

PEDEVCO CORP
Form 10-Q
November 09, 2016

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

FORM 10-Q

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

For the quarterly period ended: September 30, 2016

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: 001-35922

PEDEVCO CORP.
(Exact name of registrant as specified in its charter)

Texas 22-3755993
(State or other jurisdiction of incorporation or organization) (IRS Employer Identification No.)

4125 Blackhawk Plaza Circle, Suite 201
Danville, California 94506
(Address of Principal Executive Offices)

(855) 733-3826
(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, and accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act. Yes
No

At November 9, 2016, there were 49,849,297 shares of the Registrant's common stock outstanding.

PEDEVCO CORP.

For the Three and Nine Months Ended September 30, 2016

INDEX

PART I – FINANCIAL INFORMATION	Page
Item 1. Financial Statements	F-1
Consolidated Balance Sheets as of September 30, 2016 and December 31, 2015 (Unaudited)	F-2
Consolidated Statements of Operations for the Three and Nine Months Ended September 30, 2016 and 2015 (Unaudited)	F-3
Consolidated Statements of Cash Flows for the Nine Months Ended September 30, 2016 and 2015 (Unaudited)	F-4
Notes to Unaudited Consolidated Financial Statements	F-5
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	1
Item 3. Quantitative and Qualitative Disclosures About Market Risk	9
Item 4. Controls and Procedures	9
PART II – OTHER INFORMATION	
Item 1. Legal Proceedings	10
Item 1A. Risk Factors	10
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	10
Item 3. Defaults Upon Senior Securities	11
Item 4. Mine Safety Disclosures	11
Item 5. Other Information	11
Item 6. Exhibits	11
Signatures	12

PART I – FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

PEDEVCO CORP.
CONSOLIDATED BALANCE SHEETS
(Unaudited)
(amounts in thousands, except share data)

Assets	September 30, 2016	December 31, 2015
Current assets:		
Cash	\$692	\$1,138
Accounts receivable, net of allowance of \$50,000 and \$0, respectively	-	406
Accounts receivable – oil and gas	531	208
Accounts receivable – related party	6	19
Prepaid expenses and other current assets	151	150
Total current assets	1,380	1,921
Oil and gas properties:		
Oil and gas properties, subject to amortization, net	60,133	58,767
Oil and gas properties, not subject to amortization, net	-	-
Total oil and gas properties, net	60,133	58,767
Other assets		
Investments – cost method	4	4
Total assets	\$61,602	\$60,777
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$167	\$3,380
Accrued expenses	1,611	2,178
Accrued expenses – related parties	-	187
Revenue payable	429	475
Convertible notes payable – Bridge Notes, net of premiums of \$113,000 and \$113,000, respectively	588	588
Notes payable – Secured Promissory Notes, net of debt discount of \$60,000 and \$7,800,000, respectively	300	625
Notes payable – Secured Promissory Notes – related party, net of debt discount of \$-0- and \$1,713,000, respectively	-	134
Total current liabilities	3,095	7,567
Long-term liabilities:		
Notes payable – Secured Promissory Notes, net of debt discount of \$6,642,000 and \$1,861,000, respectively	32,987	19,420

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Notes payable – Secured Promissory Notes – related party, net of debt discount of \$1,224,000 and \$409,000, respectively	5,720	4,721
Notes payable – Subordinated – related party	9,868	8,918
Notes payable – other	4,925	4,925
Accrued expenses	367	-
Accrued expenses – related parties	411	-
Asset retirement obligations	225	189
Total liabilities	57,598	45,740
Commitments and contingencies		
Shareholders' equity:		
Series A convertible preferred stock, \$0.001 par value, 100,000,000 shares authorized, 66,625 and 66,625 shares issued and outstanding at September 30, 2016 and December 31, 2015, respectively	-	-
Common stock, \$0.001 par value, 200,000,000 shares authorized; 49,849,297 and 45,236,497 shares issued and outstanding at September 30, 2016 and December 31, 2015, respectively	50	45
Additional paid-in-capital	99,592	97,163
Accumulated deficit	(95,638)	(82,112)
Non-controlling interests	-	(59)
Total shareholders' equity	4,004	15,037
Total liabilities and shareholders' equity	\$61,602	\$60,777

See accompanying notes to unaudited consolidated financial statements.

PEDEVCO CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(amounts in thousands, except share data)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
Revenue:	2016	2015	2016	2015
Oil and gas sales	\$1,218	\$1,318	\$3,003	\$4,593