

Sanchez Production Partners LP
 Form 3
 April 18, 2016

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
 Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

| | | | | | |
|---|---------|----------|--|--|--|
| 1. Name and Address of Reporting Person * | | | 2. Date of Event Requiring Statement | 3. Issuer Name and Ticker or Trading Symbol | |
| Â HITE Hedge Asset Management LLC | | | (Month/Day/Year) | Sanchez Production Partners LP [SPP] | |
| (Last) | (First) | (Middle) | 01/31/2016 | | |
| 300 WASHINGTON STREET,Â SUITE 308 | | | 4. Relationship of Reporting Person(s) to Issuer | | |
| (Street) | | | (Check all applicable) | | |
| NEWTON,Â MAÂ 02458 | | | <input type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input type="checkbox"/> Officer <input checked="" type="checkbox"/> Other (give title below) (specify below) See explanation of responses | | |
| (City) | (State) | (Zip) | 5. If Amendment, Date Original Filed(Month/Day/Year) | | |
| | | | 6. Individual or Joint/Group Filing(Check Applicable Line) | | |
| | | | <input type="checkbox"/> Form filed by One Reporting Person | | |
| | | | <input checked="" type="checkbox"/> Form filed by More than One Reporting Person | | |

Table I - Non-Derivative Securities Beneficially Owned

| 1. Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) |
|------------------------------------|--|---|---|
| Common Units | 555,273 | I | See footnotes <u>(1)</u> <u>(2)</u> <u>(3)</u> <u>(4)</u> |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security (Instr. 4) | 4. Conversion or Exercise Price of Derivative | 5. Ownership Form of Derivative Security | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
|---|---|--|---|--|--|
|---|---|--|---|--|--|

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| | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | Security | Direct (D) or Indirect (I) (Instr. 5) | |
|---------------------------|------------------|-----------------|--------------|----------------------------|----------|---------------------------------------|-------------------------------|
| Cash Settled Equity Swaps | Â (5) | Â (5) | Common Units | 169,000 | \$ (5) | I | See footnotes (1) (2) (3) (5) |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|------------------------------|
| | Director | 10% Owner | Officer | Other |
| HITE Hedge Asset Management LLC 300 WASHINGTON STREET SUITE 308 NEWTON, MA 02458 | Â | Â X | Â | See explanation of responses |
| HITE Hedge LP 300 WASHINGTON STREET SUITE 308 NEWTON, MA 02458 | Â | Â X | Â | Â |
| HITE MLP LP 300 WASHINGTON STREET SUITE 308 NEWTON, MA 02458 | Â | Â X | Â | Â |
| HITE Hedge QP LP 300 WASHINGTON STREET SUITE 308 NEWTON, MA 02458 | Â | Â X | Â | Â |
| HITE MLP Advantage LP 300 WASHINGTON STREET SUITE 308 NEWTON, MA 02458 | Â | Â X | Â | Â |
| Jampel James M 300 WASHINGTON STREET SUITE 308 NEWTON, MA 02458 | Â | Â X | Â | Â |

Signatures

| | |
|--|------------|
| HITE Hedge Asset Management LLC, By: /s/ James M. Jampel, Managing Member | 04/18/2016 |
| **Signature of Reporting Person | Date |
| HITE Hedge LP, By: HITE Hedge Capital LP, its General Partner, By: HITE Hedge Capital LLC, its General Partner, By: /s/ James M. Jampel, Manager | 04/18/2016 |
| **Signature of Reporting Person | Date |
| HITE MLP LP, By: HITE Hedge Capital LP, its General Partner, By: HITE Hedge Capital LLC, its General Partner, By: /s/ James M. Jampel, Manager | 04/18/2016 |
| **Signature of Reporting Person | Date |

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| HITE Hedge QP LP, By: HITE Hedge Capital LP, its General Partner, By: HITE Hedge Capital LLC, its General Partner, By: /s/ James M. Jampel, Manager | 04/18/2016 |
| **Signature of Reporting Person | Date |
| HITE MLP Advantage LP, By: HITE Hedge Capital LP, its General Partner, By: HITE Hedge Capital LLC, its General Partner, By: /s/ James M. Jampel, Manager | 04/18/2016 |
| **Signature of Reporting Person | Date |
| /s/ James M. Jampel | 04/18/2016 |
| **Signature of Reporting Person | Date |

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 5(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- The securities disclosed in this Form 3 may be deemed to be indirectly beneficially owned by HITE Hedge Asset Management LLC. The securities are directly held by HITE Hedge LP, HITE MLP LP, HITE Hedge QP LP and HITE MLP Advantage LP (collectively, the "HITE Funds"), for which HITE Hedge Asset Management LLC is the investment adviser. Mr. Jampel serves as Managing Member of HITE Hedge Asset Management LLC.
- (1) (Continued from footnote 1) Each of HITE Hedge Asset Management LLC and Mr. Jampel may be deemed to be the indirect beneficial owners of such Common Units held by the HITE Funds by virtue of their direct and indirect control of the HITE Funds.
- (2) (Continued from footnote 2) The Reporting Persons are filing this report because each of the Reporting Persons is a member of a Section 13(g) group with HITE Hedge Asset Management LLC as disclosed in a Schedule 13G filed on behalf of the Reporting Persons on April 18, 2016. As of April 18, 2016, the members of this Section 13(g) group collectively owned more than 10% of the Issuer's outstanding Common Units. Each Reporting Person disclaims beneficial ownership of the Common Units reported herein except to the extent of his or its pecuniary interest therein.
- (3) The number of Common Units reported herein does not include additional Common Units in an aggregate amount of at least 210,621 that HITE believes the Reporting Persons are entitled to receive pursuant to the terms of the Issuer's Amended and Restated Agreement of Limited Partnership, dated as of August 3, 2015. The Reporting Persons are in discussions with the Issuer about their entitlement to these Common Units.
- (4) Two funds for which HITE serves as investment adviser are party to cash-settled equity swap agreements with a dealer, referencing a portfolio of securities that includes a notional 169,000 Common Units (the "Equity Swaps"). The Equity Swaps do not provide for a pre-determined expiration date. At the end of each calendar month, each such fund is obligated to pay to the dealer any net decrease in the market price of a portfolio of securities (which includes the notional Common Units noted above), and (ii) the dealer will be obligated to pay to each such fund any net increase in the market price of such portfolio of securities. In addition, each fund will pay to the dealer certain agreed upon periodic financing charges. The dealer will pay to each fund the equivalent of any dividends paid to the beneficial owners of the referenced securities during the term of the swap agreements. The Equity Swaps may be settled only in cash and do not give the Reporting Persons direct or indirect voting.
- (5)

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.