

Bonanza Creek Energy, Inc.
Form 10-Q
May 10, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2013

or

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

For the transition period from to

Commission File Number: 001-35371

Bonanza Creek Energy, Inc.

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction of
incorporation or organization)

61-1630631
(I.R.S. Employer
Identification No.)

410 17th Street, Suite 1400
Denver, Colorado
(Address of principal executive offices)

80202
(Zip Code)

(720) 440-6100

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ 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 ☐

SEC 1296 (01-12) **Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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. 40,263,316 shares of common stock were outstanding as of April 29, 2013.

PART I - FINANCIAL INFORMATION**Item 1. Financial Statements.****BONANZA CREEK ENERGY, INC. AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS****(unaudited)**

	March 31, 2013	December 31, 2012
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 3,170,403	\$ 4,267,667
Accounts receivable:		
Oil and gas sales	43,842,227	38,600,436
Joint interest and other	7,154,967	5,484,620
Prepaid expenses and other	2,950,855	3,031,815
Inventory of oilfield equipment	3,956,611	1,740,934
Derivative asset	696,195	2,178,064
Total current assets	61,771,258	55,303,536
OIL AND GAS PROPERTIES using the successful efforts method of accounting:		
Proved properties	841,450,815	811,000,239
Unproved properties	73,286,904	72,928,364
Wells in progress	104,331,607	75,031,806
	1,019,069,326	958,960,409
Less: accumulated depreciation, depletion and amortization	(111,949,634)	(89,669,725)
	907,119,692	869,290,684
NATURAL GAS PLANT		
	74,276,579	73,087,603
Less: accumulated depreciation	(4,016,914)	(3,403,817)
	70,259,665	69,683,786
PROPERTY AND EQUIPMENT		
	6,476,164	5,089,795
Less: accumulated depreciation	(1,245,821)	(890,093)
	5,230,343	4,199,702
OIL AND GAS PROPERTIES HELD FOR SALE LESS ACCUMULATED DEPRECIATION, DEPLETION, AND AMORTIZATION		
	572,079	582,388
LONG-TERM DERIVATIVE ASSET		
	534,993	
OTHER ASSETS, net		
	3,262,256	3,429,711
TOTAL ASSETS	\$ 1,048,750,286	\$ 1,002,489,807
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 62,292,672	\$ 72,850,272
Oil and gas revenue distribution payable	11,503,132	12,552,655
Contractual obligation for land acquisition	11,999,877	11,999,877
Derivative liability	8,145,564	5,200,202

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Total current liabilities	93,941,245	102,603,006
LONG-TERM LIABILITIES:		
Bank revolving credit	191,500,000	158,000,000
Contractual obligation for land acquisition	33,461,957	33,271,631
Ad valorem taxes	12,259,384	11,179,370
Derivative liability	924,520	1,208,106
Deferred income taxes, net	117,424,350	110,376,606
Asset retirement obligations	7,995,594	7,333,584
TOTAL LIABILITIES	457,507,050	423,972,303
COMMITMENTS AND CONTINGENCIES (Notes 6)		
STOCKHOLDERS' EQUITY:		
Preferred stock, \$.001 par value, 25,000,000 shares authorized, 0 outstanding		
Common stock, \$.001 par value, 225,000,000 shares authorized, 40,269,003 and 40,115,536 issued and outstanding, respectively		
	40,269	40,116
Additional paid-in capital	520,895,119	519,425,356
Retained earnings	70,307,848	59,052,032
Total stockholders' equity	591,243,236	578,517,504
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,048,750,286	\$ 1,002,489,807

See accompanying notes to these consolidated financial statements.

BONANZA CREEK ENERGY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited)

	Three Months Ended March 31,	
	2013	2012
NET REVENUES		
Oil and gas sales	\$ 78,307,013	\$ 47,830,431
OPERATING EXPENSES:		
Lease operating	11,130,685	7,107,331
Severance and ad valorem taxes	4,812,754	3,595,809
Exploration	562,312	1,190,123
Depreciation, depletion and amortization	23,363,065	11,001,043
General and administrative (including \$4,378,287 and \$670,564, respectively, of stock compensation)	13,166,062	5,964,718
Total operating expenses	53,034,878	28,859,024
INCOME FROM OPERATIONS	25,272,135	18,971,407
OTHER INCOME (EXPENSE):		
Realized (loss) on settled commodity derivatives	(1,507,120)	(1,211,139)
Interest expense	(1,962,718)	(561,516)
Unrealized (loss) in fair value of commodity derivatives	(3,608,652)	