

CREDO PETROLEUM CORP
Form 10-Q
June 09, 2009
[Table of Contents](#)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

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

For the quarterly period ended April 30, 2009

- o 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: 0-8877

CREDO PETROLEUM CORPORATION

(Exact name of registrant as specified in its charter)

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Delaware

(State or other jurisdiction of incorporation or organization)

84-0772991

(IRS Employer Identification No.)

1801 Broadway, Suite 900, Denver, Colorado

(Address of principal executive offices)

80202

(Zip Code)

303-297-2200

(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-Y 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 the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Act.)

Large accelerated filer ☐

Accelerated filer ☒

Non-accelerated filer ☐

Smaller Reporting Company ☐

(Do not check if a 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 ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, net of treasury stock, as of the latest practicable date.

| Date | Class | Outstanding |
|--------------|-------------------------------|-------------|
| June 9, 2008 | Common stock, \$.10 par value | 10,306,000 |

Table of Contents

CREDO PETROLEUM CORPORATION AND SUBSIDIARIES

Quarterly Report on Form 10-Q For the Period Ended April 30, 2009

TABLE OF CONTENTS

| | Page No. |
|---|-----------------|
| <u>PART I - FINANCIAL INFORMATION</u> | |
| <u>Item 1.</u> | |
| <u>Financial Statements</u> | |
| <u>Consolidated Balance Sheets</u> <u>As of April 30, 2009 (Unaudited) and October 31, 2008</u> | 3 |
| <u>Consolidated Statements of Operations</u> <u>For the Three and Six Months Ended April 30, 2009 and 2008 (Unaudited)</u> | 4 |
| <u>Consolidated Statement of Stockholders' Equity</u> <u>For the Six Months Ended April 30, 2009</u> | 5 |
| <u>Consolidated Statements of Cash Flows</u> <u>For the Six Months Ended April 30, 2009 and 2008 (Unaudited)</u> | 6 |
| <u>Notes to Consolidated Financial Statements (Unaudited)</u> | 7 |
| <u>Item 2.</u> | |
| <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u> | 14 |
| <u>Item 3.</u> | |
| <u>Quantitative and Qualitative Disclosures About Market Risk</u> | 22 |
| <u>Item 4.</u> | |
| <u>Controls and Procedures</u> | 22 |
| <u>PART II - OTHER INFORMATION</u> | |
| <u>Item 1.</u> | |
| <u>Legal Proceedings</u> | 22 |
| <u>Item 1A.</u> | |
| <u>Risk Factors</u> | 23 |
| <u>Item 2.</u> | |
| <u>Unregistered Sales of Equity Securities and Use of Proceeds</u> | 23 |
| <u>Item 3.</u> | |
| <u>Defaults Upon Senior Securities</u> | 23 |
| <u>Item 4.</u> | |
| <u>Submission of Matters to a Vote of Security Holders</u> | 23 |
| <u>Item 5.</u> | |
| <u>Other Information</u> | 24 |
| <u>Item 6.</u> | |
| <u>Exhibits</u> | 25 |
| <u>Signatures</u> | 25 |

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The terms CREDO , Company , we , our , and us refer to CREDO Petroleum Corporation and its subsidiaries unless the context suggests otherwise.

[Table of Contents](#)**PART I - FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****CREDO PETROLEUM CORPORATION AND SUBSIDIARIES****Consolidated Balance Sheets**

| | April 30, 2009 (Unaudited) | October 31, 2008 |
|---|----------------------------------|---------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 10,378,000 | \$ 22,332,000 |
| Short-term investments | 1,861,000 | 3,044,000 |
| Receivables: | | |
| Accrued oil and gas sales | 1,900,000 | 1,733,000 |
| Trade | 530,000 | 995,000 |
| Derivative Assets | 1,397,000 | 1,745,000 |
| Other current assets | 382,000 | 205,000 |
| Total current assets | 16,448,000 | 30,054,000 |
| Long-term assets: | | |
| Oil and gas properties, at cost, using full cost method: | | |
| Unevaluated oil and gas properties | 6,321,000 | 12,280,000 |
| Evaluated oil and gas properties | 74,080,000 | 59,730,000 |
| Less: accumulated depreciation, depletion and amortization of oil and gas properties | (51,554,000) | (25,554,000) |
| Net oil and gas properties, at cost, using full cost method | 28,847,000 | 46,456,000 |
| Intangible Assets, net of accumulated amortization of \$218,000 in 2009 and \$595,000 in 2008 | 4,310,000 | 1,079,000 |
| Compressor and tubular inventory to be used in development | 1,800,000 | 2,592,000 |
| Other, net | 396,000 | 379,000 |
| Total assets | \$ 51,801,000 | \$ 80,560,000 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current Liabilities: | | |
| Accounts payable | \$ 780,000 | \$ 3,857,000 |
| Revenue distribution payable | 682,000 | 982,000 |
| Other accrued liabilities | 558,000 | 931,000 |
| Income taxes payable | 173,000 | 124,000 |
| Total current liabilities | 2,193,000 | 5,894,000 |

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| | | |
|-----------------------------|------------------|------------|
| Long Term Liabilities: | | |
| Deferred income taxes, net | 1,732,000 | 11,117,000 |
| Asset retirement obligation | 1,402,000 | 1,338,000 |
| Total liabilities | 5,327,000 | 18,349,000 |
| | | |