

Doral Energy Corp.
Form 10-Q
December 15, 2010

**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 **October 31, 2010**

**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 000-52738

DORAL ENERGY CORP.

(Exact name of registrant as specified in its charter)

NEVADA

(State or other jurisdiction of incorporation or
organization)

98-0555508

(I.R.S. Employer Identification No.)

415 West Wall, Suite 500

Midland, TX

(Address of principal executive offices)

79701

(Zip Code)

(432) 789-1180

(Registrant's telephone number, including area code)

N/A

(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 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

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(§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 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 (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

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

As of December 10, 2010, the Registrant had 135,933,086 shares of common stock outstanding.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The accompanying consolidated unaudited financial statements have been prepared in accordance with the instructions to Form 10-Q and Rule 8-03 of Regulation S-X, and, therefore, do not include all information and footnotes necessary for a complete presentation of financial position, results of operations, cash flows, and stockholders' equity in conformity with generally accepted accounting principles. In the opinion of management, all adjustments considered necessary for a fair presentation of the results of operations and financial position have been included and all such adjustments are of a normal recurring nature. Operating results for the three month period ended October 31, 2010 are not necessarily indicative of the results that can be expected for the year ending July 31, 2011.

As used in this Quarterly Report on Form 10-Q, the terms "we," "us," "our," "Doral Energy" and the "Company" mean Doral Energy Corp. and its subsidiaries unless otherwise indicated. All dollar amounts in this Quarterly Report are in U.S. dollars unless otherwise stated.

Doral Energy Corp.
Consolidated Balance Sheets
October 31, 2010 and 2009
(Unaudited)

	October 31, 2010	July 31, 2010
ASSETS		
Current assets		
Cash and cash equivalents	\$ 44,592	\$ 29,025
Accounts receivable	97,641	104,045
Receivable from Alamo	-	21,247
Prepaid insurance and other	6,003	-
Total current assets	148,236	154,317
Property and Equipment, net of depreciation	60,233	146,020
Oil and gas properties, Proved, using full cost method of accounting, net of accumulated depletion and amortization of \$113,123 and \$48,270	2,334,146	2,306,669
Other Assets	228,268	228,268
Total assets	\$ 2,770,883	\$ 2,835,274
LIABILITIES AND STOCKHOLDERS (DEFICIT) EQUITY		
Current liabilities		
Accounts payable	\$ 262,739	\$ 266,050
Accounts payable related party	73,250	45,777
Accrued liabilities	126,168	129,306
Current portion of long-term debt	1,279,254	1,020,849
Notes payable to related party	400,000	450,000
Current derivative liability	20,986	56,233
Total current liabilities	2,162,397	1,968,215
Asset retirement obligation	630,499	618,900
Long-term debt (less current maturities)	15,833	56,403
Total liabilities	2,808,729	2,643,518
STOCKHOLDERS (DEFICIT) EQUITY		
Common stock, \$0.001 par value, 2,000,000,000 shares authorized, 111,433,076 and 106,508,876 shares issued and outstanding, respectively	111,433	106,509
Additional paid-in capital	16,580,918	16,415,979
Accumulated deficit	(16,730,197)	(16,330,732)
Total stockholders (deficit) equity	(37,846)	191,756
Total liabilities and stockholders (deficit) equity	\$ 2,770,883	\$ 2,835,274

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

Doral Energy Corp.
Consolidated Statements of Expenses
For the three months ended October 31, 2010 and 2009
(Unaudited)

	2010	2009
Revenue - oil and gas sales	\$ 210,096	\$ 467,197
Expenses:		
Operating Costs	198,952	664,578
Production taxes	17,164	64,488
Depreciation, depletion, and amortization	71,864	113,112
Accretion expense	11,599	7,821
General and administrative	273,795	498,122
Total expense	573,374	1,348,121
Loss from operations	(363,278)	(880,924)
Other income (expense):		
Gain on financial instrument derivatives	35,247	-
Loss on extinguishment of debt	(50,000)	-
Interest expense	(21,434)	(255,935)
Net loss on oil and gas derivative contracts	-	(151,827)
Loss before income taxes	(399,465)	(1,288,686)
Income tax expense	-	103
Net loss	(399,465)	(1,288,789)
Net loss per share:		
Basic and diluted	\$ (0.00)	\$ (0.01)
Weighted average shares outstanding:		
Basic and diluted	109,208,776	86,941,546

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

Doral Energy Corp.
Consolidated Statements of Cash Flows
For the three months ended October 31, 2010 and 2009
(Unaudited)

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (399,465)	\$ 1,288,789
Adjustments to reconcile net loss to cash used by operating activities		
Depreciation, depletion and amortization	71,864	113,112
Accretion	11,599	7,821
Amortization of debt discount and deferred financing costs	5,307	160,705
Unrealized loss (gain) on derivative instruments, net	(35,247)	301,835
Loss on extinguishment of debt	50,000	-
Non cash compensation	6,789	-
Share based compensation	-	76,940
Changes in operating assets and liabilities:		
Accounts receivable and other	27,651	16,129
Prepaid expenses and other current assets	(6,003)	(32,351)
Accounts payable	(3,314)	364,094
Accounts payable related party	81,854	(14,509)
Accrued Liabilities and other	(3,138)	20,324
Other current liabilities	-	14,257
NET CASH USED BY OPERATING ACTIVITIES	(192,103)	(260,432)
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in note proceeds restricted as to use	-	(10,705)
Purchase of property and equipment	-	(1,585)
Additions to oil and gas properties	(92,330)	(70,000)
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES	(92,330)	(82,290)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of notes payable	250,000	31,441
Proceeds from issuance of convertible note	50,000	-
Repayments of notes payable	-	(125,525)
CASH FLOWS (USED IN) PROVIDED BY FINANCING ACTIVITIES	300,000	(94,084)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	15,567	(436,806)
Cash and cash equivalents, beginning of period	29,025	436,806
Cash and cash equivalents, end of period	\$ 44,592	\$ -
Supplemental disclosures of cash flow information:		
Interest paid	\$ -	\$ 56,697
Income taxes paid		
Noncash investing and financing activities:		
Change in estimate of asset retirement obligation	\$ -	\$ 110,337

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Beneficial conversion feature debt discount	43,985	-
Shares issued in connection with note settlement	100,000	-
Shares issued for exercise of stock option in exchange for accounts payable	25,878	41,250

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

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Doral Energy Corp.
Notes to Consolidated Financial Statements

NOTE 1 ORGANIZATION AND BUSINESS OPERATIONS

We were incorporated under the laws of Nevada, USA, on October 25, 2005 as Language Enterprises Corp. Our principal executive offices are in Midland, Texas. In February 2008, we formed Doral West Corp., a wholly owned subsidiary to participate in future acquisitions. Effective April 28, 2008, Language Enterprise Corp. changed its name to Doral Energy Corp.

In 2008, we acquired certain oil and gas properties and changed our business focus to that of a company engaged in the acquisition, operation, exploration and development of oil and gas properties and prospects. The future plan is to acquire additional producing properties with strong proven reserves and considerable undrilled inventory that can be explored and developed with reasonable levels of forward risk. We anticipate financing these acquisitions with a combination of cash and shares of common stock.

The Company is a licensed oil and gas operator in the state of New Mexico.

Interim financial statements

The unaudited financial information furnished herein reflects all adjustments, which in the opinion of management are necessary to fairly state the Company's financial position and the results of its operations for the periods presented. This report on Form 10-Q should be read in conjunction with the Company's financial statements and notes thereto included in the Company's audited financial statements for the fiscal period ended July 31, 2010 as filed on Form 10-K. The Company assumes that the users of the interim financial information herein have read or have access to the audited financial statements for the preceding fiscal year and that the adequacy of additional disclosure needed for a fair presentation may be determined in that context. Accordingly, footnote disclosure, which would substantially duplicate the disclosure contained in the Company's audited financial statements for the fiscal period ended July 31, 2010, has been omitted. The results of operations for the three-month period ended October 31, 2010 are not necessarily indicative of results for the entire year ending July 31, 2011.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America (GAAP) and the Securities and Exchange Commission Act 1934.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could materially differ from those estimates.

Management believes that it is reasonably possible the following material estimates affecting the financial statements could significantly change in the coming year: (1) estimates of proved oil and gas reserves, and (2) forecast forward price curves for natural gas and crude oil. The oil and gas industry in the United States has historically experienced substantial commodity price volatility, and such volatility is expected to continue in the future. Commodity prices affect the level of reserves that are considered commercially recoverable; significantly influence Doral's current and future expected cash flows; and impact the PV10 derivation of proved reserves presented in Doral supplemental oil and gas reserve disclosures made herein.

Principles of consolidation

The consolidated financial statements include the accounts of Doral Energy Corp. and its 100% owned subsidiary Doral West Corporation.

Concentrations of Credit Risk

All of our receivables are due from oil purchasers. We sold approximately 100% of our oil production to one customer during the three months ended October 31, 2010. At October 31, 2010, there is one customer accounted for approximately 100% of accounts receivable.

Revenue and cost recognition

We use the sales method to account for sales of crude oil and natural gas. Under this method, revenues are recognized based on actual volumes of oil and gas sold to purchasers. The volumes sold may differ from the volumes to which Doral is entitled based on the interest in the properties. These differences create imbalances which are recognized as a liability only when the imbalance exceeds the estimate of remaining reserves. We had no production, revenue or imbalances as of October 31, 2010. Costs associated with production are expensed in the period incurred.

New Accounting Pronouncements

The Company does not expect that the adoption of recently issued accounting pronouncements will have a material impact on its financial position, results of operations, or cash flows.

NOTE 3 GOING CONCERN

At October 31, 2010, the company had cash and cash equivalents of \$44,592 and working capital deficit of \$2,014,161. The Company believes that its existing capital resources may not be adequate to enable it to execute its business plan. These conditions raise substantial doubt as to the Company's ability to continue as a going concern. The Company estimates that it will require additional cash resources during 2011 based on its current operating plan and condition.

The Company expects cash flows from operating activities to improve, primarily as a result of an increase in revenue and reduction of costs, although there can be no assurance thereof. The accompanying consolidated financial statements do not include any adjustments that might be necessary should we be unable to continue as a going

concern. If we fail to generate positive cash flow or obtain additional financing, when required, we may have to modify, delay, or abandon some or all of our business and expansion plans.

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NOTE 4 OIL AND GAS PROPERTIES**The Stearns Properties**

On June 14, 2010, the Company completed the acquisition of 6,800 acres of operated producing oil and gas assets (the Stearns Properties) located in Chavez County and Roosevelt County, New Mexico. The details of the acquisition were disclosed in the Form 10K for July 31, 2010.

The Chaves County Properties

On July 15, 2010, the company acquired additional working interest from Nordstrand Engineering located in Chavez County, New Mexico (Chaves County Properties). The details of the acquisition were disclosed in the Form 10K for July 31, 2010.

The following table provides a detail of capitalized costs for Stern and Nordstrand Properties as of October 31, 2010 and July 31, 2010:

	10/31/2010		7/31/2010
Proved Oil and Gas properties -Sterns			
Wells and equipments	\$ 1,762,457	\$	1,721,550
Asset Retirement Obligation	410,188		410,188
Proved Oil and Gas properties -Nordstarnd			
Wells and equipments	71,423		20,000
Asset Retirement Obligation	203,201		203,201
Total	2,447,269		2,354,939
Less: Accumulated DD&A	(113,123)		(48,270)
Proved Oil and Gas properties, net	\$ 2,334,146	\$	2,306,669

Unaudited Pro Forma Operating Results

The following table reflects the unaudited pro forma results of operations for the three months ended October 31, 2009 as though the Stearns acquisitions had occurred on August 1, 2009:

	Doral Historical	Stearns Historical	October 31, 2009 Combined
Revenues	\$ 467,197	\$ 216,316	\$ 683,513
Expenses:			
Operating costs	664,578	60,503	725,081
Production taxes	64,488	17,425	81,913
Accretion expense	7,821	-	7,821
Depreciation, depletion and amortization	113,112	-	113,112
General and administrative	498,122	-	498,122
Total operating expenses	1,348,121	77,929	1,426,050
Loss from operations	(880,924)	138,387	(742,537)
Other income (expenses):	-	-	-
Interest expense	(255,935)	-	(255,935)
Price Risk Management Activities	(151,827)	-	(151,827)
Net income (loss)	(1,288,686)	138,387	(1,150,299)
Income tax expense	103	-	103
Loss from continuing operations	\$ (1,288,789)	\$ 138,387	\$ (1,150,402)
Basic and diluted loss per common share	\$ (0.01)		
Weighted shares outstanding	86,941,546		

Cave Pool Project Eddy County, New Mexico

On October 28, 2009, Doral West Corp. (Doral West), a wholly owned subsidiary of Doral Energy Corp., entered into an agreement (the Blugrass Agreement) with Blugrass Energy Inc. (Blugrass) to purchase a 40% working interest in certain oil and gas properties (the Cave Pool Unit Properties) located in and around the Cave Pool Unit in Eddy County, New Mexico, approximately 5 miles northwest of Loco Hills, New Mexico. The effective date of the acquisition was October 12, 2009. However, due to legal issues, the transaction was deemed not to have closed.

As of October 31, 2010, Blugrass is in default of their obligations under the Blugrass Agreement due to a breach of various representations and warranties. Doral and Blugrass are currently in negotiations to amend the terms of the Blugrass Agreement to avoid legal actions that could prove to be costly to both parties. As of October 31, 2010, the Company has paid in excess of \$200,000 in expenses related to environmental issues related to the Cave Pool properties and recorded it as expenses as Doral is seeking to reach a settlement with Blue Grass.

NOTE 5 NOTES PAYABLE

Little Bay Notes Payable

During fiscal 2008, Doral obtained loan proceeds from Little Bay Consulting SA (Little Bay) in the principal amount of \$520,000 of which \$320,000 of the principal was due on July 1, 2010 and the remaining \$200,000 was due October 1, 2010. The loans from Little Bay are unsecured and carry an annual interest rate of 5.0% . As of October 31, 2010, the loan is in default. Doral is currently working with the lender to extend the maturity date.

Green Shoe Investments

During fiscal 2008 and 2009, Doral obtained loan proceeds from Greenshoe Investments (Greenshoe) in the principal amount of \$487,000 of which \$87,000 is due May, 2011, \$300,000 was due in July, 2010 and \$100,000 was due on June 15, 2010. The loans from Greenshoe are unsecured and carry an annual interest rate of 5%. As of October 31, 2010, \$400,000 of the total loan is in default. Doral is currently working with the lender to extend the maturity date.

Vehicle and Trailer Notes

On August 6, 2010, one of the vehicles was traded in for the CEO. The vehicle had a carrying book value of \$49,933 and loan value of \$43,487 and the excess of \$6,446 was recorded as non cash compensation to CEO

As of October 31, 2010, Doral has an office trailer loan outstanding for a total principal and accrued interest in the amount of \$26,765 and \$388.

Pure Gas Partners II, LP Notes

On September 28, 2010, the Company entered into a loan and security agreement (the Loan Agreement) with Pure Gas Partners II, L.P. (Pure Gas), pursuant to which Pure Gas loaned the Company \$250,000 with interest payable thereon at a rate of 5% per annum. The Company agreed to make monthly installments of accrued interest beginning on November 1, 2010 and on the first day of each successive month thereafter, with a final payment of all remaining amounts payable under the Loan Agreement on account of principal and interest due on March 31, 2011 (the Due Date). The Company has the right to prepay all amounts due on account of principal at any time prior to the Due Date. As collateral for all amount payable under the Loan Agreement, the Company granted to Pure Gas a security interest in all of the Company s assets. As of October 31, 2010, \$250,000 and \$1,301 in principal and accrued interest is due and outstanding.

NOTE 6 – RELATED PARTY TRANSACTIONS

During fiscal 2009, Doral obtained loan proceeds from W.S. Oil and Gas Limited, a partnership which is controlled by our CEO. The note has a stated interest rate of 0% and an effective interest rate of 49% which resulted in \$500,000 due to the lender on November 1, 2012. On November 11, 2009, we agreed to amend the terms of the convertible promissory note to give W.S Oil and Gas Limited the option to convert any remaining principal and interest due under the note into shares of our common stock at a conversion price equal to the greater of (a) four times the fair market value of our common stock at the time the conversion right is exercised; and (b) \$0.05.

On September 15, 2010, W.S. Oil and Gas assigned \$25,000 of the amount due under the WS Oil Note to War Chest Multi-Strategy Fund LLC (“War Chest”). On September 16, 2010, we executed a Debt Settlement agreement with War Chest to settle the outstanding debt and changed the conversion price on this note to a fixed conversion price of \$.0125. The holder converted the \$25,000 into 2,000,000 shares of our common stock.

On September 15, 2010, WS Oil and Gas assigned \$25,000 of the amount due under the WS Oil Note to Barclay Lyons, LLC (“Barclay”). On September 17, 2010, we executed a Debt Settlement agreement with Barclay to settle the outstanding debt and changed the conversion price on this note to a fixed conversion price of \$.0125. The holder converted the \$25,000 into 2,000,000 shares of our common stock.

As a result of the modification of the terms of the conversion features of the two \$25,000 notes above, Doral applied ASC 470-50-40/55 “Debtor’s Accounting for a Modification or Exchange of Debt Instrument” and concluded that the revised terms constituted a debt extinguishment rather than debt modification because the change in the fair value of the embedded conversion features immediately before and after the modification exceeded 10% of the original loan balance. Accordingly, the Company recorded a total of \$50,000 as loss on debt extinguishment on the two notes above for the three months ended October 31, 2010.

On August 6, 2010, the Company trade in a vehicle in order for the CEO to personally finance a new vehicle. The excess of the carrying value and loan amount was \$6,446 and recorded as non cash compensation. See Note 5.

Accounts payable to Will Gray represent amounts owed for reimbursement of general and administrative costs paid on behalf of Doral.

NOTE 7 — CONVERTIBLE NOTE PAYABLE AND DERIVATIVES

15% Promissory Note

As of October 31, 2010, there are 2,000,000 warrants outstanding in associate with the \$250,000 convertible notes issued in December 2009. The principal was paid off during the year ended July 31, 2010.

The 2,000,000 warrants have a life of three years from the issuance date and each warrant share entitles the holder to purchase one common shares of the Company at a price of \$0.05 per share. The warrants contain ratchet provisions which adjust the exercise price and the number of shares to be issued upon conversion if the Company issues common stock at a price lower than the fixed conversion prices

As a result, the Company adopted ASC Topic No. 815 – 40, *Derivatives and Hedging - Contracts in Entity’s Own Stock* (formerly Emerging Issues Task Force Issue No. 07-5, *Determining Whether an Instrument or Embedded Feature is Indexed to an Entity’s Own Stock*) and determined that the underlying Units are not indexed to the Company’s common stock and should be valued at fair value at the date of issuance and at each subsequent interim period. The revaluation of the derivative as of October 31, 2010 resulted in a value of derivative liability of \$20,986. The decrease in value resulted in a gain on derivatives of \$35,247.

The fair value of the derivative was determined using the Black-Scholes option pricing model with the following assumptions:

	October 31, 2010
Stock price on the measurement date	\$ 0.016
Fair value of Warrant on measurement date	\$.01
Warrant term	2.34 years
Warrant volatility	165 %
Expected dividends	0%

21% Convertible Note Payable

On September 1, 2010, Doral Energy Corp. (the Company) issued a convertible note (the AFLP Note) to the Angirekula Family Limited Partnership (AFLP) in the amount of \$50,000. The AFLP Note is payable on March 1, 2011 or upon written demand by AFLP and accrues interest at a rate of twenty-one percent (21%) per annum. Under the terms of the AFLP Note, AFLP may at any time convert the outstanding principal of the AFLP Note into fully-paid non-assessable shares of the Company's common stock at a 50% discount to the average fair market value of the Company's common stock for the five consecutive trading days prior to the date the conversion right is exercised but not to exceed 135% of the low bid price of the Company's common stock nor be less than \$0.0001. In the event of a reverse stock split, the ceiling price will not be adjusted. The note is unsecured.

Doral evaluated the terms of the notes in accordance with, ASC 815 *Accounting for Derivative Instruments and Hedging Activities*, and ASC 815 EITF Issue 00-19, *Accounting for Derivative Financial Instruments to and Potentially Settled in a Company's Own Stock*. Doral determined that the convertible notes are not derivative instruments. Doral evaluated the conversion feature under ASC 470 and determined that a beneficial conversion feature should be recognized and gave rise to a debt discount of \$43,985. As of October 31, 2010, Doral has amortized \$5,307 of the debt discount to interest expense.

NOTE 8 FAIR VALUE MEASUREMENTS

Doral's commodity derivatives are measured at fair value in the financial statements. Doral's financial assets and liabilities are measured using input from three levels of the fair value hierarchy. A financial asset or liability classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement. The three levels are as follows:

- Level 1 Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that Doral has the ability to access at the measurement date.
- Level 2 Inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).
- Level 3 Unobservable inputs reflect Doral's judgments about the assumptions market participants would use in pricing the asset or liability since limited market data exists. Doral develops these inputs based on the best information available, using internal and external data.

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The following table presents Doral's assets and liabilities recognized in the balance sheet and measured at fair value on a recurring basis as of October 31, 2010

Description	Input Levels for Fair Value Measurements			Total
	Level 1	Level 2	Level 3	
Assets:				
Commodity derivatives	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
Liabilities:				
Derivative liability	\$ -	\$ -	\$ 20,986	\$ 20,986
Commodity derivatives	-	-	-	-
	\$ -	\$ -	\$ 20,986	\$ 20,986

The following table presents Doral's assets and liabilities recognized in the balance sheet and measured at fair value on a recurring basis as of July 31, 2010:

Description	Input Levels for Fair Value Measurements			Total
	Level 1	Level 2	Level 3	
Assets:				
Commodity derivatives	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
Liabilities:				
Derivative liability	\$ -	\$ -	\$ 56,233	\$ 56,233
Commodity derivatives	-	-	-	-
	\$ -	\$ -	\$ 56,233	\$ 56,233

NOTE 9 COMMITMENTS AND CONTINGENCIES

From time to time we may become involved in litigation in the ordinary course of business. At the present time the Company's management is not aware of any such litigation.

The Company, as an owner or lessee and operator of oil and gas properties, is subject to various federal, state and local laws and regulations relating to discharge of materials into, and protection of, the environment. These laws and regulations may, among other things, impose liability on the lessee under an oil and gas lease for the cost of pollution clean-up resulting from operations and subject the lessee to liability for pollution damages. In some instances, the Company may be directed to suspend or cease operations in the affected area. We maintain insurance coverage, which we believe is customary in the industry, although we are not fully insured against all environmental risks. The Company is not aware of any environmental claims existing as of October 31, 2010, which have not been provided for, covered by insurance or otherwise have a material impact on its financial position or results of operations. There can be no assurance, however, that current regulatory requirements will not change, or past non-compliance with environmental laws will not be discovered on the Company's properties

NOTE 10 STOCKHOLDERS EQUITY

On September 16, 2010, we issued 2,000,000 shares of our common stock to settled outstanding notes payable of \$50,000. See Note 6.

On September 17, 2010, we issued 2,000,000 shares of our common stock to settled outstanding notes payable of \$50,000. See Note 6.

Stock options

Stock option activity summary is presented in the table below:

	Number of Shares	Weighted- average Exercise Price	Weighted- average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Outstanding and Exercisable at July 31, 2010	2,237,200	\$.11	4.78	
Granted	-	-		
Exercised	(924,200)	(.03)		
Forfeited	-	-		
Expired	-	-		
Outstanding and Exercisable at October 31, 2010	1,313,000	.16	4.38	

Exercise of stock options

In October 2010, we issued 924,200 shares of common stock in exchange for the exercise of stock options with an exercise price of \$0.028 per share. We agreed to reduce amounts payable to the holder in exchange for the exercise price of \$25,878 which would have been due upon exercise. We received no cash proceeds upon the exercise of the stock options.

NOTE 11 SUBSEQUENT EVENTS

On November 17, 2010, the lender for the 4% convertible note (see Note 7) exercised 2,000,000 warrants at an exercise price of \$0.005 per share or \$10,000 in aggregate. The exercise price was reduced from \$0.05 to \$0.005 at the time of exercise, and as result of the reduction of the exercise price on that date, a loss on modification of such warrants of \$21,077 was recognized.

On November 24, 2010, Angirekula Family Limited Partnership (AFLP) entered into debt settlement agreement with Doral to convert all amounts due and owing of \$50,000 under the 21% Convertible Note Payable into 2,500,000 shares of the Corporation s common stock

On November 24, 2010, we entered into an agreement (the WS Settlement Agreement) with WS Oil and Gas to settle all amounts payable. Pursuant to the terms of the WS Settlement Agreement, we agreed to issue to WS Oil and Gas 20,000,000 shares of our common stock at a price of \$0.02 per share (equal to the average closing price of our common stock for the 20 trading days prior to the date of the WS Settlement Agreement) or \$400,000 in the aggregate. In payment of the purchase price for the shares issuable under the WS Settlement Agreement, WS Oil and Gas agreed to release the us from all of our obligations under the WS Oil Note. A total of \$400,000 was payable on account of principal and interest on the WS Oil Note at the time the WS Settlement Agreement was entered into.

On December 8, 2010, the board of directors approved to decrease the Company s authorized common stock from 2,000,000,000 shares of common stock to 36,363,637 shares of common stock, par value \$.001 per share, and to correspondingly decrease the number of the Company s issued and outstanding shares of common stock on a one for fifty-five (1:55) basis such that each shareholder will hold one share for ever fifty-five shares held, to be effective on the December 27, 2010.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Quarterly Report on Form 10-Q constitute "forward-looking statements." These statements, identified by words such as plan, "anticipate," "believe," "estimate," "should," "expect" and similar expressions include our expectations and objectives regarding our future financial position, operating results and business strategy. These statements reflect the current views of management with respect to future events and are subject to risks, uncertainties and other factors that may cause our actual results, performance or achievements, or industry results, to be materially different from those described in the forward-looking statements. Such risks and uncertainties include those set forth under the caption Part II Item 1A. Risk Factors and elsewhere in this Quarterly Report. We do not intend to update the forward-looking information to reflect actual results or changes in the factors affecting such forward-looking information. We advise you to carefully review the reports and documents, particularly our Annual Reports, our Quarterly Reports and our Current Reports we file from time to time with the United States Securities and Exchange Commission (the SEC). Copies of all of our filings with the SEC may be accessed by visiting the SEC site (<http://www.sec.gov>) and performing a search of our electronic filings.

As used in this Quarterly Report, the terms "we," "us," "our," and "Doral" mean Doral Energy Corp. unless otherwise indicated. All dollar amounts in this Quarterly Report are in U.S. dollars unless otherwise stated.

RESULTS OF OPERATION

Merger Agreement with Pure Gas Partners II, L.P.

On December 2, 2010, we entered into an Agreement and Plan of Merger (the Merger Agreement) with Pure Gas Partners II, L.P. (Pure) and Pure Energy Group, Inc., a wholly owned subsidiary of Pure (Pure Sub). Pursuant to the provisions of the Merger Agreement, Pure Sub will merge with and into Doral Acquisition Corp. (Doral Sub), with Doral Sub continuing as the surviving corporation (the Merger). Doral Sub is the wholly owned subsidiary of the Company incorporated solely for the purpose of completing the Merger.

In addition to standard conditions to closing, closing of the Merger is conditional upon the following events:

- (1) Pure transferring all of its assets to Pure Sub in exchange for the assumption by Pure Sub of all of Pure's liabilities;
- (2) Pure receiving the approval of its general partner and limited partners holding a majority of the limited partnership interests of each limited partnership class;
- (3) The completion by the Company of a 1-for-55 reverse split of its common stock (the Reverse Split); and
- (4) The Company receiving a favorable opinion from its financial advisors that the transaction is fair to the Company's shareholders

Upon completion of Reverse Split, our authorized capital is expected to be reduced from 2,000,000,000 shares of common stock, par value \$0.001 per share, of which 135,933,086 shares are outstanding as of the date of this report, to 36,363,637 shares of common stock, par value \$0.001 per share of which 2,471,511 shares are expected to be outstanding (prior to closing the Merger and not including adjustments for resulting fractional share interests). The expected effective date of the Reverse Split is December 27, 2010 unless otherwise determined by our board of directors. Upon completion of the Merger, it is expected that each share of Pure Sub common stock will be converted into 19.963072 shares of the Company's common stock, resulting in the Company issuing an aggregate of 9,981,536 shares of common stock to Pure. Completion of the Merger is expected to ultimately result in the Company having a

total of approximately 12,453,047 post-Reverse Split shares outstanding, with Pure owning approximately 80% of the Company's total outstanding shares on a fully diluted basis, and the Company's existing shareholders owning the remaining 20%.

In addition, upon completion of the Merger, we intend to change our name to Cross-Border Resources, Inc. and add three new members to our board of directors, bringing the total number of our directors to five. In addition, upon completion of the Merger, we expect to appoint a new Chief Operating Officer and a new Chief Financial Officer. Mr. Everett Willard Gray, II is expected to continue to act as Chairman of our Board of Directors and as our Chief Executive Officer and Mr. Brad Heidelberg is expected to continue to act as a member of our Board of Directors.

Three months ended October 31, 2010 and 2009**Summary of Year End Results**

	Year Ended October 31		Percentage
	2010	2009	Increase / (Decrease)
Revenue	\$ 210,096	\$ 467,197	(55.0)%
Expenses	(573,374)	(1,348,121)	(57.5)%
Gain on financial instrument derivatives	35,247	-	100.0%
Interest Expense	(21,434)	(255,935)	(91.6)%
Loss on extinguishment of debt	(50,000)	-	100.0%
Price risk management activities	-	(151,827)	(100.0)%
Income Tax Expense (Benefit)	-	(103)	(100.0)%
Net Loss	\$ (399,465)	\$ (1,288,789)	(69.0)%

Revenues

We recognized revenues from the sale of crude oil of \$210,096 for the three months ended October 31, 2010 and from the sale of oil and natural gas of \$467,197 for the three months ended October 31, 2009. The decrease in revenues was primarily due to a decrease in sales volumes as a result of the sale of our oil and gas properties located in Eddy County, New Mexico (the Hanson Properties) to Alamo Resources LLC (Alamo), offset by an increase in sales volumes from the purchase of our oil and gas properties located in Chaves County and Roosevelt County, New Mexico (the Stearns Properties and the Nordstrand Properties).

Revenues from the sale of oil and gas are recognized based on the actual volume of oil and gas sold to purchasers. Although we have begun to incrementally increase production from the Stearn and Nordstrand Properties by making minimal improvements to existing wells, our revenues are also subject to fluctuations in the market price of crude oil and natural gas.

Operating Expenses

Our operating expenses for the years ended October 31, 2010 and 2009, consisted of the following:

	Year Ended October 31,		Percentage
	2010	2009	Increase / (Decrease)
Operating Costs	\$ 198,952	\$ 664,578	(70.1)%
Production Taxes	17,164	64,488	(73.4)%
Depreciation, Depletion, and Amortization	71,864	113,112	(36.5)%
Accretion Expense	11,599	7,821	48.3%
General and Administrative	273,795	498,122	(45.0)%
Total	\$ 573,374	\$ 1,348,121	(57.5)%

For the three months ended October 31, 2010 and 2009, operating expenses from continuing operations were \$573,374 and \$1,348,121 respectively. The decrease in operating expense from continuing operations of \$774,747 was mainly due to a decrease of \$224,327 in general and administrative expenses and a decrease in operating expenses of \$465,626. Operating costs are the costs associated with our oil and gas production activities for the period. Production taxes are severance and ad valorem taxes payable in respect of the oil and gas production from our properties.

Our expenses for the period ended October 31, 2010 were significantly lower as our operational activities have decreased significantly since the period ended October 31, 2009 due to sale of the Hanson Properties and the purchase of the Stearn and Nordstrand Properties. Expenses for the period ended October 31, 2010 are expected to be more

indicative of our future expenses. However, expenses in future periods may be significantly greater depending upon the extent of any developmental activities that we engage in on our properties.

Price Risk Management Activities

During the three months ended October 31, 2009, we recognized a loss of \$151,827 which includes realized hedge settlements received for the difference between the hedged price and the market price. We ceased all hedging activities after July 31, 2010.

LIQUIDITY AND CAPITAL RESOURCES**Working Capital**

	At October 31, 2010	At July 31, 2010	Percentage Increase / (Decrease)
Current Assets	\$ 148,236	\$ 154,317	(3.9)%
Current Liabilities	(2,162,397)	(1,968,215)	9.9%
Working Capital (Deficit)	\$ (2,014,161)	\$ (1,813,898)	11.0%

Cash Flows

	Three Months Ended October 31, 2010	Three Months Ended October 31, 2009
Cash Flows Used in Operating Activities	\$ (192,103)	\$ (260,432)
Cash Flows From Investing Activities	(92,330)	(82,290)
Cash Flows Used in Financing Activities	300,000	(94,084)

Net Increase (Decrease) in Cash During Period	\$ 15,567	\$ (436,806)
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As of October 31, 2010, we had a working deficit of \$2,014,161.

Increase in our working capital deficit is mainly due to an increase in current liabilities for the period ended October 31, 2010. This includes a loan in the amount of \$250,000 from Pure Gas Partners II, LLP and an increase in amounts due to related party payable for accrued salaries and unreimbursed business expenses for a total of \$27,473. The increase to current liabilities was offset by a decrease in note payables of \$50,000 and a decrease to current derivative liability of \$35,247.

Pure Gas Loan

On September 28, 2010, we entered into a loan and security agreement (the "Pure Loan Agreement") with Pure Gas Partners II, L.P. ("Pure"), pursuant to which Pure agreed to loan to us \$250,000 with interest payable thereon at a rate of 5% per annum. We agreed to make monthly installments of accrued interest beginning on November 1, 2010 and on the first day of each successive month thereafter, with a final payment of all remaining amounts payable under the Pure Loan Agreement on account of principal and interest due on March 31, 2011 (the "Due Date"). We have the right to prepay all amounts due on account of principal at any time prior to the Due Date. As collateral for all amount payable under the Pure Loan Agreement, we granted to Pure a security interest in all of the Company's assets.

On December 2, 2010, we entered into a Merger Agreement with Pure, pursuant to which it is expected that we will acquire all of the assets of Pure. If the transaction with Pure not completed on or before January 1, 2011, or such other date agreed to by us and Pure in writing, Pure may declare us to be in default under the Pure Loan Agreement and may deem the amounts payable under the Pure Loan Agreement to be immediately due and payable.

As of October 31, 2010, \$250,000 in principal and \$1,301 in accrued interest is outstanding with respect to the Pure Loan.

Convertible Note Issuance

On September 1, 2010, Doral Energy Corp. (the Company) issued a convertible note (the AFLP Note) to the Angirekula Family Limited Partnership (AFLP) in the amount of \$50,000. The AFLP Note is payable on March 1, 2011 or upon written demand by AFLP and accrues interest at a rate of twenty-one percent (21%) per annum. Under the terms of the AFLP Note, AFLP may at any time convert the outstanding principal of the AFLP Note into fully-paid non-assessable shares of the Company's common stock at a 50% discount to the average fair market value of the Company's common stock for the five consecutive trading days prior to the date the conversion right is exercised but not to exceed 135% of the low bid price of the Company's common stock nor be less than \$.0001. In the event of a reverse stock split, the ceiling price will not be adjusted. The note is unsecured.

On November 24, 2010, we sold 2,500,000 shares of our common stock to the AFLP in consideration for the AFLP's agreement to release the Company from all of its obligations under the AFLP Note. The AFLP represented to us that it is an accredited investor as defined in Rule 501 of Regulation D of the Securities Act of 1933, as amended (the Securities Act).

W.S. Oil and Gas Limited Convertible Note

During fiscal 2009, W.S. Oil and Gas Limited (WS Oil and Gas), a limited partnership controlled by our Chief Executive Officer, provided us with loan proceeds of \$250,000, in exchange we issued to WS Oil and Gas a convertible promissory note (the WS Oil Note) for \$500,000.

On September 15, 2010, WS Oil and Gas assigned \$25,000 of the amount due under the WS Oil Note to War Chest Multi-Strategy Fund LLC (War Chest). On September 16, 2010, we executed a Debt Settlement Agreement with War Chest to settle the outstanding debt in consideration for 2,000,000 shares of our common stock. War Chest has represented to us that they are an accredited investor as defined in Rule 501 of Regulation D of the Securities Act.

On September 15, 2010, WS Oil and Gas assigned \$25,000 of the amount due under the WS Oil Note to Barclay Lyons, LLC (Barclay). On September 17, 2010, we executed a Debt Settlement agreement with Barclay to settle the outstanding debt in consideration for 2,000,000 shares of our common stock. Barclay has represented to us that they are an accredited investor as defined in Rule 501 of Regulation D of the Securities Act.

On November 24, 2010, we entered into an agreement (the "WS Settlement Agreement") with WS Oil and Gas to settle all amounts payable under the WS Oil Note. Pursuant to the terms of the WS Settlement Agreement, we agreed to issue to WS Oil and Gas 20,000,000 shares of our common stock at a price of \$0.02 per share (equal to the average closing price of our common stock for the 20 trading days prior to the date of the WS Settlement Agreement) or \$400,000 in the aggregate. In payment of the purchase price for the shares issuable under the WS Settlement Agreement, WS Oil and Gas agreed to release us from all of our obligations under the WS Oil Note. A total of \$400,000 was payable on account of principal and interest on the WS Oil Note at the time the WS Settlement Agreement was entered into. We had been in default of the WS Oil Note since November 2009 due to our inability to make the scheduled payments under the WS Oil Note.

Little Bay and Greenshoe

As of October 31, 2010, we were indebted to Little Bay Consulting SA (Little Bay) and Greenshoe Investments Ltd. (Greenshoe) in the amounts of \$520,000 and \$487,000 respectively for loans provided in fiscal 2008 and 2009. We are currently in default of those obligations and are currently negotiating to extend or settle the amounts due to Little Bay and Greenshoe.

Exercise of Warrants

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On November 24, 2010, we issued 2,000,000 shares of our common stock to Edward Ajootian upon the exercise of warrants issued to Mr. Ajootian on March 3, 2010 (the Warrants). The Warrants entitled Mr. Ajootian to purchase up to 2,000,000 shares of our common stock at an exercise price of \$0.05 per share for a period ending March 2, 2013. In consideration for Mr. Ajootian's agreement to exercise the Warrants immediately, we agreed to reduce the exercise price for the Warrants to \$0.005 per share. The shares were issued pursuant to the exemption from registration provided by Rule 506 of Regulation D of the Securities Act, as amended. Mr. Ajootian represented that he was an accredited investor as that term is defined in Rule 501 of Regulation D of the Securities Act.

OFF-BALANCE SHEET ARRANGEMENTS

We have no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenue or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to our stockholders.

CRITICAL ACCOUNTING POLICIES

The preparation of financial statements in conformity with generally accepted accounting principles ("GAAP") in the United States has required our management to make assumptions, estimates and judgments that affect the amounts reported in the financial statements, including the notes thereto, and related disclosures of commitments and contingencies, if any. Our significant accounting policies are disclosed in the notes to the interim financial statements for the period ended October 31, 2010 included in this Quarterly Report on Form 10-Q.

The consolidated financial statements presented with this Quarterly Report on Form 10-Q have been prepared in accordance with generally accepted accounting principles in the United States of America for interim financial information. These financial statements do not include all information and footnote disclosures required for an annual set of financial statements prepared under United States generally accepted accounting principles. In the opinion of our management, all adjustments (consisting solely of normal recurring accruals) considered necessary for a fair presentation of the financial position, results of operations and cash flows as October 31, 2010, and for all periods presented in the attached financial statements, have been included. Interim results for the period ended October 31, 2010 are not necessarily indicative of the results that may be expected for the fiscal year as a whole.

Our significant accounting policies are disclosed at Note 2 to the unaudited financial statements included with this Quarterly Report.

Derivatives

Derivative financial instruments that are utilized to manage or reduce commodity price risk related to our production are accounted for under the provisions of FASC 815-25 (formerly SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities"). Under this pronouncement, derivatives are carried on the balance sheet at fair value. If the derivative is not designated as a hedge, changes in the fair value are recognized in other income (expense).

We are permitted to net the fair values of derivative assets and liabilities for financial reporting purposes, if such assets and liabilities are with the same counterparty and subject to a master netting arrangement. We have elected to employ net presentation of derivative assets and liabilities when these conditions are met. When derivative assets and liabilities are presented net, the fair value of the right to reclaim collateral assets (receivable) or the obligation to return cash collateral (payable) is also offset against the net fair value of the corresponding derivative. We routinely exercise our contractual right to net realized gains against realized losses when settling with our swap counterparty.

On June 15, 2010, we discontinued all hedging activities.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Not Applicable.

ITEM 4T. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Securities Exchange Act of 1934, as amended (the Exchange Act) is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. It should be noted that the design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures as required by Exchange Act Rule 13a-15(b) as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of the end of the period covered by this Quarterly Report in ensuring that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act were reported within the time periods specified in the SEC's rules and forms.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the period ended October 31, 2010 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS

The following are some of the important factors that could affect our financial performance or could cause actual results to differ materially from estimates contained in our forward-looking statements. We may encounter risks in addition to those described below. Additional risks and uncertainties not currently known to us, or that we currently deem to be immaterial, may also impair or adversely affect our business, financial condition or results of operation.

We have an operating deficit and have incurred losses since inception.

To date, our operations have not been profitable and we may never be able to achieve profitability.

Our future performance depends upon our ability to obtain capital to find or acquire additional oil and natural gas reserves that are economically recoverable.

Unless we successfully replace the reserves that we produce, our reserves will decline, resulting eventually in a decrease in oil and natural gas production and lower revenues and cash flows from operations. The business of exploring for, developing or acquiring reserves is capital intensive. Our ability to make the necessary capital investment to maintain or expand our oil and natural gas reserves is limited by our relatively small size. Further, we may commence drilling operations on our properties and any other properties that we acquire in an effort to increase production, which would require more capital than we have available from cash flow from operations or our existing debt facilities. In such case, we would be required to seek additional sources of financing or limit our participation in the additional drilling. In addition, our drilling activities are subject to numerous risks, including the risk that no commercially productive oil or gas reserves will be encountered.

The successful implementation of our business plan is subject to risks inherent in the oil and gas business, which if not adequately managed could result in additional losses.

Our oil and gas operations will be subject to the economic risks typically associated with exploitation and development activities, including the necessity of making significant expenditures to locate and acquire properties and to drill development wells. In addition, the availability of drilling rigs and the cost and timing of drilling, completing and, if warranted, operating wells is often uncertain. In conducting exploitation and development activities, the presence of unanticipated formation pressure or irregularities in formations, miscalculations or accidents may cause our exploitation, development and, if warranted, production activities to be unsuccessful. This could result in a total loss of our investment in a particular well. If exploitation and development efforts are unsuccessful in establishing proved reserves and development activities cease, the amounts accumulated as unproved costs will be charged against earnings as impairments.

In addition, the availability of a ready market for our oil and gas production depends on a number of factors, including the demand for and supply of oil and gas and the proximity of reserves to pipelines and other facilities. Our ability to market such production depends in substantial part on the availability and capacity of gathering systems, pipelines and processing facilities, in most cases owned and operated by third parties. A failure to obtain such services on acceptable terms could materially harm our proposed oil and gas business. We may be required to shut in wells for lack of a market or because of inadequacy or unavailability of pipelines or gathering system capacity. If that occurs, we would be unable to realize revenue from those wells until arrangements are made to deliver such production to market.

Our future performance is dependent upon our ability to identify, acquire and develop oil and gas properties, the failure of which could result in under use of capital and losses.

The future performance of our oil and gas business will depend upon an ability to identify, acquire and develop oil and gas reserves that are economically recoverable. Success will depend upon the ability to acquire working and net revenue interests in properties upon which oil and gas reserves are ultimately discovered in commercial quantities, and the ability to develop prospects that contain proven oil and gas reserves to the point of production. Without successful acquisition, exploitation, and development activities, we will not be able to develop oil and gas reserves or generate revenues. There are no assurances oil and gas reserves will be identified or acquired on acceptable terms, or that oil and gas deposits will be discovered in sufficient quantities to enable us to recover our exploitation and development costs or sustain our business.

The successful acquisition and development of oil and gas properties requires an assessment of recoverable reserves, future oil and gas prices and operating costs, potential environmental and other liabilities, and other factors. Such assessments are necessarily inexact and their accuracy inherently uncertain. In addition, no assurances can be given that our exploitation and development activities will result in the discovery of any reserves. Operations may be curtailed, delayed or canceled as a result of lack of adequate capital and other factors, such as lack of availability of rigs and other equipment, title problems, weather, compliance with governmental regulations or price controls, mechanical difficulties, or unusual or unexpected formation pressures, and or work interruptions. In addition, the costs of exploitation and development may materially exceed our initial estimates.

The oil and gas exploration and production industry historically is a cyclical industry and market fluctuations in the prices of oil and gas could adversely affect our business.

Prices for oil and gas tend to fluctuate significantly in response to factors beyond our control. These factors include, but are not limited to:

- (a) weather conditions in the United States and elsewhere;
- (b) economic conditions, including demand for petroleum-based products, in the United States and elsewhere;
- (c) actions by OPEC, the Organization of Petroleum Exporting Countries;
- (d) political instability in the Middle East and other major oil and gas producing regions;
- (e) governmental regulations, both domestic and foreign;
- (f) domestic and foreign tax policy;
- (g) the pace adopted by foreign governments for the exploration, development, and production of their national reserves;
- (h) the price of foreign imports of oil and gas;
- (i) the cost of exploring for, producing and delivering oil and gas; the discovery rate of new oil and gas reserves;
- (j) the rate of decline of existing and new oil and gas reserves;
- (k) available pipeline and other oil and gas transportation capacity;
- (l) the ability of oil and gas companies to raise capital;
- (m) the overall supply and demand for oil and gas; and
- (n) the availability of alternate fuel sources.

Changes in commodity prices may significantly affect our capital resources, liquidity and expected operating results. Price changes will directly affect revenues and can indirectly impact expected production by changing the amount of funds available to reinvest in exploration and development activities. Reductions in oil and gas prices not only reduce revenues and profits, but could also reduce the quantities of reserves that are commercially recoverable. Significant declines in prices could result in non-cash charges to earnings due to impairment. Changes in commodity prices may also significantly affect our ability to estimate the value of producing properties for acquisition and divestiture and often cause disruption in the market for oil and gas producing properties, as buyers and sellers have difficulty agreeing on the value of the properties. Price volatility also makes it difficult to budget for and project the return on acquisitions and the development and exploitation of projects. Commodity prices are expected to continue to fluctuate significantly in the future.

Hedging transactions may limit potential gains on increases to oil and gas prices.

We do not have any hedging positions at this time. If we do enter into hedging transactions, they will likely be for a portion of our expected production for the purpose of reducing the risk of fluctuations in oil and gas prices. Although these hedging transactions would be expected to provide us with some protection in the event of a decrease in oil and gas prices, they would also be expected to limit our potential gains in the event that oil and gas prices increase. If we choose not to engage in hedging arrangements in the future, we may be more adversely affected by changes in oil and natural gas prices than our competitors, who may or may not engage in hedging arrangements.

We may encounter difficulty in obtaining equipment and services.

Higher oil and natural gas prices and increased oil and natural gas drilling activity generally stimulate increased demand and result in increased prices and unavailability for drilling rigs, crews, associated supplies, equipment and services. While we have recently been successful in acquiring or contracting for services, we could experience difficulty obtaining drilling rigs, crews, associated supplies, equipment and services in the future. These shortages could also result in increased costs or delays in timing of anticipated development or cause interests in oil and natural gas leases to lapse. We cannot be certain that we will be able to implement our drilling plans or at costs that will be as estimated or acceptable to us.

Our ability to produce oil and gas from our oil and gas assets may be adversely affected by a number of factors outside of our control.

The business of exploring for and producing oil and gas involves a substantial risk of investment loss. Drilling oil and gas wells involves the risk that the wells may be unproductive or that, although productive, the wells may not produce oil or gas in economic quantities. Other hazards, such as unusual or unexpected geological formation pressures, fires, blowouts, loss of circulation of drilling fluids or other conditions may substantially delay or prevent completion of any well. Adverse weather conditions can also hinder drilling operations. A productive well may become uneconomic if excessive water or other deleterious substances are encountered that impair or prevent the production of oil or gas from the well. In addition, production from any well may be unmarketable if it is contaminated with water or other deleterious substances. There can be no assurance that oil and gas will be produced from the properties in which we have interests. In addition, the marketability of oil and gas that may be acquired or discovered may be influenced by numerous factors beyond our control. These factors include the proximity and capacity of oil and gas, gathering systems, pipelines and processing equipment, market fluctuations in oil and natural gas prices, taxes, royalties, land lease tenure, allowable production volumes, and environmental protection regulations.

If we are unable to maintain our working interests in leases, our business will be adversely affected.

Our oil and gas assets are held under oil and gas leases. A failure to meet the specific requirements of each lease may cause that lease to terminate or expire. There are no assurances the obligations required to maintain those leases will be met and that we will be able to meet the rental obligations under federal, state and private oil and gas leases. If we are unable to make rental payments and satisfy any other conditions on a timely basis, we may lose our rights in the properties that we may acquire.

Title deficiencies could render our leases worthless.

The existence of a material title deficiency can render a lease worthless and can result in a large expense to our business. In acquiring oil and gas leases or undivided interests in oil and gas leases we may forgo the expense of retaining lawyers to examine the title to the oil or gas interest to be placed under lease or already placed under lease. Instead, we may rely upon the judgment of oil and gas landmen who perform the field work in examining records in the appropriate governmental office before attempting to place under lease specific oil or gas interest. This is customary practice in the oil and gas industry. As a result, we may be unaware of deficiencies in the marketability of the title to the lease. Such deficiencies could render the lease worthless.

If we fail to maintain adequate operating insurance, our business could be materially and adversely affected.

Our oil and gas operations are subject to risks inherent in the oil and gas industry, such as blowouts, cratering, explosions, uncontrollable flows of oil, gas or well fluids, fires, pollution, earthquakes and other environmental risks. These risks could result in substantial losses due to injury and loss of life, severe damage to and destruction of property and equipment, pollution and other environmental damage, and suspension of operations. We could be liable for environmental damages caused by previous property owners. As a result, substantial liabilities to third parties or

governmental entities may be incurred, the payment of which could have a material adverse effect on our financial condition and results of operations. Any prospective drilling contractor or operator which we hire will be required to maintain insurance of various types to cover its operations with policy limits and retention liability customary in the industry. We maintain well control, re-drill, environmental cleanup, and liability insurance on all of our field production and future drilling operations. However, the occurrence of a significant adverse event on such prospects that would happen to be not fully covered by insurance could result in the loss of all or part of our investment in a particular prospect which could have a material adverse effect on our financial condition and results of operations.

Complying with environmental and other government regulations could be costly and could negatively impact prospective production.

The oil and gas business is governed by numerous laws and regulations at various levels of government. These laws and regulations govern the operation and maintenance of our facilities, the discharge of materials into the environment and other environmental protection issues. Such laws and regulations may, among other potential consequences, require that we acquire permits before commencing drilling and restrict the substances that can be released into the environment with drilling and production activities. Under these laws and regulations, we could be liable for personal injury, clean-up costs and other environmental and property damages, as well as administrative, civil and criminal penalties. Prior to commencement of drilling operations, we may secure limited insurance coverage for sudden and accidental environmental damages as well as environmental damage that occurs over time. However, we do not believe that insurance coverage for the full potential liability of environmental damages is available at a reasonable cost. Accordingly, we could be liable, or could be required to cease production on properties, if environmental damage occurs.

The costs of complying with environmental laws and regulations in the future may harm our business. Furthermore, future changes in environmental laws and regulations could occur, resulting in stricter standards and enforcement, larger fines and liability, and increased capital expenditures and operating costs, any of which could have a material adverse effect on our financial condition or results of operations.

The oil and gas industry is highly competitive, and we may not have sufficient resources to compete effectively.

The oil and gas industry is highly competitive. We will be competing with oil and natural gas companies and other individual producers and operators, many of which have longer operating histories and substantially greater financial and other resources than it does, as well as companies in other industries supplying energy, fuel and other needs to consumers. Larger competitors, by reason of their size and relative financial strength, can more easily access capital markets than we can and may enjoy a competitive advantage in the recruitment of qualified personnel. They may be able to absorb the burden of any changes in laws and regulation in the jurisdictions in which we do business and handle longer periods of reduced prices for oil and gas more easily than we can. Competitors may be able to pay more for oil and gas leases and properties and may be able to define, evaluate, bid for and purchase a greater number of leases and properties than we can. Further, these companies may enjoy technological advantages and may be able to implement new technologies more rapidly than we can. Our ability to acquire oil and gas properties will depend upon its ability to conduct efficient operations, evaluate and select suitable properties, implement advanced technologies and consummate transactions in a highly competitive environment.

The loss of our key persons, or our failure to attract and retain additional personnel could adversely affect our business.

Our success depends greatly upon the efforts, abilities, and decision-making of our sole executive officer, Everett Willard Gray, II. The loss of Mr. Gray would have an adverse effect on our business prospects. We do not currently maintain "key-man" life insurance and there is no contract in place assuring the services of Mr. Gray for any length of time. In the event that we should lose our officers and we are unable to find suitable replacements, we may not be able to develop our business, in which case investors might lose all of their investment.

If we issue additional shares of common stock in the future this may result in dilution to our existing stockholders.

Our articles of incorporation authorize the issuance of 2,000,000,000 shares of common stock. Our board of directors has the authority to issue additional shares of common stock up to the authorized capital stated in the articles of incorporation. Our board of directors may choose to issue some or all of such shares to provide additional financing in the future. The issuance of any such shares may result in a reduction of the book value or market price of the

outstanding shares of our common stock. It will also cause a reduction in the proportionate ownership and voting power of all other stockholders.

We have never paid dividends and do not intend to pay any in the foreseeable future, which may delay or prevent recovery of your investment.

We have never paid any cash dividends and currently do not intend to pay any dividends in the foreseeable future. If we do not pay dividends, this may delay or prevent recovery of your investment. To the extent that we require additional funding currently not provided for in our financing plan, it is possible that our funding sources might prohibit the payment of dividends.

The trading price of our common stock may be volatile, with the result that an investor may not be able to sell any shares acquired at a price equal to or greater than the price paid by the investor.

Our common stock is quoted on the OTC Bulletin Board under the symbol "DRLY." Companies quoted on the OTC Bulletin Board have traditionally experienced extreme price and volume fluctuations. In addition, our stock price may be adversely affected by factors that are unrelated or disproportionate to our operating performance. Market fluctuations, as well as general economic, political and market conditions such as recessions, interest rates or international currency fluctuations may adversely affect the market price of our common stock. As a result of this potential price and volume volatility, an investor may have difficulty selling any of our common stock that they acquire that a price equal or greater than the price paid by the investor.

Because our stock is a penny stock, stockholders will be more limited in their ability to sell their stock.

The SEC has adopted rules that regulate broker-dealer practices in connection with transactions in penny stocks. Penny stocks are generally equity securities with a price of less than \$5.00, other than securities registered on certain national securities exchanges or quoted on the Nasdaq system, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or quotation system.

Because our securities constitute "penny stocks" within the meaning of the rules, the rules apply to us and to our securities. The rules may further affect the ability of owners of shares to sell our securities in any market that might develop for them. As long as the trading price of our common stock is less than \$5.00 per share, the common stock will be subject to Rule 15c-9 under the Securities Exchange Act of 1934 (the Exchange Act). The penny stock rules require a broker-dealer, prior to a transaction in a penny stock, to deliver a standardized risk disclosure document prepared by the SEC, that:

1. contains a description of the nature and level of risk in the market for penny stocks in both public offerings and secondary trading;
2. contains a description of the broker's or dealer's duties to the customer and of the rights and remedies available to the customer with respect to a violation to such duties or other requirements of securities laws;
3. contains a brief, clear, narrative description of a dealer market, including bid and ask prices for penny stocks and the significance of the spread between the bid and ask price;
4. contains a toll-free telephone number for inquiries on disciplinary actions;
5. defines significant terms in the disclosure document or in the conduct of trading in penny stocks; and
6. contains such other information and is in such form, including language, type, size and format, as the SEC shall require by rule or regulation.

The broker-dealer also must provide, prior to effecting any transaction in a penny stock, the customer with: (a) bid and offer quotations for the penny stock; (b) the compensation of the broker-dealer and its salesperson in the transaction; (c) the number of shares to which such bid and ask prices apply, or other comparable information relating to the depth and liquidity of the market for such stock; and (d) a monthly account statements showing the market value of each penny stock held in the customer's account. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from those rules; the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written acknowledgment of the receipt of a risk disclosure statement, a written agreement to transactions involving penny stocks, and a signed and dated copy of a written suitability statement. These disclosure requirements may have the effect of reducing the trading activity in the secondary market for our stock.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On November 24, 2010 we agreed to issue 2,500,000 shares of our common stock to the Angirekula Family Limited Partnership, 2,000,000 shares of our common stock to Edward Ajootian and 20,000,000 shares of our common stock to W.S. Oil and Gas Limited, a limited partnership controlled by our Chief Executive Officer. A description of these

transactions is provided in Part I of this Quarterly Report.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit

Number Description of Exhibits

2.1	Agreement and Plan of Merger dated April 21, 2008 between Language Enterprises Corp. (as surviving entity) and Doral Energy Corp. (as merging entity) and changing the name of the surviving entity to Doral Energy Corp. ⁽⁶⁾
3.1	Articles of Incorporation. ⁽¹⁾
3.2	Certificate of Change Pursuant to NRS 78.209 increasing the authorized capital of common stock to 2,500,000,000 shares, par value \$0.001 per share (25-for-1 Stock Split). ⁽³⁾
3.3	Articles of Merger between Language Enterprises Corp. (as surviving entity) and Doral Energy Corp. (as merging entity). ⁽⁶⁾
3.4	Certificate of Change Pursuant to NRS 78.209 decreasing the authorized capital of common stock to 400,000,000 shares, par value \$0.001 per share (1-for-6.25 Reverse Split). ⁽¹⁸⁾
3.5	Certificate of Change Pursuant to NRS 78.209 increasing the authorized capital of common stock to 2,000,000,000 shares, par value \$0.001 per share (5-for-1 Stock Split). ⁽²⁹⁾
3.6	Bylaws. ⁽¹⁾
10.1	Loan Agreement dated as of March 7, 2008 with Little Bay Consulting SA. ⁽⁴⁾
10.2	Letter Agreement dated April 10, 2008 with G2 Petroleum, LLC. ⁽⁵⁾
10.3	Purchase and Sale Agreement dated April 25, 2008 with J. Warren Hanson, doing business as Hanson Energy, and his wife Kathie Hanson. ⁽⁷⁾
10.4	Loan Agreement between the Company (as borrower) and Green Shoe Investments Ltd. (as lender) dated May 9, 2008 for the amount of \$100,000. ⁽⁸⁾
10.5	Loan Agreement between the Company (as borrower) and Green Shoe Investments Ltd. (as lender) dated May 23, 2008 for the amount of \$150,000. ⁽⁹⁾
10.6	Title Work Agreement dated May 12, 2008 with Arena Resources, Inc. ⁽¹⁰⁾
10.7	Amendment Agreement to Share Purchase Agreement dated July 17, 2008 between J. Warren Hanson, doing business as Hanson Energy, his wife Kathie Hanson, and Doral Energy Corp. (formerly Language Enterprises Corp.) ⁽¹¹⁾
10.8	Loan Agreement dated July 18, 2008 between Doral Energy Corp. and Little Bay Consulting SA. ⁽¹¹⁾
10.9	Loan Agreement dated July 18, 2008 between Doral Energy Corp. and Green Shoe Investments Ltd. ⁽¹¹⁾
10.10	Credit Agreement dated July 29, 2008 between Doral Energy Corp. and Macquarie Bank Limited. ⁽¹²⁾
10.11	Security Agreement dated July 29, 2008 between Doral Energy Corp. and Macquarie Bank Limited. ⁽¹²⁾
10.12	Subordination Agreement dated July 29, 2008 between Doral Energy Corp., Green Shoe Investments Ltd. and Macquarie Bank Limited. ⁽¹²⁾
10.13	Subordination Agreement dated July 29, 2008 between Doral Energy Corp., Little Bay Consulting SA and Macquarie Bank Limited. ⁽¹²⁾
10.14	Net Profits Overriding Royalty Interest Conveyance dated July 29, 2008 between Doral Energy Corp. and Macquarie Investments, LLC. ⁽¹²⁾
10.15	Conversion Agreement dated July 29, 2008 between Doral Energy Corp. and Macquarie Investments, LLC. ⁽¹²⁾
10.16	Limited Forbearance Agreement dated December 10, 2008 between Macquarie Bank Limited and Doral Energy Corp. ⁽¹⁵⁾

- 10.17 Loan Agreement dated October 3, 2008 between Doral Energy Corp. and Little Bay Consulting SA.⁽¹³⁾
- 10.18 First Amendment to Credit Agreement between Doral Energy Corp. and Macquarie Bank Limited dated November 19, 2008.⁽¹⁶⁾

Exhibit

Number Description of Exhibits

10.19	Second Amendment to Credit Agreement between Doral Energy Corp. and Macquarie Bank Limited dated January 9, 2009. ⁽¹⁶⁾
10.20	Letter Agreement dated January 15, 2009 between Doral Energy Corp. and Miltex Oil Company. ⁽¹⁷⁾
10.21	Engagement Agreement dated January 26, 2009 between Doral Energy Corp. and C.K. Cooper & Company, Inc. ⁽¹⁹⁾
10.22	Debt Advisory Agreement dated January 30, 2009 between Doral Energy Corp. and C.K. Cooper & Company, Inc. ⁽¹⁹⁾
10.23	Loan Agreement dated February 24, 2009 between Doral Energy Corp. (as borrower) and Green Shoe Investments Ltd. (as lender) in the amount of \$100,000 USD. ⁽²⁰⁾
10.24	Amendment Agreement dated February 13, 2009 to Engagement Agreement between Doral Energy Corp. and C.K. Cooper & Company, Inc. ⁽²⁰⁾
10.25	Amendment Agreement dated March 31, 2009, 2009 to Letter Agreement between Doral Energy Corp. and Miltex Oil Company. ⁽²¹⁾
10.26	Amendment Agreement dated April 21, 2009, 2009 to Letter Agreement between Doral Energy Corp. and Miltex Oil Company. ⁽²²⁾
10.27	2009 Stock Incentive Plan. ⁽²³⁾
10.28	Loan Agreement dated April 29, 2009 between Doral Energy Corp. and Green Shoe Investments Ltd. ⁽²⁴⁾
10.29	Sale and Purchase Agreement dated May 5, 2009 between Doral Energy Corp. and Flaming S, Inc. ⁽²⁴⁾
10.30	Sale and Purchase Agreement dated May 15, 2009 between Doral Energy Corp. and Slape Oil Company, Inc. ⁽²⁴⁾
10.31	Convertible Note Agreement dated May 28, 2009 between Doral Energy Corp. and Green Shoe Investments Ltd. ⁽²⁵⁾
10.32	Assignment Agreement dated July 30, 2009. ⁽²⁶⁾
10.33	Consent to Assignment Agreement dated for July 29, 2009. ⁽²⁶⁾
10.34	Macquarie Forbearance Agreement dated July 30, 2009. ⁽²⁶⁾
10.35	Convertible Promissory Note dated August 24, 2009 in the principal amount of \$250,000 issued to W.S. Oil and Gas Limited. ⁽²⁷⁾
10.36	Macquarie Forbearance Agreement dated August 28, 2009. ⁽²⁸⁾
10.37	Macquarie Forbearance Agreement dated November 9, 2009. ⁽³⁰⁾
10.38	Amendment Agreement to Convertible Promissory Note between W.S. Oil and Gas Limited and Doral Energy Corp. ⁽³⁰⁾
10.39	Form of 4% Convertible Note Subscription Agreement. ⁽³¹⁾
10.40	Settlement Agreement dated between Doral Energy Corp. and Paul C. Kirkitelos dated February 8, 2010. ⁽³²⁾
10.41	Loan and Cancellation of Convertible Note Agreement between Doral Energy Corp. and Edward Ajootian dated March 3, 2010. ⁽³³⁾
10.42	Debt Settlement Agreement with War Chest Multi-Strategy Fund, LLC dated March 8, 2010. ⁽³³⁾
10.43	Amendment Agreement dated March 12, 2010 to Debt Settlement Agreement with War Chest Multi-Strategy Fund, LLC. ⁽³³⁾
10.44	Macquarie Forbearance Agreement dated March 8, 2010. ⁽³³⁾
10.45	Release and Settlement Agreement between Doral Energy Corp. and Macquarie Bank Limited dated March 8, 2010. ⁽³³⁾

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Exhibit

Number Description of Exhibits

10.46	Purchase and Sale Agreement dated April 30, 2010 between Doral Energy Corp. and Alamo Resources LLC. ⁽³⁴⁾
10.47	Forbearance Agreement dated April 30, 2010 between Doral Energy Corp. and Macquarie Bank Limited. ⁽³⁴⁾
10.48	Loan Agreement dated June 11, 2010 between Doral Energy Corp. and Everett Willard Gray, II.
10.49	Purchase and Sale Agreement dated June 14, 2010 between Doral Energy Corp., John R. Stearns and John R. Stearns Jr. ⁽³⁵⁾
10.50	Amended and Restated 2009 Stock Incentive Plan. ⁽³⁷⁾
10.51	Debt Settlement Agreement dated September 16, 2010 between the Company and War Chest Multi- Strategy Fund, LLC. ⁽³⁸⁾
10.52	Debt Settlement Agreement dated September 16, 2010 between the Company and Barclay Lyons, LLC. ⁽³⁸⁾
10.53	Loan Agreement dated September 28, 2010 between the Company with Pure Gas Partners II, L.P. ⁽³⁸⁾
10.54	Secured Convertible Promissory Note dated September 1, 2010 between the Company and Angirekula Family Limited Partnership. ⁽³⁸⁾
10.55	Separation Agreement dated June 15, 2010 between Doral Energy Corp. and H. Patrick Seale. ⁽³⁹⁾
10.56	Debt Settlement Agreement dated November 24, 2010 between the Company and WS Oil & Gas Limited. (40)
10.57	Agreement and Plan of Merger entered into on December 2, 2010 among Doral Energy Corp., Doral Acquisition Corp., Pure Gas Partners II, L.P. and Pure Energy Group, Inc. ⁽⁴¹⁾
14.1	Code of Ethics. ⁽²⁾
21.1	List of Subsidiaries. ⁽³⁰⁾
<u>31.1</u>	<u>Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
<u>32.1</u>	<u>Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>

- (1) Filed as an exhibit to our Registration Statement on Form SB-2 filed on September 11, 2006.
- (2) Filed as an exhibit to our Annual Report on Form 10-KSB for the year ended July 31, 2007 filed on October 30, 2007.
- (3) Filed as an exhibit to our Current Report on Form 8-K filed on January 9, 2008.
- (4) Filed as an exhibit to our Current Report on Form 8-K filed on March 12, 2008.
- (5) Filed as an exhibit to our Current Report on Form 8-K filed on April 16, 2008.
- (6) Filed as an exhibit to our Current Report on Form 8-K filed on April 28, 2008.
- (7) Filed as an exhibit to our Current Report on Form 8-K filed on May 1, 2008.
- (8) Filed as an exhibit to our Current Report on Form 8-K filed on May 13, 2008.
- (9) Filed as an exhibit to our Current Report on Form 8-K filed on May 21, 2008.
- (10) Filed as an exhibit to our Current Report on Form 8-K filed on May 27, 2008.
- (11) Filed as an exhibit to our Current Report on Form 8-K filed on July 23, 2008.
- (12) Filed as an exhibit to our Current Report on Form 8-K filed on August 4, 2008.
- (13) Filed as an exhibit to our Current Report on Form 8-K filed on October 22, 2008.
- (14) Filed as an exhibit to our Annual Report on Form 10-K filed on October 29, 2008
- (15) Filed as an exhibit to our Current Report on Form 8-K filed on December 11, 2008.
- (16) Filed as an exhibit to our Current Report on Form 8-K filed on January 14, 2009.
- (17) Filed as an exhibit to our Current Report on Form 8-K filed on January 22, 2009.
- (18) Filed as an exhibit to our Current Report on Form 8-K filed on January 29, 2009.
- (19) Filed as an exhibit to our Current Report on Form 8-K filed on February 9, 2009.
- (20) Filed as an exhibit to our Current Report on Form 8-K filed on February 25, 2009.
- (21) Filed as an exhibit to our Current Report on Form 8-K filed on April 6, 2009.
- (22) Filed as an exhibit to our Current Report on Form 8-K filed on April 27, 2009.

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- (23) Filed as an exhibit to our Current Report on Form 8-K filed on May 5, 2009.
- (24) Filed as an exhibit to our Current Report on Form 8-K filed on June 2, 2009.
- (25) Filed as an exhibit to our Quarterly Report on Form 10-Q filed on June 15, 2009.
- (26) Filed as an exhibit to our Current Report on Form 8-K filed on August 5, 2009.
- (27) Filed as an exhibit to our Current Report on Form 8-K filed on August 28, 2009.
- (28) Filed as an exhibit to our Current Report on Form 8-K filed on September 2, 2009.
- (29) Filed as an exhibit to our Current Report on Form 8-K filed on September 14, 2009.
- (30) Filed as an exhibit to our Annual Report on Form 10-K filed on November 13, 2009.

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- (31) Filed as an exhibit to our Quarterly Report on Form 10-Q filed on December 21, 2009.
- (32) Filed as an exhibit to our Current Report on Form 8-K filed on February 8, 2010.
- (33) Filed as an exhibit to our Quarterly Report on Form 10-Q filed on March 22, 2010.
- (34) Filed as an exhibit to our Current Report on Form 8-K filed on May 6, 2010.
- (35) Filed as an exhibit to our Current Report on Form 8-K filed on June 18, 2010.
- (36) Filed as an exhibit to our Quarterly Report on Form 10-Q filed on June 21, 2010.
- (37) Filed as an exhibit to our Current Report on Form 8-K filed on July 30, 2010.
- (38) Filed as an exhibit to our Current Report on Form 8-K filed on October 1, 2010.
- (39) Filed as an exhibit to our Annual Report on Form 10-K filed on November 15, 2010.
- (40) Filed as an exhibit to our Current Report on Form 8-K filed on December 1, 2010.
- (41) Filed as an exhibit to our Current Report on Form 8-K filed on December 6, 2010.

SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DORAL ENERGY CORP.

Date: December 15, 2010

By: */s/ Everett Willard Gray, II*
EVERETT WILLARD GRAY, II
Chief Executive Officer, President, Chief
Financial
Officer, Treasurer and Secretary
(Principal Executive Officer and Principal
Accounting Officer)
