the GeoResources special meeting to approve and adopt the merger agreement.

**Your vote is important.** We cannot complete the merger unless the GeoResources stockholders approve and adopt the merger agreement and the Halcón stockholders approve the issuance of shares of Halcón common stock to GeoResources stockholders pursuant to the merger agreement at their respective stockholder meetings. The obligations of Halcón and GeoResources to complete the merger are also subject to the satisfaction or waiver of certain other conditions to the merger. The places, dates and times of the respective stockholder meetings of Halcón and GeoResources are as follows:

<p><b>For Halcón stockholders:</b></p> <p><b>1000 Louisiana St., Suite 6700</b></p> <p><b>Houston, Texas 77002</b></p> <p><b>10:00 a.m. local time,</b></p> <p><b>July 31, 2012</b></p>	<p><b>For GeoResources stockholders:</b></p> <p><b>110 Cypress Station Drive, Suite 220</b></p> <p><b>Houston, Texas 77090</b></p> <p><b>10:00 a.m. local time,</b></p> <p><b>July 31, 2012</b></p>
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This joint proxy statement/prospectus gives you detailed information about the respective stockholder meetings of Halcón and GeoResources and the proposed merger. **We urge you to read this joint proxy statement/prospectus carefully, including Risk Factors beginning on page 30 for a discussion of the risks relating to the merger.** Whether or not you plan to attend your meeting, to ensure your shares are represented at the meeting, please vote as soon as possible by either completing and submitting the enclosed proxy card or voting using the telephone or Internet voting procedures described on your proxy card.

Halcón common stock is traded on the New York Stock Exchange under the symbol **HK**. GeoResources common stock is traded on the NASDAQ Global Select Market under the symbol **GEOI**.

**Neither the Securities and Exchange Commission, which we refer to as the SEC, nor any state securities commission has approved or disapproved of the merger or the securities to be issued under this joint proxy statement/prospectus or has passed upon the adequacy or accuracy of the disclosures in this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.**

**This joint proxy statement/prospectus is dated June 25, 2012 and is first being mailed to Halcón stockholders and GeoResources stockholders on or about June 28, 2012.**

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**HALCÓN RESOURCES CORPORATION**

**1000 Louisiana St., Suite 6700**

**Houston, Texas 77002**

**(832) 538-0300**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON JULY 31, 2012**

To the Stockholders of Halcón Resources Corporation:

We are pleased to invite you to attend a special meeting of the stockholders of Halcón Resources Corporation, a Delaware corporation, which we refer to as Halcón, which will be held at Halcón's corporate headquarters located at 1000 Louisiana St., Suite 6700, Houston, Texas 77002, on July 31, 2012 at 10:00 a.m., local time, for the following purposes:

1. To consider and vote upon a proposal to approve the issuance of shares of common stock, par value \$0.0001 per share, of Halcón pursuant to the Agreement and Plan of Merger dated as of April 24, 2012 by and among Halcón, two wholly owned subsidiaries of Halcón, and GeoResources, Inc., a Colorado corporation, referred to as GeoResources.
2. To elect, conditioned upon closing of the merger, Michael A. Vlastic to the board of directors to serve as a Class A director until his successor is duly elected or until his earlier death, resignation, or removal.
3. To consider and vote on any proposal to authorize Halcón's board of directors, in its discretion, to adjourn the special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of shares of Halcón common stock to GeoResources stockholders pursuant to the merger agreement at the time of the special meeting.

We do not expect to transact any other business at the special meeting. Halcón's board of directors has fixed the close of business on June 18, 2012 as the record date for determining those Halcón stockholders entitled to vote at the special meeting and any adjournment or postponement thereof. Accordingly, only stockholders of record at the close of business on that date are entitled to notice of, and to vote at, the special meeting. A complete list of the Halcón stockholders will be available for examination at the offices of Halcón in Houston, Texas during ordinary business hours for a period of 10 days prior to the special meeting.

**The board of directors of Halcón recommends that Halcón stockholders vote **FOR** each of the proposals to be voted on at the special meeting.**

We cordially invite you to attend the special meeting in person. However, to ensure your representation at the special meeting, please complete and promptly mail your proxy card in the return envelope enclosed, or authorize the individuals named on your proxy card to vote your shares by calling the toll-free telephone number or by using the Internet as described in the instructions included with your proxy card or voting instruction card. This will not prevent you from voting in person, but will help to secure a quorum and avoid added solicitation costs. If your shares are held in street name by your broker or other nominee, only that holder can vote your shares and the vote cannot be cast unless you provide instructions to your broker. You should follow the directions provided by your broker regarding how to instruct your broker to vote your shares. Your proxy may be revoked at any time before it is voted. Please review the joint proxy statement/prospectus accompanying this notice for more complete information regarding the matters to be voted on at the meeting.

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By Order of the Board of Directors

Floyd C. Wilson  
Chairman and Chief Executive Officer

Houston, Texas

June 25, 2012

**IMPORTANT: WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING, WE ASK YOU TO COMPLETE AND PROMPTLY RETURN THE ENCLOSED PROXY CARD IN THE ENVELOPE PROVIDED OR TO VOTE BY TELEPHONE OR ON THE INTERNET USING THE INSTRUCTIONS ON THE PROXY CARD.**

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**GEORESOURCES, INC.**

**110 Cypress Station Drive, Suite 220**

**Houston, Texas 77090**

**(281) 537-9920**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON JULY 31, 2012**

To the Stockholders of GeoResources, Inc.:

We are pleased to invite you to attend a special meeting of the stockholders of GeoResources, Inc., a Colorado corporation, which we refer to as GeoResources, which will be held at GeoResources principal executive offices located at 110 Cypress Station Drive, Suite 220, Houston, Texas 77090, on July 31, 2012 at 10:00 a.m., local time, for the following purposes:

1. To consider and vote upon a proposal to approve and adopt the Agreement and Plan of Merger dated as of April 24, 2012, as it may be amended from time to time, which we refer to as the merger agreement, by and among Halcón Resources Corporation, which we refer to as Halcón, two wholly owned subsidiaries of Halcón, and GeoResources, pursuant to which a wholly owned subsidiary of Halcón will merge with and into GeoResources.
2. To consider and vote on the proposal to approve, on a non-binding, advisory basis, the compensation that may be paid or become payable to GeoResources named executive officers that is based on or otherwise relates to the merger; and
3. To consider and vote on any proposal to authorize GeoResources board of directors, in its discretion, to adjourn the special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve and adopt the merger agreement at the time of the special meeting.

We do not expect to transact any other business at the special meeting. GeoResources board of directors has fixed the close of business on June 18, 2012 as the record date for determining those GeoResources stockholders entitled to vote at the special meeting and any adjournment or postponement thereof. Accordingly, only stockholders of record at the close of business on that date are entitled to notice of, and to vote at, the special meeting. A complete list of the GeoResources stockholders will be available for examination at the principal executive offices of GeoResources in Houston, Texas during regular business hours beginning July 3, 2012 through the special meeting, and any adjournment thereof.

**The board of directors of GeoResources recommends that GeoResources stockholders vote FOR the proposals to be voted on at the special meeting.**

Under the Colorado Business Corporation Act, if the merger is completed, holders of GeoResources common stock who do not vote in favor of approval and adoption of the merger agreement will have the right to seek appraisal of the fair value of their shares, but only if they submit a written demand for such an appraisal prior to the vote on the merger agreement and they comply with the other Colorado law procedures and requirements explained in the accompanying joint proxy statement/prospectus. A copy of Article 113 of the Colorado Business Corporation Act is attached to this joint proxy statement/prospectus as Annex F.

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We cordially invite you to attend the special meeting in person. However, to ensure your representation at the special meeting, please complete and promptly mail your proxy card in the return envelope enclosed, or authorize the individuals named on your proxy card to vote your shares by calling the toll-free telephone number or by using the Internet as described in the instructions included with your proxy card or voting instruction card. This will not prevent you from voting in person, but will help to secure a quorum and avoid added solicitation costs. If your shares are held in street name by your broker or other nominee, only that holder can vote your shares and the vote cannot be cast unless you provide instructions to your broker. You should follow the directions provided by your broker regarding how to instruct your broker to vote your shares. Your proxy may be revoked at any time before it is voted. Please review the joint proxy statement/prospectus accompanying this notice for more complete information regarding the merger and the special meeting.

By Order of the Board of Directors

Frank A. Lodzinski  
Chairman, President and Chief Executive Officer

Houston, Texas

June 25, 2012

**IMPORTANT: WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING, WE ASK YOU TO COMPLETE AND PROMPTLY RETURN THE ENCLOSED PROXY CARD IN THE ENVELOPE PROVIDED OR TO VOTE BY TELEPHONE OR ON THE INTERNET USING THE INSTRUCTIONS ON THE PROXY CARD.**

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**ADDITIONAL INFORMATION**

This joint proxy statement/prospectus incorporates by reference important business and financial information about Halcón and GeoResources from documents that are not included in or delivered with this joint proxy statement/prospectus. See *Where You Can Find More Information* beginning on page 152. This information is available to you without charge upon your written or oral request. You can obtain documents incorporated by reference in this joint proxy statement/prospectus by requesting them in writing or by telephone from Halcón or GeoResources at the following addresses:

Halcón Resources Corporation	GeoResources, Inc.
1000 Louisiana St., Suite 6700	110 Cypress Station Drive, Suite 220
Houston, Texas 77002	Houston, Texas 77090
(832) 538-0300	(281) 537-9920
Attention: Investor Relations	Attention: Investor Relations or
	Georgeson Inc.
	199 Water Street, 26 <sup>th</sup> Floor
	New York, New York 10038
	(866) 296-6841

You also may obtain these documents at the SEC's website, [www.sec.gov](http://www.sec.gov), and you may obtain certain of these documents at Halcón's website, [www.halconresources.com](http://www.halconresources.com), by selecting *Investor Relations*, then selecting *Financial Information* and then selecting *SEC Filings*, and at GeoResources' website, [www.georesourcesinc.com](http://www.georesourcesinc.com), by selecting *Investor Relations* and then selecting *SEC Documents*. Information contained on the Halcón and GeoResources websites is expressly not incorporated by reference into this joint proxy statement/prospectus. **To receive timely delivery of the documents in advance of the Halcón special meeting of stockholders or the GeoResources special meeting of stockholders, your request should be received no later than July 26, 2012.**

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**QUESTIONS AND ANSWERS ABOUT THE MERGER**

**Q: What is the proposed transaction?**

A: Halcón and GeoResources have entered into a merger agreement pursuant to which Merger Sub will merge with and into GeoResources, with GeoResources surviving the merger as a wholly owned subsidiary of Halcón. We refer to this as the merger. Promptly following the completion of the merger, GeoResources as the surviving corporation from the merger will merge with and into Second Merger Sub, with Second Merger Sub surviving the second merger. We refer to this as the subsequent merger. At the effective time of the merger, each issued and outstanding share of GeoResources common stock (other than dissenting shares) will be converted automatically into the right to receive (i) \$20.00 in cash, and (ii) 1.932 shares of Halcón common stock, par value \$0.0001 per share, as described under The Merger Agreement Merger Consideration beginning on page 98.

**Q: Why are Halcón and GeoResources proposing the merger?**

A: The boards of directors of Halcón and GeoResources have each concluded that the merger is in the best interests of their stockholders.

As set forth in greater detail elsewhere in this joint proxy statement/prospectus, Halcón's board of directors considered many factors in making its recommendations to Halcón's stockholders. Among the factors considered were:

The combination will increase estimated proved reserves to approximately 50.3 MMBoe, 70% of which is oil and natural gas liquids;

The combination will increase average net daily production to approximately 10,200 Boe, based on fourth quarter 2011 production rates;

The merger will provide Halcón with a larger portfolio of exploitation and exploration opportunities in liquids prone resource plays within areas targeted by Halcón; and

The presentation and opinion of Barclays to the effect that, as of the date of the opinion and based upon the assumptions, limitations, qualifications and conditions stated in the opinion letter, from a financial point of view, the merger consideration was fair to Halcón, as more fully described below under the caption Opinion of Barclays to the Halcón Board of Directors.

For more information regarding the factors considered by Halcón's board of directors, see The Merger Recommendation of Halcón's Board of Directors and Reasons for the Merger beginning on page 61.

As set forth more in greater detail elsewhere in this joint proxy statement/prospectus, GeoResources' board of directors considered many factors in making its recommendations to GeoResources' stockholders. Among the factors considered were:

GeoResources' stockholders would receive, for each share of GeoResources common stock they hold, \$20.00 in cash and 1.932 shares of Halcón common stock, and the stock portion of the merger consideration should be received on a tax-deferred basis;

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The merger consideration represented a premium of approximately 23% and 19% based on the closing prices of GeoResources common stock and Halcón common stock, respectively, on the last trading day prior to execution of the merger agreement and over the 30-day trading period ending on such date;

GeoResources stockholders will have the opportunity to participate in the combined company's growth and share appreciation in the future should they retain their Halcón common stock after the merger; and

the opinion of Wells Fargo Securities, dated April 24, 2012 and based on the assumptions, limitations, qualifications and conditions stated in the opinion letter, as to the fairness, from a financial point of view, of the merger consideration to be received by holders of GeoResources common stock (other than Halcón and its affiliates) pursuant to the merger agreement, as more fully described below under the caption Opinion of Wells Fargo Securities to the GeoResources Board of Directors.

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For more information regarding the factors considered by GeoResources' board of directors, see "The Merger Recommendation of GeoResources' Board of Directors and Reasons for the Merger" beginning on page 63.

### **Q: Why am I receiving this joint proxy statement/prospectus?**

A: Halcón's and GeoResources' boards of directors are using this joint proxy statement/prospectus to solicit proxies of Halcón and GeoResources stockholders in connection with the merger agreement and the merger. In addition, Halcón is using this joint proxy statement/prospectus as a prospectus for GeoResources stockholders because Halcón is offering shares of its common stock to be issued in exchange for shares of GeoResources common stock in the merger.

In order to complete the merger, Halcón stockholders must vote to approve the issuance of shares of Halcón common stock to GeoResources stockholders and to elect, conditioned upon closing of the merger, Michael A. Vlasic, who has been mutually agreed by Halcón and GeoResources to be elected as an additional Class A director to the Halcón board of directors pursuant to the merger agreement; and GeoResources stockholders must vote to approve and adopt the merger agreement. GeoResources stockholders will also vote on a non-binding, advisory proposal to approve the compensation that may become payable to GeoResources' named executive officers in connection with the merger.

Halcón and GeoResources will hold separate special meetings of their respective stockholders to obtain these approvals. This joint proxy statement/prospectus contains important information about the merger and the special meetings of the stockholders of Halcón and GeoResources, and you should read it carefully. The enclosed voting materials allow you to vote your shares of Halcón common stock and/or GeoResources common stock, as applicable, without attending the applicable special meeting.

We encourage you to submit your proxy as promptly as possible.

### **Q: When and where is the special meeting of Halcón stockholders?**

A: Halcón's special meeting will be held at Halcón's corporate headquarters located at 1000 Louisiana St., Suite 6700, Houston, Texas 77002, on July 31, 2012 at 10:00 a.m., local time.

### **Q: When and where is the special meeting of GeoResources stockholders?**

A: GeoResources' special meeting will be held at GeoResources' principal executive offices located at 110 Cypress Station Drive, Suite 220, Houston, Texas 77090, on July 31, 2012 at 10:00 a.m., local time.

### **Q: Who can vote at the special meetings?**

A: All Halcón stockholders of record as of the close of business on June 18, 2012, the record date for determining stockholders entitled to notice of and to vote at Halcón's special meeting, are entitled to receive notice of and to vote at Halcón's special meeting. As of the record date, there were 144,031,546 shares of Halcón common stock outstanding and entitled to vote at the Halcón special meeting, held by approximately 110 holders of record. Each share of Halcón common stock is entitled to one vote on each proposal presented at Halcón's special meeting.

All GeoResources stockholders of record as of the close of business on June 18, 2012, the record date for determining stockholders entitled to notice of and to vote at GeoResources' special meeting, are entitled to receive notice of and to vote at GeoResources' special meeting. As of the record date, there were 25,630,977 shares of GeoResources common stock outstanding and entitled to vote at the GeoResources special meeting, held by approximately 500 holders of record. Each share of GeoResources common stock is entitled to one vote on each proposal presented at GeoResources' special meeting.

**Q: What constitutes a quorum?**

A: Halcón's bylaws provide that a majority of the outstanding shares of Halcón common stock entitled to vote generally in the election of directors, represented in person or by proxy, constitutes a quorum at a meeting of its stockholders.

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GeoResources' bylaws provide that a majority of the outstanding shares of GeoResources common stock entitled to vote at the meeting, represented in person or by proxy, constitutes a quorum at a meeting of its stockholders.

Shares that are voted and shares abstaining from voting are treated as being present at each of the Halcón special meeting and the GeoResources special meeting, as applicable, for purposes of determining whether a quorum is present.

**Q: What vote is required to approve the proposals at Halcón's special meeting and GeoResources' special meeting?**

A: Approval of the proposal of Halcón to approve the issuance of shares of Halcón common stock to GeoResources stockholders pursuant to the merger agreement requires the affirmative vote of the holders of at least a majority of the votes cast on such proposal, provided that the total votes cast on the proposal represent at least a majority of the outstanding shares of Halcón common stock. Approval of the proposal of Halcón to elect one additional Class A director to Halcón's board of directors requires the affirmative vote of the holders of at least a plurality of the votes cast. Approval of the proposal of Halcón to authorize Halcón's board of directors, in its discretion, to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of shares of Halcón common stock pursuant to the merger agreement or the proposal to elect one additional Class A director requires the affirmative vote of the holders of at least a majority of the outstanding shares of Halcón common stock represented in person or by proxy at the special meeting and entitled to vote on such proposal.

Approval of the proposal of GeoResources to approve and adopt the merger agreement requires the affirmative vote of the holders of at least a majority of the outstanding shares of GeoResources common stock entitled to vote. Approval of (i) the non-binding, advisory proposal to approve the compensation that may become payable to GeoResources' named executive officers in connection with the merger and (ii) the proposal to authorize GeoResources' board of directors, in its discretion, to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve and adopt the merger agreement at the time of the special meeting each requires the affirmative vote of the holders of at least a majority of the shares of GeoResources common stock represented in person or by proxy at the special meeting and entitled to vote on such proposal.

Your vote is important. We encourage you to submit your proxy as promptly as possible.

**Q: If my shares of Halcón common stock or GeoResources common stock are held in street name by my broker or other nominee, will my broker or other nominee vote my shares of Halcón common stock or GeoResources common stock for me? What happens if I do not vote for a proposal?**

A: Unless you instruct your broker or other nominee how to vote your shares of Halcón common stock or GeoResources common stock, as applicable, held in street name, your shares will NOT be voted. This is referred to as a broker non-vote. If you hold your shares in a stock brokerage account or if your shares are held by a bank or other nominee (that is, in street name), you must provide your broker or other nominee with instructions on how to vote your shares. Please follow the voting instructions provided by your broker or other nominee on the enclosed voting instruction card. You should also be aware that you may not vote shares of Halcón common stock or GeoResources common stock held in street name by returning a proxy card directly to Halcón or GeoResources or by voting in person at the Halcón or GeoResources special meetings unless you provide a legal proxy, which you must obtain from your broker or other nominee.

If you are a Halcón stockholder, abstentions will be counted in determining the presence of a quorum, but broker non-votes will not be counted in determining the presence of a quorum. Broker non-votes will not be counted as votes cast with regard to the proposal to approve the issuance of shares of Halcón common stock to GeoResources stockholders pursuant to the merger agreement, and as such, broker non-votes could result in there not being sufficient votes cast on such proposal. Abstentions will have the same effect as votes cast AGAINST the proposal to authorize Halcón's board of directors, in its discretion, to adjourn the special



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meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of shares of Halcón common stock to GeoResources stockholders pursuant to the merger agreement or the proposal to elect one additional Class A director, but broker non-votes will have no effect on such proposal.

If you are a GeoResources stockholder, abstentions will be counted in determining the presence of a quorum, but broker non-votes will not be counted in determining the presence of a quorum. Abstentions will have the same effect as votes cast AGAINST (i) the proposal to approve and adopt the merger agreement, (ii) the non-binding, advisory proposal to approve the compensation that may become payable to GeoResources named executive officers in connection with the merger and (iii) the proposal to authorize GeoResources board of directors, in its discretion, to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve and adopt the merger agreement at the time of the special meeting. Broker non-votes will have the same effect as votes cast AGAINST the approval and adoption of the merger agreement, but will have no effect on the non-binding, advisory proposal to approve the compensation that may become payable to GeoResources named executive officers in connection with the merger or the proposal to authorize GeoResources board of directors, in its discretion, to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve and adopt the merger agreement at the time of the special meeting.

**Q: If I am a GeoResources stockholder, should I send in my stock certificates with my proxy card?**

A: NO. Please DO NOT send your GeoResources stock certificates with your proxy card. If the merger is approved and adopted, you will be sent written instructions for exchanging your stock certificates.

**Q: What are the tax consequences of the merger?**

A: The merger, combined with the subsequent merger, is intended to qualify as a reorganization pursuant to section 368(a) of the Internal Revenue Code of 1986, as amended, which we refer to as the Code. Assuming the merger and the subsequent merger, on a combined basis, qualifies as a reorganization, a GeoResources stockholder generally will recognize (i.e., take into account for tax purposes) gain (but not loss) equal to the lesser of (1) the excess of the sum of the cash (including cash instead of a fractional share of Halcón common stock) and the fair market value of the Halcón common stock received over such stockholder's adjusted tax basis in the GeoResources stock surrendered, or (2) the amount of cash received.

If you are a non-U.S. holder of GeoResources common stock, your tax treatment and whether you are taxable as a result of the merger will differ from what is described above and will depend on the percentage of GeoResources common stock that you own and your individual circumstances at the effective time of the merger.

Tax matters are very complicated, and the tax consequences of the merger to a particular stockholder will depend on such stockholder's circumstances. Accordingly, GeoResources and Halcón urge you to consult your tax advisor for a full understanding of the tax consequences of the merger to you, including the applicability and effect of U.S. federal, state, local and foreign income and other tax laws. For a more complete discussion of the material U.S. federal income tax consequences of the merger, see Material U.S. Federal Income Tax Consequences beginning on page 117.

**Q:**