

Document 0419

[20419001]

NRM Energy Co. said it filed materials with the Securities and Exchange Commission calling for it to restructure into a corporation from a limited partnership .

[20419002]

The partnership said it is proposing the change largely because the provisions of its senior notes restrict it from making distributions on its units outstanding .

[20419004]

However , unpaid distributions on the acquisition preferred are cumulative and would total \$ 23 million a year , hurting NRM 's financial flexibility and its ability to raise capital , NRM said .

[20419005]

In following several other oil and gas partnerships that have made the conversion to a corporation in the last year , NRM also noted that tax advantages for partnerships have diminished under new tax laws and said it would save \$ 2 million a year in administrative costs from the change .

[20419006]

Under the plan , NRM said holders of its common units will receive one share of new common stock in Edisto Resources Corp. for every 14.97 common units owned .

[20419007]

Holders of NRM 's 2 cumulative convertible acquisition preferred units will receive one new common share in Edisto for every 1.342 units they own .

[20419009]

Edisto currently is the general partner of NRM .

[20419010]

As the largest holder of acquisition preferred units , Mesa Limited Partnership would own about 28 % of Edisto after the transaction .

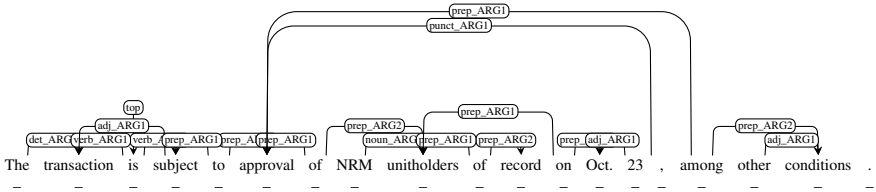
[20419011]

As part of the transaction , Edisto agreed to give Mesa , an Amarillo , Texas , oil and gas partnership managed by T. Boone Pickens Jr. , a seat on its board .

[20419012]

NRM said its \$ 2.60 senior cumulative convertible preferred units will be converted into an equal number of shares of \$ 2.60 senior cumulative convertible preferred stock of Edisto .

[20419013]



[20419014]

