

GOODRICH PETROLEUM CORP  
Form 10-Q  
November 08, 2007  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D. C. 20549

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**FORM 10-Q**

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

**For the Quarterly Period Ended September 30, 2007**

**OR**

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

**Commission file number: 001-7940**

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**GOODRICH PETROLEUM CORPORATION**

**(Exact name of registrant as specified in its charter)**

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**Delaware**  
**(State or other jurisdiction of**  
  
**incorporation or organization)**

**808 Travis, Suite 1320**

**Houston, Texas 77002**

**(Address of principal executive offices) (Zip Code)**

**76-0466193**  
**(I.R.S. Employer**  
  
**Identification No.)**

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

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

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐

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

The number of shares outstanding of the Registrant's common stock as of November 2, 2007 was 28,345,371.

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**GOODRICH PETROLEUM CORPORATION AND SUBSIDIARIES**

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

	September 30, 2007 (unaudited)	December 31, 2006
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 2,064	\$ 6,184
Assets held for sale	716	
Accounts receivable, trade and other, net of allowance	7,061	9,665
Accrued oil and gas revenue	9,660	10,689
Fair value of oil and gas derivatives	3,684	13,419
Fair value of interest rate derivatives		219
Prepaid expenses and other	2,192	994
Total current assets	25,377	41,170
<b>PROPERTY AND EQUIPMENT:</b>		
Oil and gas properties (successful efforts method)	639,452	575,666
Furniture, fixtures and equipment	1,665	1,463
	641,117	577,129
Less: Accumulated depletion, depreciation and amortization	(137,878)	(156,509)
Net property and equipment	503,239	420,620
<b>OTHER ASSETS:</b>		
Restricted cash and investments		2,039
Deferred tax asset		9,705
Other	5,201	5,730
Total other assets	5,201	17,474
<b>TOTAL ASSETS</b>	<b>\$ 533,817</b>	<b>\$ 479,264</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 36,992	\$ 36,263
Accrued liabilities	35,205	26,811
Fair value of interest derivatives	102	
Accrued abandonment costs	281	263
Total current liabilities	72,580	63,337
LONG-TERM DEBT	275,000	201,500

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Accrued abandonment costs	4,973	9,294
Total Liabilities	352,553	274,131
Commitments and contingencies (See Note 9)		
STOCKHOLDERS' EQUITY:		
Preferred stock: 10,000,000 shares authorized:		
Series B convertible preferred stock, \$1.00 par value, issued and outstanding 2,250,000 shares	2,250	2,250
Common stock: \$0.20 par value, 100,000,000 and 50,000,000 shares authorized, respectively; issued and outstanding 28,344,872 and 28,218,422 shares, respectively	5,044	5,049
Additional paid in capital	217,549	213,666
Treasury stock	(66)	
Accumulated deficit	(43,513)	(14,571)
Accumulated other comprehensive loss		(1,261)
Total stockholders' equity	181,264	205,133
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 533,817	\$ 479,264

See notes to consolidated financial statements.

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

	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
Revenues:				
Oil and gas revenues	\$ 27,160	\$ 19,465	78,337	\$ 53,864
Other	120	159	491	683
	27,280	19,624	78,828	54,547
Operating expenses:				
Lease operating expense	5,215	3,891	15,500	8,274
Production and other taxes	1,292	1,039	996	3,023
Transportation	1,715	1,229	4,230	2,717
Depreciation, depletion and amortization	20,434	9,821	57,603	25,687
Exploration	1,754	1,528	5,847	4,435
Impairment of oil and gas properties	282		282	
General and administrative	5,054	4,282	15,892	12,248
	35,746	21,790	100,350	56,384
Operating loss	(8,466)	(2,166)	(21,522)	(1,837)
Other income expense:				
Interest expense	(3,086)	(2,509)	(7,932)	(4,706)
Gain (loss) on derivatives not qualifying for hedge accounting	2,378	15,188	(3,475)	34,611
	(708)	12,679	(11,407)	29,905
Income (loss) before income taxes	(9,174)	10,513	(32,929)	28,068
Income tax (expense) benefit	(11,641)	(3,669)	(3,379)	(9,779)
Income (loss) from continuing operations	(20,815)	6,844	(36,308)	18,289
Discontinued operations (See Note 6):				
Gain (loss) on disposal, net of tax	(928)		9,823	
Income (loss) from discontinued operations, net of tax	(401)	1,337	2,078	5,782
	(1,329)	1,337	11,901	5,782
Net income (loss)	(22,144)	8,181	(24,407)	24,071
Preferred stock dividends	1,511	1,511	4,535	4,504
Preferred stock redemption premium				1,545
Net income (loss) applicable to common stock	\$ (23,655)	\$ 6,670	\$ (28,942)	\$ 18,022

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Income (loss) per common share from continuing operations					
Basic	\$	(0.83)	\$	0.27	\$ (1.44) \$ 0.73
Diluted	\$	(0.83)	\$	0.27	\$ (1.44) \$ 0.72
Income (loss) per common share from discontinued operations					
Basic	\$	(0.05)	\$	0.05	\$ 0.47 \$ 0.23
Diluted	\$	(0.05)	\$	0.05	\$ 0.47 \$ 0.23
Net income (loss) per common share applicable to common stock					
Basic	\$	(0.94)	\$	0.27	\$ (1.15) \$ 0.72
Diluted	\$	(0.94)	\$	0.26	\$ (1.15) \$ 0.71
Weighted average common shares outstanding					
Basic		25,204		24,972	25,177 24,923
Diluted		25,204		25,346	25,177 25,386

See notes to consolidated financial statements.

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**GOODRICH PETROLEUM CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

*(In Thousands)*

*(Unaudited)*

	Nine Months Ended September 30,	
	2007	2006
<b>Cash flows from operating activities:</b>		
Net income (loss)	\$ (24,407)	\$ 24,071
Adjustments to reconcile net income (loss) to net cash provided by operating activities		