

Penn Virginia GP Holdings, L.P.
Form 8-K
July 22, 2008

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: July 17, 2008

(Date of Earliest Event Reported)

PENN VIRGINIA GP HOLDINGS, L.P.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction

of Incorporation)

1-33171
(Commission File Number)

20-5116532
(IRS Employer

Identification No.)

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Three Radnor Corporate Center, Suite 300

100 Matsonford Road, Radnor, Pennsylvania
(Address of Principal Executive Offices)

19087
(Zip Code)

Registrant's telephone number, including area code: (610) 687-8900

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 2.01 Completion of Acquisition or Disposition of Assets.
and

Item 3.02 Unregistered Sales of Equity Securities.

Lone Star Acquisition

Penn Virginia GP Holdings, L.P. (*PVG*) currently owns the 2% general partner interest in Penn Virginia Resource Partners, L.P. (*PVR*) and an approximately 37% limited partner interest in PVR. On July 17, 2008, PVR completed the previously announced purchase (the *Transaction*) of substantially all of the assets of Lone Star Gathering, L.P. (*Lone Star*). Lone Star's assets are located in the southern portion of the Fort Worth Basin of north Texas in Bosque, Erath, Hamilton, Hill, Johnson and Somervell Counties and include approximately 129 miles of gas gathering pipelines and approximately 240,000 acres dedicated by active producers.

The purchase price for the Lone Star assets consisted of the following:

\$160 million of consideration paid at the closing of the Transaction, consisting of (i) \$80 million in cash, (ii) 2,009,995 common units of PVG (the *PVG Common Units*) that were valued in the aggregate at \$65 million for purposes of the Transaction and (iii) 542,610 newly-issued common units of PVR (the *PVR Common Units*) that were valued in the aggregate at \$15 million for purposes of the Transaction;

\$5 million in cash payable on December 31, 2009; and

Contingent payments of \$30 million and \$25 million, payable at PVR's election in cash or common units of PVR, each of which payments will be triggered if, on or before June 30, 2013, PVR and its affiliates reach certain gas gathering and processing revenue targets in the geographic operating area where a portion of the acquired assets are located.

The PVG Common Units and the PVR Common Units were transferred to Lone Star in sales of securities that were not registered under the Securities Act of 1933, as amended (the *Securities Act*), in accordance with the exemptions provided by Section 4(2) under the Securities Act.

A copy of the Purchase and Sale Agreement, as amended, relating to the Transaction is filed as Exhibit 2.1 to this Current Report on Form 8-K and is incorporated by reference herein.

PVG Units Acquisition

On July 17, 2008 and prior to and in connection with the closing of the Transaction, PVR completed the previously announced purchase of an aggregate of 2,009,995 PVG Common Units referred to above from affiliates of Penn Virginia Corporation (*PVA*) in sales of securities that were not registered under the Securities Act in accordance with the exemption provided under Section 4(2) under the Securities Act. PVR purchased 564,694 PVG Common Units from Penn Virginia Resource LP Corp., a wholly-owned subsidiary of PVA, and 1,445,301 PVG Common Units from Kanawha Rail Corp., a wholly-owned subsidiary of PVA. The aggregate purchase price for the PVG Common Units purchased by PVR was \$61,750,020. A copy of the Units

Purchase Agreement relating to the purchase of the PVG Common Units is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated by reference herein.

PVA currently indirectly owns the non-economic general partner interest in PVG and an approximately 77% limited partner interest in PVG.

Item 1.02 Termination of a Material Definitive Agreement and

Item 2.04 Triggering Events That Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement.

On July 17, 2008 (the Prepayment Date), Penn Virginia Operating Co., LLC, a wholly-owned subsidiary of PVR (PVOC), completed its previously announced prepayment of its 6.02% senior unsecured notes due 2013 (the Notes). In connection with the prepayment of the Notes, on the Prepayment Date, PVOC paid the holders of the Notes an aggregate of \$63,260,720, which amount consisted of the \$58,400,000 aggregate principal amount outstanding on the Notes on the Prepayment Date, \$1,074,236 in accrued and unpaid interest on the Notes through the Prepayment Date and \$3,786,484 in make-whole amounts due in connection with the prepayment of the Notes. As a result of the prepayment of the Notes, PVOC's obligations under the Notes Purchase Agreements governing the Notes terminated.

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of Businesses Acquired.

PVG will file, by an amendment to this Current Report on Form 8-K, the financial statements of Lone Star required by subparagraph (a) of this Item 9.01 as promptly as practicable, but not later than October 2, 2008.

(b) Pro Forma Financial Information.

PVG will file, by an amendment to this Current Report on Form 8-K, the pro forma financial information required by subparagraph (b) of this Item 9.01 as promptly as practicable, but not later than October 2, 2008.

(d) Exhibits.

2.1 Purchase and Sale Agreement dated as of June 17, 2008 by and between Lone Star Gathering, L.P. and Penn Virginia Resource Partners, L.P., as amended by First Amendment to Purchase and Sale Agreement dated as of July 17, 2008 (incorporated by reference to Exhibit 2.1 to Penn Virginia Resource Partners, L.P.'s Current Report on Form 8-K filed on July 22, 2008).

10.1 Units Purchase Agreement dated as of June 17, 2008 by and among Penn Virginia Resource LP Corp., Kanawha Rail Corp. and Penn Virginia Resource Partners, L.P. (incorporated by reference to Exhibit 10.1 to Penn Virginia Resource Partners, L.P.'s Current Report on Form 8-K filed on July 22, 2008).

SIGNATURES

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.

Date: July 22, 2008

Penn Virginia GP Holdings, L.P.

By: PVG GP, LLC
its general partner

By: /s/ Nancy M. Snyder

Name: Nancy M. Snyder

Title: Vice President and Chief Administrative Officer

Exhibit Index

Exhibit No.	Description
2.1	Purchase and Sale Agreement dated as of June 17, 2008 by and between Lone Star Gathering, L.P. and Penn Virginia Resource Partners, L.P., as amended by First Amendment to Purchase and Sale Agreement dated as of July 17, 2008 (incorporated by reference to Exhibit 2.1 to Penn Virginia Resource Partners, L.P.'s Current Report on Form 8-K filed on July 22, 2008).
10.1	Units Purchase Agreement dated as of June 17, 2008 by and among Penn Virginia Resource LP Corp., Kanawha Rail Corp. and Penn Virginia Resource Partners, L.P. (incorporated by reference to Exhibit 10.1 to Penn Virginia Resource Partners, L.P.'s Current Report on Form 8-K filed on July 22, 2008).