

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): **April 14, 2014**

USA Compression Partners, LP

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other
Jurisdiction of
Incorporation)

1-35779
(Commission File
Number)

75-2771546
(I.R.S. Employer
Identification No.)

100 Congress Avenue
Suite 450
Austin, TX
(Address of Principal Executive Offices)

78701
(Zip Code)

Registrant's telephone number, including area code: **(512) 473-2662**

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 (see General Instruction A.2. below):

- 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))

ITEM 8.01. OTHER EVENTS.

On August 30, 2013, USA Compression Partners, LP (the "**Partnership**") completed its acquisition of certain assets and liabilities related to the business of providing compression services to third parties engaged in the exploration, production, gathering, processing, transportation or distribution of oil and gas (the "**S&R Acquisition**"). This Current Report on Form 8-K includes as Exhibit 99.1 pro forma financial statements for the year ended December 31, 2013 reflecting the S&R Acquisition. These pro forma financial statements supplement the Partnership's previously-filed financial statements relating to the S&R Acquisition and are being filed to satisfy the requirements of Rule 11-01 of Regulation S-X.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(b) Pro Forma Financial Information.

The unaudited pro forma combined statement of operations for the year ended December 31, 2013 and the related notes thereto, which give effect to the S&R Acquisition, is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Document</u>
99.1	Unaudited pro forma combined statement of operations for the year ended December 31, 2013 and the related notes thereto, which give effect to the S&R Acquisition and the closing of the Partnership's initial public offering on January 18, 2013.

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.

USA COMPRESSION PARTNERS, LP

By: USA Compression GP, LLC,
its General Partner

By: /s/ J. Gregory Holloway
J. Gregory Holloway
Vice President, General Counsel and Secretary

Dated: April 14, 2014

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Document</u>
99.1	Unaudited pro forma combined statement of operations for the year ended December 31, 2013 and the related notes thereto, which give effect to the S&R Acquisition and the closing of the Partnership's initial public offering on January 18, 2013.

Introduction

The unaudited pro forma combined statement of operations (“pro forma statement of operations”) is presented for USA Compression Partners, LP (the “Partnership”) and gives effect to (1) the closing of the Partnership’s initial public offering on January 18, 2013 (“IPO”) and (2) the acquisition of S&R Compression, LLC on August 30, 2013. The pro forma statement of operations is based on the audited financial statements of the Partnership for the year ended December 31, 2013, the unaudited financial statements of S&R Compression, LLC for the period from January 1, 2013 to August 30, 2013, the closing date of the S&R Acquisition (as defined below) and includes all adjustments necessary to present fairly the results for the year ended December 31, 2013. The following pro forma statement of operations for the year ended December 31, 2013 should be read in conjunction with the Partnership’s Annual Report on Form 10-K for the year ended December 31, 2013 and the unaudited financial statements of S&R Compression, LLC for the six months ended June 30, 2013 and 2012, and the related notes thereto, filed as Exhibit 99.2 to the Partnership’s Current Report on Form 8-K/A on November 7, 2013.

The unaudited pro forma combined statement of operations for the year ended December 31, 2013 is presented to illustrate the estimated effects of the IPO and acquisition of S&R Compression, LLC as if the transactions had occurred on January 1, 2013.

USA COMPRESSION PARTNERS, LP AND SUBSIDIARIES
Unaudited Pro Forma Combined Statement of Operations
Year Ended December 31, 2013
(in thousands, except per unit data)

	For the Year Ended December 31, 2013		Pro Forma Adjustments - IPO	Pro Forma USA Compression	For the period from January 1, to August 30, 2013		Pro Forma Adjustments - S&R Acquisition	Pro Forma Combined
	USA Compression (Historical)				S&R Compression (Historical)			
Revenues:								
Contract operations	\$ 150,360	\$	—	\$ 150,360	\$ 23,947	\$	(512)(c)	\$ 173,795
Parts and service	2,558		—	2,558	—		—	2,558
Fabrication revenue	—		—	—	311		(311)(c)	—
Total revenues	<u>152,918</u>		<u>—</u>	<u>152,918</u>	<u>24,258</u>		<u>(823)</u>	<u>176,353</u>
Costs and expenses:								
Cost of operations, exclusive of depreciation and amortization	48,097		—	48,097	10,833		(570)(d)	58,360
Selling, general, and administrative	27,587		—	27,587	1,338		(1,739)(e)	27,186
Depreciation and amortization	52,917		—	52,917	4,511		1,956(c), (f)	59,384
Loss (Gain) on sale of assets	284		—	284	—		—	284
Cost of goods sold (fabrication revenue)	—		—	—	132		(132)(c)	—
Impairment of compression equipment	203		—	203	—		—	203
Total costs and expenses	<u>129,088</u>		<u>—</u>	<u>129,088</u>	<u>16,814</u>		<u>(485)</u>	<u>145,417</u>
Operating income	<u>23,830</u>		<u>—</u>	<u>23,830</u>	<u>7,444</u>		<u>(338)</u>	<u>30,936</u>
Other income (expense):								
Interest expense	(12,488)		207(a)	(12,281)	(53)		173(a)	(12,161)
Other	9		—	9	60		(60)(c)	9
Total other expense	<u>(12,479)</u>		<u>207</u>	<u>(12,272)</u>	<u>7</u>		<u>113</u>	<u>(12,152)</u>
Net income before income tax expense	11,351		207	11,558	7,451		(225)	18,784
Income tax expense	280		—	280	—		—	280
Net income	<u>\$ 11,071</u>	<u>\$</u>	<u>207</u>	<u>\$ 11,278</u>	<u>\$ 7,451</u>	<u>\$</u>	<u>(225)</u>	<u>\$ 18,504</u>
Less:								
Earnings allocated to general partner prior to initial public offering on January 18, 2013	\$ 5	\$	(5)(b)	\$ —				
Earnings available for limited partners prior to initial public offering on January 18, 2013	\$ 530	\$	(530)(b)	\$ —				
Net income subsequent to initial public offering on January 18, 2013	<u>\$ 10,536</u>	<u>\$</u>	<u>742</u>	<u>\$ 11,278</u>				
Net income subsequent to initial public offering allocated to:								
General partner’s interest in net income	\$ 211			\$ 226				\$ 370
Common units interest in net income	\$ 5,805			\$ 6,211				\$ 11,256
Subordinated units interest in net income	\$ 4,520			\$ 4,841				\$ 6,878
Weighted average common units outstanding:								
Basic	18,043			18,043			4,950(g)	22,993
Diluted	<u>18,087</u>			<u>18,087</u>			<u>4,950</u>	<u>23,037</u>
Weighted average subordinated units outstanding:								
Basic and diluted	<u>14,049</u>			<u>14,049</u>				<u>14,049</u>
Net income per common unit:								
Basic	\$ 0.32			\$ 0.34				\$ 0.49
Diluted	<u>\$ 0.32</u>			<u>\$ 0.34</u>				<u>\$ 0.49</u>
Net income per subordinated unit:								
Basic and diluted	<u>\$ 0.32</u>			<u>\$ 0.34</u>				<u>\$ 0.49</u>

See accompanying notes to unaudited pro forma statement of operations.

USA COMPRESSION PARTNERS, LP AND SUBSIDIARIES
Notes to Unaudited Pro Forma Combined Statement of Operations

1. General

USA Compression Partners, LP (the “Partnership”) is a publicly traded Delaware limited partnership formed to own and operate the business conducted by its subsidiaries. The common units representing limited partner interests in the Partnership (the “Common Units”) are listed on the New York Stock Exchange (“NYSE”) under the symbol “USAC.” USA Compression GP, LLC, the general partner of the Partnership (“General Partner”), is owned by USA Compression Holdings, LLC (“USA Compression Holdings”). Unless the context requires otherwise, references to “we,” “us,” “our,” or “the Partnership” are intended to mean the business and operations of USA Compression Partners, LP and its consolidated subsidiaries.

The Partnership, through its operating subsidiaries, primarily provides natural gas compression services under term contracts with customers in the oil and gas industry, using natural gas compressor packages that it designs, engineers, owns, operates and maintains.

On August 30, 2013, the Partnership completed the acquisition of assets and certain liabilities related to the business of providing compression services to third parties engaged in the exploration, production, gathering, processing, transportation or distribution of oil and gas (the "S&R Acquisition") in exchange for 7,425,261 Common Units, which were valued at \$181.9 million at the time of issuance. The S&R Acquisition was consummated pursuant to the Contribution Agreement dated August 12, 2013 (the "Contribution Agreement") with S&R Compression, LLC, ("S&R") and Argonaut Private Equity, L.L.C. ("Argonaut"). The S&R Acquisition had an effective date of June 30, 2013. In connection with the S&R Acquisition, the Partnership acquired 982 compression units with total horsepower of approximately 138,000.

2. Basis of Presentation

The historical financial information is derived from the historical consolidated financial statements of the Partnership and the historical financial statements of S&R. The unaudited pro forma combined statement of operations was prepared assuming the S&R Acquisition occurred on January 1, 2013. The adjustments provided in Note 3 below reflect that the S&R Acquisition was financed entirely with Common Units.

The pro forma adjustments are based on currently available information and certain estimates and assumptions by management. If the S&R Acquisition had been in effect for the periods indicated, the results may have been substantially different. For example, the Partnership may have operated the assets differently than S&R, realized service revenue may have been different and costs of operating the compression assets may have been different. This unaudited pro forma combined statement of operations is provided for illustrative purposes only and may not provide an indication of results in the future. The

unaudited pro forma combined statement of operations should be read in conjunction with the Partnership's historical consolidated financial statements and the notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2013.

The pro forma adjustments for the year ended December 31, 2013 have been prepared as if the transactions described below had taken place as of January 1, 2013.

The pro forma statement of operations reflects the following transactions:

- the closing of the Partnership's initial public offering on January 18, 2013; and
- the acquisition of compression assets owned by S&R in the S&R Acquisition in exchange for 7,425,261 Common Units, which were valued at \$181.9 million at the time of issuance.

The unaudited pro forma statement of operations is not necessarily indicative of the results that actually would have occurred if the transactions described above had occurred on the date indicated.

3. Pro Forma Adjustments and Assumptions

The following adjustments were made in the preparation of the combined statement of operations:

- (a) Reflects the reduction of interest expense for the following adjustments during the period:

	<u>Year Ended December 31, 2013</u>
Predecessor interest expense	\$ 12,488
Less: interest reduction from lower revolver balance based upon the use of proceeds from the initial public offering on January 18, 2013	(207)
Pro forma interest expense - IPO Adjustment	\$ 12,281
Less: interest reduction from lower revolver balance based upon the use of proceeds from the GP contribution and purchase price adjustment related to the S&R Acquisition	(120)
Pro forma interest expense - IPO adjustment and S&R adjustment	\$ 12,161

- (b) Reflects the conversion of the adjusted net partners' capital of \$344.1 million from partners' capital to common and subordinated limited partner equity of the partnership and the general partner's interest in the Partnership. The conversion is allocated as follows:

- I. \$255.2 million for 15,048,588 common units;
- II. \$258.6 million for 14,048,588 subordinated units; and
- III. \$10.9 million for a 2.0% general partner interest.

- (c) Elimination of revenues and expenses related to compression assets not acquired by the Partnership from S&R as part of the S&R Acquisition. Amounts were derived from the historical records and corporate allocations prepared by S&R.
- (d) Initial fluids start-up costs were expensed as incurred in the S&R historical income statement; the Partnership capitalizes these amounts in accordance with its accounting policy.

Additionally, these costs are now reflected in the fair value and resulting accumulated depreciation of the acquired assets presented in the Partnership's condensed consolidated Balance Sheet as of December 31, 2013 included in the Partnership's Annual Report on Form 10-K for the year ended December 31, 2013. Therefore, an adjustment has been made to remove \$0.6 million of initial fluids start-up spending for the year ended December 31, 2013.

- (e) Elimination of \$1.7 million of costs incurred by the Partnership related to the acquisition.
- (f) Depreciation and amortization was estimated using the straight-line method and reflects the incremental depreciation and amortization expense due to adding the compression assets and intangible assets at fair value.
- (g) Reflects the Common Units issued as consideration for the assets acquired by the Partnership from S&R as part of the S&R Acquisition (in thousands):

7,425	Units issued for S&R Acquisition on August 30, 2013
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<u>66.7%</u>	
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4,950	Adjustment to reflect units outstanding for the full year ended December 31, 2013
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