

ENCORE ACQUISITION CO

Form 8-K

March 11, 2009

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**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): March 10, 2009

ENCORE ACQUISITION COMPANY

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

001-16295

(Commission
File Number)

75-2759650

(IRS Employer
Identification No.)

777 Main Street, Suite 1400, Fort Worth, Texas

(Address of principal executive offices)

76102

(Zip Code)

Registrant's telephone number, including area code: **(817) 877-9955**

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 (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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On March 10, 2009, Encore Acquisition Company (EAC) amended its Amended and Restated Credit Agreement, dated as of March 7, 2007 (as amended, the EAC Credit Agreement), by and among EAC, Encore Operating, L.P., a wholly owned subsidiary of EAC, Bank of America, N.A., as administrative agent, and the lenders party thereto (such amendment being hereinafter referred to as the Third Amendment), to modify, among other things, the definitions of

Applicable Margin, Commitment Fee Percentage, Base Rate, and Eurodollar Rate. Loans under the EAC Credit Agreement are subject to varying rates of interest based on (1) the total outstanding borrowings in relation to the borrowing base and (2) whether the loan is a Eurodollar loan or a base rate loan. Eurodollar loans bear interest at the Eurodollar rate plus the Applicable Margin indicated in the following table, and base rate loans bear interest at the base rate plus the Applicable Margin indicated in the following table:

Ratio of Total Outstanding Borrowings to Borrowing Base	Applicable Margin for Eurodollar Loans	Applicable Margin for Base Rate Loans
Less than .50 to 1	1.750%	0.500%
Greater than or equal to .50 to 1 but less than .75 to 1	2.000%	0.750%
Greater than or equal to .75 to 1 but less than .90 to 1	2.250%	1.000%
Greater than or equal to .90 to 1	2.500%	1.250%

The Eurodollar Rate for any interest period (either one, two, three, or six months, as selected by EAC) is the rate equal to the British Bankers Association LIBOR Rate for deposits in dollars for a similar interest period. The Base Rate is calculated as the highest of (1) the annual rate of interest announced by Bank of America, N.A. as its prime rate, (2) the federal funds effective rate plus 0.5 percent, and (3) except during a LIBOR Unavailability Period, the Eurodollar Rate (for dollar deposits for a one-month term) for such day plus 1.0 percent.

EAC incurs a commitment fee on the unused portion of the borrowing base under the EAC Credit Agreement determined based on the ratio of amounts outstanding under the EAC Credit Agreement to the borrowing base in effect on such date. The following table summarizes the Commitment Fee Percentage under the EAC Credit Agreement:

Ratio of Total Outstanding Borrowings to Borrowing Base	Commitment Fee Percentage
Less than .90 to 1	0.375%
Greater than or equal to .90 to 1	0.500%

In addition, the Third Amendment provides that the borrowing base under the EAC Credit Agreement is \$900 million.

This Current Report on Form 8-K contains only a summary of the Third Amendment. The summary does not purport to be a complete summary of the Third Amendment and is qualified in its entirety by reference to the Third Amendment, a copy of which is filed as Exhibit 10.1 hereto and incorporated herein by reference.

Bank of America, N.A., the other lenders under the EAC Credit Agreement, and their affiliates or predecessors have in the past performed, and may in the future from time to time perform, investment banking, advisory, general financial and commercial services for EAC and its subsidiaries for which they have in the past received, and may in the future receive, customary fees and reimbursement of expenses.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

10.1 Third Amendment to Amended and Restated Credit Agreement, dated as of March 10, 2009, by and among Encore Acquisition Company, Encore Operating, L.P., Bank of America, N.A., as administrative agent and L/C issuer, and the lenders party thereto.

99.1 Press Release dated March 10, 2009 regarding the Third Amendment.

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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.

ENCORE ACQUISITION COMPANY

Date: March 11, 2009

By: /s/ Andrea Hunter
Andrea Hunter
Vice President, Controller, and Principal
Accounting Officer

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EXHIBIT INDEX

Exhibit No.	Description
10.1	Third Amendment to Amended and Restated Credit Agreement, dated as of March 10, 2009, by and among Encore Acquisition Company, Encore Operating, L.P., Bank of America, N.A., as administrative agent and L/C issuer, and the lenders party thereto.
99.1	Press Release dated March 10, 2009 regarding the Third Amendment.