

DORCHESTER MINERALS LP  
Form 10-Q  
November 05, 2009

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, DC. 20549

FORM 10-Q

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

Or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

For the Quarterly Period Ended September 30,  
2009

Commission file number 000-50175

DORCHESTER MINERALS, L.P.  
(Exact name of Registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
Incorporation or organization)

81-0551518  
(I.R.S. Employer Identification No.)

3838 Oak Lawn Avenue, Suite 300, Dallas, Texas 75219  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (214) 559-0300

None

Former name, former address and former fiscal  
year, if changed since last report

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 x No o

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 o No o

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

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company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting  
o company o

(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 Act.): Yes  No

As of November 5, 2009, 29,840,431 common units of partnership interest were outstanding.

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## DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

Statements included in this report that are not historical facts (including any statements concerning plans and objectives of management for future operations or economic performance, or assumptions or forecasts related thereto), are forward-looking statements. These statements can be identified by the use of forward-looking terminology including “may,” “believe,” “will,” “expect,” “anticipate,” “estimate,” “continue” or other similar words. These statements discuss future expectations, contain projections of results of operations or of financial condition or state other “forward-looking” information. In this report, the term “Partnership,” as well as the terms “DMLP,” “us,” “our,” “we,” and “its” are sometimes used as abbreviated references to Dorchester Minerals, L.P. itself or Dorchester Minerals, L.P. and its related entities.

These forward-looking statements are based upon management’s current plans, expectations, estimates, assumptions and beliefs concerning future events impacting us and, therefore, involve a number of risks and uncertainties. We caution that forward-looking statements are not guarantees and that actual results could differ materially from those expressed or implied in the forward-looking statements for a number of important reasons. Examples of such reasons include, but are not limited to, changes in the price or demand for oil and natural gas, changes in the operations on or development of our properties, changes in economic and industry conditions and changes in regulatory requirements (including changes in environmental requirements) and our financial position, business strategy and other plans and objectives for future operations. These and other factors are set forth in our filings with the Securities and Exchange Commission.

You should read these statements carefully because they discuss our expectations about our future performance, contain projections of our future operating results or our future financial condition, or state other “forward-looking” information. Before you invest, you should be aware that the occurrence of any of the events described in this report could substantially harm our business, results of operations and financial condition and that upon the occurrence of any of these events, the trading price of our common units could decline, and you could lose all or part of your investment.

## PART I

### ITEM 1. FINANCIAL INFORMATION

See attached financial statements on the following pages.

DORCHESTER MINERALS, L.P.  
(A Delaware Limited Partnership)

CONDENSED CONSOLIDATED BALANCE SHEETS

(In Thousands)

	September 30, 2009 (unaudited)	December 31, 2008
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 10,012	\$ 16,211
Trade and other receivables	4,674	5,053
Net profits interests receivable - related party	1,245	4,428
Prepaid expenses	20	-
<b>Total current assets</b>	<b>15,951</b>	<b>25,692</b>
Other non-current assets	19	19
<b>Total</b>	<b>19</b>	<b>19</b>
Property and leasehold improvements - at cost:		
Oil and natural gas properties (full cost method)	327,063	291,818
Accumulated full cost depletion	(189,533)	(178,272)
<b>Total</b>	<b>137,530</b>	<b>113,546</b>
Leasehold improvements	512	512
Accumulated amortization	(243 )	(207 )
<b>Total</b>	<b>269</b>	<b>305</b>
Net property and leasehold improvements	137,799	113,851
<b>Total assets</b>	<b>\$ 153,769</b>	<b>\$ 139,562</b>
 <b>LIABILITIES AND PARTNERSHIP CAPITAL</b>		
Current liabilities:		
Accounts payable and other current liabilities	\$ 1,420	\$ 733
Current portion of deferred rent incentive	39	39
<b>Total current liabilities</b>	<b>1,459</b>	<b>772</b>
Deferred rent incentive less current portion	178	208
<b>Total liabilities</b>	<b>1,637</b>	<b>980</b>
Commitments and contingencies		
Partnership capital:		

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General partner	5,285	5,971
Unitholders	146,847	132,611
Total partnership capital	152,132	138,582
Total liabilities and partnership capital	\$ 153,769	\$ 139,562

The accompanying condensed notes are an integral part of these consolidated financial statements.

DORCHESTER MINERALS, L.P.  
(A Delaware Limited Partnership)

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(In Thousands except Earnings per Unit)  
(Unaudited)

Three Months Ended  
September 30,

Nine Months Ended  
September 30,