

**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: June 28, 2013
(Date of earliest event reported)**

Arête Industries, Inc.

(Exact name of registrant as specified in its charter)

COLORADO
**(State or other jurisdiction
of incorporation)**

33-16820-D
**(Commission
File Number)**

84-1508638
**(IRS Employer
Identification No.)**

7260 Osceola Street
Westminster, CO 80030
(Address of principal executive offices) (Zip Code)

(303) 427-8688
(Registrant's telephone number, including area code)

N/A
(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:

- 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 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT; ITEM 2.03 CREATION OF A DIRECT FINANCIAL OBLIGATION OR AN OBLIGATION UNDER AN OFF-BALANCE SHEET ARRANGEMENT OF A REGISTRANT; ITEM 3.02 UNREGISTERED SALE OF EQUITY SECURITIES.

Effective June 28, 2013, a number of holders of Arête Industries, Inc.'s (the "Company") 15% Series A1 Convertible Preferred Stock ("Series A1 Preferred Stock") elected to convert shares of such stock into the Company's common stock at a deemed conversion price of \$0.75 per common share. In connection with those conversions, the Company agreed to reduce the deemed conversion price from \$3.35 per common share to \$0.75 per common share and all such holders agreed to waive all dividend rights on their shares of Series A1 Preferred Stock subsequent to March 30, 2013. Information regarding the conversions is set forth below.

<u>Name of Holder</u>	<u>Number of Shares of Series A1 Preferred Stock Converted</u>	<u>Number of Common Shares Issued</u>
Burlingame Equity Investors II, LP	16	100,800
Burlingame Equity Investors Master Fund, LP	184	1,159,200
Charles B. Davis*	100	1,333,333
Tucker Family Investments LLLP	25	333,333
Mark Venjohn	10	133,333
Pete Haman	35	466,667
Nicholas L. Scheidt*	100	1,333,333
Michael J. Finney	5	66,667
William and Sara Kroske	2.5	33,333
Michael A. Geller	10	133,333
John H. Rosasco	10	133,333
	<u>497.5</u>	<u>5,226,665</u>

* Executive Officer and Director of the Company

The Company now has 22.5 shares of its Series A1 Preferred Stock outstanding. Because a majority of the Series A1 Preferred Stock has been converted into the Company's common stock, the Series A1 Preferred Stock now outstanding will now vote on an as converted basis (into common stock) on all matters relating to the Company. Except as provided by law, holders of the Series A1 Preferred Stock shall vote together with the holders of the Company's common stock.

In addition, in connection with the conversions of Series A1 Preferred Stock by Burlingame Equity Investors II, LP and Burlingame Equity Investors Master Fund, LP, the Company also entered into transactions with such entities in exchange for cash consideration, unsecured promissory notes and cancellation of certain Series A1 Preferred Shares.

<u>Name of Holder</u>	<u>Cash Consideration</u>	<u>Promissory Note – Principal</u>	<u>Series A1 Preferred Shares Cancelled</u>
Burlingame Equity Investors II, LP	\$ 4,000	\$ 48,000	16
Burlingame Equity Investors Master Fund, LP	\$ 46,000	\$ 552,000	184

The above unsecured promissory notes bear interest at 7% per annum, with interest payable quarterly and all unpaid interest and principal due on July 23, 2014. If the promissory notes are not paid when due or declared due, the entire principal and interest thereon will bear interest at the rate of 12% per annum.

The Company relied upon Section 2(a)(3) of the Securities Act of 1933 (the "Act") and the exemption from registration provided by Section 4(2) of the Act, along with Rule 506 of Regulation D, in connection with the share conversions and exchanges described in this report.

Item 9.01. Financial Statements and Exhibits.**(d) Exhibits**

The Exhibits listed below are furnished as Exhibits to this Current Report on Form 8-K.

<u>Exhibit No.</u>	<u>Description</u>
10.13	Notice of Conversion by Burlingame Equity Investors II, LP, dated June 28, 2013
10.14	Notice of Conversion by Burlingame Equity Investors Master Fund, LP, dated June 28, 2013
10.15	Promissory Note - Burlingame Equity Investors II, LP, dated June 28, 2013
10.16	Promissory Note - Burlingame Equity Investors Master Fund, LP, dated June 28, 2013
10.17	Form of Notice of Conversion for holders of Series A1 Preferred Stock other than Burlingame Equity Investors II, LP and Burlingame Equity Investors Master Fund, LP

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.

ARÊTE INDUSTRIES, INC.

Dated: July 5, 2013

By: /s/ Nicholas L. Scheidt

Name: Nicholas L. Scheidt

Title: Chief Executive Officer

NOTICE OF CONVERSION

In consideration of \$4,000.00 paid to the holder hereof and the issuance of a promissory note of the Corporation of \$48,000.00 to the holder substantially in the form attached hereto as Exhibit A, along with a waiver of all dividend rights relating to the Dividend Period subsequent to March 30, 2013, the undersigned holder does hereby elect to convert 16 shares of 15% Series A1 Convertible Preferred Stock ("Series A1 Preferred Stock") into 100,800 shares of common stock of Arête Industries, Inc. Also, in consideration of the above, the undersigned also tenders back to the Company these 16 shares of Series A1 Preferred Stock, such shares to be cancelled.

HOLDER

By: Burlingame Equity Investors II, LP

/s/ Blair Sanford

Name: Blair Sanford

Title: Managing Member of General Partner

Date: June 28, 2013

ARÊTE INDUSTRIES, INC.

By: /s/ Nicholas Scheidt

Nicholas Scheidt, President

Date: June 28, 2013

NOTICE OF CONVERSION

In consideration of \$46,000.00 paid to the holder hereof and the issuance of a promissory note of the Corporation of \$552,000.00 to the holder substantially in the form attached hereto as Exhibit A, along with a waiver of all dividend rights relating to the Dividend Period subsequent to March 30, 2013, the undersigned holder does hereby elect to convert 184 shares of 15% Series A1 Convertible Preferred Stock ("Series A1 Preferred Stock") into 1,159,200 shares of common stock of Arête Industries, Inc. Also, in consideration of the above, the undersigned also tenders back to the Company these 184 shares of Series A1 Preferred Stock, such shares to be cancelled.

HOLDER

By: Burlingame Equity Investors Master Fund, LP

/s/ Blair Sanford

Name: Blair Sanford

Title: Managing Member of General Partner

Date: June 28, 2013

ARÊTE INDUSTRIES, INC.

By: /s/ Nicholas Scheidt

Nicholas Scheidt, President

Date: June 28, 2013

PROMISSORY NOTE

\$48,000.00

Denver, Colorado

Date: June 28, 2013

FOR VALUE RECEIVED, Arête Industries, Inc. ("Maker") promises to pay to the order of Burlingame Equity Investors II, L.P., whose address is One Montgomery Street, 33rd Floor, San Francisco, CA 94104, the sum of \$48,000.00, with interest at the rate of 7% percent per annum, payable as follows: Interest payable on each of the 90th, 180th, 270th and 360th day hereafter. All unpaid interest and principal shall be due 390 days after the date hereof with no prepayment penalty for early payment of principal.

Covenant: Until this Note is paid in full, Maker shall not incur any indebtedness with a maturity of greater than 90 days other than a substitute facility for the Maker's \$1,000,000 of principal due to Apex Financial Services Corp. evidenced by a promissory note. The Holder understands and agrees that the Maker's obligations to pay the aforesaid indebtedness and any substitutions and extensions therefore, along with the Maker's existing indebtedness to Pikerni, LLC in the principal amount of \$250,000 dated April, 2013 and the Maker's existing indebtedness to Fairfield Management Group, LLC dated April, 2013 in the principal amount of \$100,000 shall be senior in payment and security to this Note.

IT IS AGREED that if this Note is not paid when due or declared due hereunder, or the Maker breaches the foregoing covenant, the entire principal and accrued interest thereon shall draw interest at the rate of 12% percent per annum, and that failure to make any payment of principal or interest when due or a breach by Maker of the foregoing covenant shall cause the entire Note to become due at once, or the interest to be counted as principal, at the option of the holder of this Note. Maker waives presentment for payment, protest, notice of non-payment and of protest of this Note, and if this Note or interest thereon is not paid when due, or suit is brought for collection of this Note after a breach hereof, agrees to pay all reasonable costs of collection, including reasonable fees of attorneys.

Arête Industries, Inc. ("Maker")

By: /s/ Nicholas L. Scheidt

Nicholas L. Scheidt, President

Due July 23, 2014

PROMISSORY NOTE

\$552,000.00

Denver, Colorado

Date: June 28, 2013

FOR VALUE RECEIVED, Arête Industries, Inc. ("Maker") promises to pay to the order of Burlingame Equity Investors Master Fund, LP, whose address is One Montgomery Street, 33rd Floor, San Francisco, CA 94104, the sum of \$552,000.00, with interest at the rate of 7% percent per annum, payable as follows: Interest payable on each of the 90th, 180th, 270th and 360th day hereafter. All unpaid interest and principal shall be due 390 days after the date hereof with no prepayment penalty for early payment of principal.

Covenant: Until this Note is paid in full, Maker shall not incur any indebtedness with a maturity of greater than 90 days other than a substitute facility for the Maker's \$1,000,000 of principal due to Apex Financial Services Corp. evidenced by a promissory note. The Holder understands and agrees that the Maker's obligations to pay the aforesaid indebtedness and any substitutions and extensions therefore, along with the Maker's existing indebtedness to Pikerni, LLC in the principal amount of \$250,000 dated April, 2013 and the Maker's existing indebtedness to Fairfield Management Group, LLC dated April, 2013 in the principal amount of \$100,000 shall be senior in payment and security to this Note.

IT IS AGREED that if this Note is not paid when due or declared due hereunder, or the Maker breaches the foregoing covenant, the entire principal and accrued interest thereon shall draw interest at the rate of 12% percent per annum, and that failure to make any payment of principal or interest when due or a breach by Maker of the foregoing covenant shall cause the entire Note to become due at once, or the interest to be counted as principal, at the option of the holder of this Note. Maker waives presentment for payment, protest, notice of non-payment and of protest of this Note, and if this Note or interest thereon is not paid when due, or suit is brought for collection of this Note after a breach hereof, agrees to pay all reasonable costs of collection, including reasonable fees of attorneys.

Arête Industries, Inc. ("Maker")

By: /s/ Nicholas L. Scheidt

Nicholas L. Scheidt, President

Due July 23, 2014

**FORM OF
NOTICE OF CONVERSION**

In consideration of \$10.00 paid to the holder hereof, along with a waiver of all dividend rights relating to the Dividend Period subsequent to March 30, 2013, for all shares of 15% Series A1 Convertible Preferred Stock ("Series A1 Preferred Stock") of Arête Industries, Inc., (the "Company") in the name of the undersigned, the undersigned holder does hereby elect to convert _____ shares of 15% Series A1 Preferred Stock into _____ shares of common stock of the Company (at a deemed conversion price of \$0.75 per common share) and does hereby tender to the Company a stock certificate in respect of such converted shares.

HOLDER

By: _____
Name: _____

Date: June 28, 2013

ACCEPTED:

ARÊTE INDUSTRIES, INC.

By: _____
Nicholas Scheidt
President and Chief Executive Officer

Date: June 28, 2013