

CRIMSON EXPLORATION INC.

Form 10-Q

May 08, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2013

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 001-12108

CRIMSON EXPLORATION INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

20-3037840
(IRS Employer Identification
No.)

717 Texas Avenue, Suite 2900
Houston, Texas
(Address of principal executive offices)

77002
(Zip Code)

(713) 236-7400
(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 twelve 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 twelve months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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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 definition of “large accelerated filer”, “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

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

(Do not check if 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

On May 2, 2013, there were 46,623,161 shares outstanding of the registrant’s Common Stock, par value \$0.001.

FORM 10-Q

CRIMSON EXPLORATION INC.

FOR THE QUARTER ENDED MARCH 31, 2013

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CRIMSON EXPLORATION INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

ASSETS

	March 31, 2013 (unaudited)	December 31, 2012
CURRENT ASSETS		
Cash and cash equivalents	\$—	\$—
Accounts receivable, net of allowance of \$568,429 and \$525,556, respectively	12,215,741	11,726,078
Prepaid expenses	811,937	844,495
Derivative instruments	23,203	1,892,744
Deferred tax asset, net	10,854,534	10,361,157
Total current assets	23,905,415	24,824,474
PROPERTY AND EQUIPMENT		
Oil and gas properties (successful efforts method of accounting)	750,422,487	740,070,145
Other property and equipment	3,036,873	3,061,635
Accumulated depreciation, depletion and amortization	(454,996,621)	(442,304,300)
Total property and equipment, net	298,462,739	300,827,480
NONCURRENT ASSETS		
Deposits	34,743	34,743
Debt issuance cost	960,325	1,056,272
Derivative instruments	211,210	67,261
Deferred tax asset, net	43,801,070	41,810,159
Total noncurrent assets	45,007,348	42,968,435
TOTAL ASSETS	\$367,375,502	\$368,620,389

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Accounts payable	\$31,939,209	\$31,127,671
Accrued liabilities	9,616,158	6,680,843
Asset retirement obligations	738,428	876,774
Derivative instruments	136,373	—
Total current liabilities	42,430,168	38,685,288
NONCURRENT LIABILITIES		
Long-term debt	238,589,148	239,368,865
Asset retirement obligations	10,236,482	10,152,432
Derivative instruments	21,026	—
Other noncurrent liabilities	559,349	571,687
Total noncurrent liabilities	249,406,005	250,092,984

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Total liabilities	291,836,173	288,778,272
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Common stock (par value \$0.001; 200,000,000 shares authorized; 46,874,484 and 46,259,009 shares issued and 46,606,703 and 46,063,822 shares outstanding as of March 31, 2013 and December 31, 2012, respectively)	46,874	46,259
Additional paid-in capital	246,669,871	246,007,941
Retained deficit	(170,074,924)	(165,343,525)
Treasury stock (at cost, 267,781 and 195,187 shares as of March 31, 2013 and December 31, 2012, respectively)	(1,102,492)	(868,558)
Total stockholders' equity	75,539,329	79,842,117
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$367,375,502	\$368,620,389

The Notes to the Consolidated Financial Statements are an integral part of these statements.

CRIMSON EXPLORATION INC. AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF OPERATIONS
 (UNAUDITED)

	Three Months Ended March	
	31,	
	2013	2012
OPERATING REVENUES		
Crude oil sales	\$16,093,396	\$16,892,614
Natural gas sales	6,002,675	7,069,114
Natural gas liquids sales	1,998,863	2,724,851
Total operating revenues	24,094,934	26,686,579
OPERATING EXPENSES		
Lease operating expenses	3,262,127	4,637,385
Production and ad valorem taxes	1,688,742	1,408,741
Exploration expenses		