

GOODRICH PETROLEUM CORP
Form 10-Q
August 08, 2008
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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 June 30, 2008

OR

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

Commission file number: 001-12719

GOODRICH PETROLEUM CORPORATION

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction of

incorporation or organization)

76-0466193
(I.R.S. Employer

Identification No.)

808 Travis, Suite 1320

Houston, Texas 77002

(Address of principal executive offices) (Zip Code)

(Registrant's telephone number, including area code): (713) 780-9494

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 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 Exchange Act.

Large accelerated filer ☐

Accelerated filer ☒

Non-accelerated filer ☐

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 ☒

The number of shares outstanding of the Registrant's common stock as of August 4, 2008 was 37,524,285.

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GOODRICH PETROLEUM CORPORATION AND SUBSIDIARIES

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Table of Contents**PART 1 FINANCIAL INFORMATION****Item 1 Financial Statements****GOODRICH PETROLEUM CORPORATION AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEET***(In Thousands, Except Share Amounts)**(Unaudited)*

	June 30, 2008	December 31, 2007
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 5,982	\$ 4,448
Accounts receivable, trade and other, net of allowance	7,031	8,539
Accrued oil and gas revenue	26,915	12,200
Fair value of oil and gas derivatives		2,267
Assets held for sale	305	311
Prepaid expenses and other	969	904
Total current assets	41,202	28,669
PROPERTY AND EQUIPMENT:		
Oil and gas properties (successful efforts method)	932,589	723,239
Furniture, fixtures and equipment	2,624	1,932
	935,213	725,171
Less: Accumulated depletion, depreciation and amortization	(221,960)	(168,523)
Net property and equipment	713,253	556,648
OTHER ASSETS:		
Fair value of interest rate derivatives	372	
Other	5,337	4,801
Total other assets	5,709	4,801
TOTAL ASSETS	\$ 760,164	\$ 590,118
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 46,773	\$ 36,967
Accrued liabilities	37,133	32,565
Fair value of interest rate derivatives	725	384
Fair value of oil and gas derivatives	44,595	
Asset sale deposit	8,927	
Deferred revenue		12,500
Accrued abandonment costs	587	312
Total current liabilities	138,740	82,728

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LONG-TERM DEBT	331,000	215,500
Accrued abandonment costs	6,815	5,868
Fair value of oil and gas derivatives	27,428	2,407
Total Liabilities	503,983	306,503
Commitments and contingencies (See Note 12)		
STOCKHOLDERS' EQUITY:		
Preferred stock: 10,000,000 shares authorized: Series B convertible preferred stock, \$1.00 par value, issued and outstanding 2,250,000 shares	2,250	2,250
Common stock: \$0.20 par value, 100,000,000 shares authorized, issued and outstanding 34,282,957 and 34,821,317 shares, respectively:	6,532	6,340
Treasury stock (shares outstanding none and 16,359 respectively)		(422)
Additional paid in capital	377,458	341,098
Accumulated deficit	(130,059)	(65,651)
Total stockholders' equity	256,181	283,615
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 760,164	\$ 590,118

See accompanying notes to consolidated financial statements.

Table of Contents**GOODRICH PETROLEUM CORPORATION AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF OPERATIONS***(In Thousands, Except Per Share Amounts)**(Unaudited)*

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Revenues:				
Oil and gas revenues	\$ 64,852	\$ 27,860	\$ 111,049	\$ 51,177
Other	321	146	477	371
	65,173	28,006	111,526	51,548
Operating expenses:				
Lease operating expense	7,669	6,150	14,766	10,285
Production and other taxes	2,334	(590)	3,589	(296)
Transportation	2,386	1,440	4,256	2,515
Depreciation, depletion and amortization	29,033	19,461	54,118	37,169
Exploration	1,776	1,767	3,779	4,093
General and administrative	5,920	5,500	11,360	10,838
	49,118	33,728	91,868	64,604
Operating income (loss)	16,055	(5,722)	19,658	(13,056)
Other income (expense):				
Interest expense	(4,390)	(2,222)	(8,173)	(4,846)
Gain (loss) on derivatives not designated as hedges	(48,947)	3,634	(73,434)	(5,853)
	(53,337)	1,412	(81,607)	(10,699)
Loss before income taxes	(37,282)	(4,310)	(61,949)	(23,755)
Income tax benefit		1,519		8,262
Loss from continuing operations	(37,282)	(2,791)	(61,949)	(15,493)
Discontinued operations (See Notes 10 and 11):				
Gain (loss) on disposal, net of tax	(120)	(162)	280	10,751
Income (loss) from discontinued operations, net of tax	(101)	(346)	284	2,479
	(221)	(508)	564	13,230
Net loss	(37,503)	(3,299)	(61,385)	(2,263)
Preferred stock dividends	1,511	1,512	3,023	3,024
Net loss applicable to common stock	\$ (39,014)	\$ (4,811)	\$ (64,408)	\$ (5,287)

Loss per common share from continuing operations

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Basic	\$	(1.16)	\$	(0.11)	\$	(1.94)	\$	(0.62)
Diluted	\$	(1.16)	\$	(0.11)	\$	(1.94)	\$	(0.62)
Income (loss) per common share from discontinued operations								
Basic	\$	(0.01)	\$	(0.02)	\$	0.02	\$	0.53
Diluted	\$	(0.01)	\$	(0.02)	\$	0.02	\$	0.53
Net loss per common share applicable to common stock								
Basic	\$	(1.21)	\$	(0.19)	\$	(2.02)	\$	(0.21)
Diluted	\$	(1.21)	\$	(0.19)	\$	(2.02)	\$	(0.21)
Weighted average common shares outstanding								
Basic		32,124		25,185		31,915		25,163
Diluted		32,124		25,185		31,915		25,163

See accompanying notes to consolidated financial statements.

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GOODRICH PETROLEUM CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands)

(Unaudited)

	Six Months Ended June 30,	
	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (61,385)	\$ (2,263)
Adjustments to reconcile net loss to net cash provided by operating activities		