

GEOPETRO RESOURCES CO
Form 10-Q
August 16, 2010
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2010

OR

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 001-16749

GeoPetro Resources Company

(Exact name of registrant as specified in its charter)

California

(State of incorporation)

94-3214487

(IRS Employer Identification Number)

150 California Street Suite 600

San Francisco, CA

(Address of principal executive offices)

94111

(Zip Code)

(415) 398-8186

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No .

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer
(Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No .

There were 34,284,646 shares of no par value common stock outstanding on August 16, 2010

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| | June 30, 2010 | December 31, 2009 |
|---|----------------------|----------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 1,122,335 | \$ 2,429,891 |
| Trade accounts receivable natural gas sales | 290,466 | 473,944 |
| Accounts receivable other | 456,391 | 8,658 |
| Prepaid expenses | 213,710 | 132,238 |
| Total Current Assets | 2,082,902 | 3,044,731 |
| Oil and gas properties, at cost (full cost method) | | |
| Unproved properties | 7,535,273 | 8,411,773 |
| Proved properties | 51,260,331 | 51,194,852 |
| Gas processing plant, at cost | 10,285,573 | 10,285,573 |
| Less accumulated depletion, depreciation, and impairment | (39,344,259) | (38,950,914) |
| Net Oil and Gas Properties | 29,736,918 | 30,941,284 |
| Furniture, fixtures and equipment, at cost, net of depreciation | 49,006 | 2,071 |
| Other assets | 45,281 | 16,127 |
| Total Assets | \$ 31,914,107 | \$ 34,004,213 |
| LIABILITIES AND SHAREHOLDERS EQUITY | | |
| Current Liabilities | | |
| Trade payables | \$ 1,358,567 | \$ 950,097 |
| Current portion of long term notes payable | 2,032,509 | 1,549,829 |
| Interest payable | 248,023 | 136,233 |
| Dividends payable | 112,536 | 110,462 |
| Production taxes payable | 132,333 | 309,904 |
| Other taxes payable | 8,719 | 11,147 |
| Royalty owners payable | 1,143,104 | 1,151,284 |
| Total Current Liabilities | 5,035,791 | 4,218,956 |
| Long Term Notes Payable | 5,412,111 | 5,986,645 |
| Asset Retirement Obligations | 68,182 | 65,009 |
| Other Long Term Liabilities | 40,577 | |
| Total Liabilities | 10,556,661 | 10,270,610 |
| Shareholders Equity | | |
| Series B preferred stock, no par value; 7,523,000 shares authorized 7,523,000 shares issued and outstanding at June 30, 2010 and December 31, 2009, respectively. Liquidation | 5,448,602 | 5,448,602 |

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preference of \$5,642,250 at June 30, 2010 and December 31, 2009, respectively.

| | | |
|--|----------------------|----------------------|
| Common stock, no par value; 100,000,000 shares authorized; 34,284,646 shares issued and outstanding at June 30, 2010 and December 31, 2009, respectively | 53,397,733 | 53,397,733 |
| Additional paid-in capital | 3,264,764 | 3,060,187 |
| Accumulated deficit | (40,753,653) | (38,172,919) |
| Total Shareholders' Equity | 21,357,446 | 23,733,603 |
| Total Liabilities and Shareholders' Equity | \$ 31,914,107 | \$ 34,004,213 |

See accompanying notes to these unaudited consolidated financial statements

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GEOPETRO RESOURCES COMPANY

UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

| | Three Months Ended June 30, | | Six months Ended June 30, | |
|---------------------------|------------------------------------|--------------|----------------------------------|--------------|
| | 2010 | 2009 | 2010 | 2009 |
| Revenues | | | | |
| Natural gas sales | \$ 810,796 | \$ 1,070,202 | \$ 2,006,369 | \$ 1,946,270 |
| Costs and expenses | | | | |