

Yuma Energy, Inc.  
Form 10-Q  
August 15, 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 June 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: 001-32989

Yuma Energy, Inc.  
(Exact name of registrant as specified in its charter)

CALIFORNIA 94-0787340  
(State or other jurisdiction of incorporation) (IRS Employer Identification No.)

1177 West Loop South, Suite 1825  
Houston, Texas 77027  
(Address of principal executive offices) (Zip Code)

(713) 968-7000  
(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 (§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

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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.

Larger 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

At August 15, 2016, 72,579,820 shares of the registrant’s common stock, no par value, were outstanding.



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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements.

Yuma Energy, Inc.

## CONSOLIDATED BALANCE SHEETS

	June 30,	December 31,
	2016	2015
	(Unaudited)	(As Restated)
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$2,092,997	\$5,355,191
Accounts receivable, net of allowance for doubtful accounts:		
Trade	2,781,350	2,829,266
Officers and employees	62,058	75,404
Other	316,723	633,573
Commodity derivative instruments	980,189	2,658,047
Prepayments	375,656	704,523
Other deferred charges	29,805	415,740
<b>Total current assets</b>	<b>6,638,778</b>	<b>12,671,744</b>
<b>OIL AND GAS PROPERTIES (full cost method):</b>		
Not subject to amortization	14,940,004	14,288,716
Subject to amortization	205,301,727	204,512,038
	220,241,731	218,800,754
Less: accumulated depreciation, depletion and amortization	(132,665,148)	(117,304,945)
<b>Net oil and gas properties</b>	<b>87,576,583</b>	<b>101,495,809</b>
<b>OTHER PROPERTY AND EQUIPMENT:</b>		
Land, buildings and improvements	2,795,000	2,795,000
Other property and equipment	3,497,948	3,460,507
	6,292,948	6,255,507
Less: accumulated depreciation and amortization	(2,296,906)	(2,174,316)
<b>Net other property and equipment</b>	<b>3,996,042</b>	<b>4,081,191</b>

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OTHER ASSETS AND DEFERRED CHARGES:

Commodity derivative instruments	329,819	1,070,541
Deposits	414,064	264,064
Other noncurrent assets	-	38,104
Total other assets and deferred charges	743,883	1,372,709
TOTAL ASSETS	\$98,955,286	\$119,621,453

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



Yuma Energy, Inc.  
CONSOLIDATED BALANCE SHEETS – CONTINUED

	June 30, 2016  (Unaudited)	December 31, 2015  (As Restated)
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Current maturities of debt	\$29,800,000	\$30,063,635
Accounts payable, principally trade	6,335,891	7,933,664
Commodity derivative instruments	143,987	-
Asset retirement obligations	435,936	70,000
Other accrued liabilities	2,022,327	1,781,484
Total current liabilities	38,738,141	39,848,783
<b>OTHER NONCURRENT LIABILITIES:</b>		
Asset retirement obligations	8,469,015	8,720,498
Commodity derivative instruments	10,004	-
Deferred taxes	192,129	1,417,364
Other liabilities	14,540	30,090
Total other noncurrent liabilities	8,685,688	10,167,952
<b>EQUITY:</b>		
Preferred stock	10,828,603	10,828,603
Common stock, no par value (300 million shares authorized, 72,544,053 and 71,834,617 issued)	142,533,459	141,858,946
Accumulated earnings (deficit)	(101,830,605)	(83,082,831)
Total equity	51,531,457	69,604,718
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$98,955,286</b>	<b>\$119,621,453</b>

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





Yuma Energy, Inc.  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
		(As Restated)		(As Restated)
<b>REVENUES:</b>				
Sales of natural gas and crude oil	\$3,124,424	\$5,534,894	\$6,056,010	\$10,107,573
Net gains (losses) from commodity derivatives	(1,226,702)	(1,696,979)	(855,764)	(626,411)
Total revenues	1,897,722	3,837,915	5,200,246	9,481,162
<b>EXPENSES:</b>				
Lease operating	1,880,060	3,226,225	3,893,209	6,449,341
Re-engineering and workovers	-	60,063	-	554,492
Marketing cost of sales	-	97,994	-	199,682
General and administrative – stock-based compensation	301,808	133,921	720,098	1,872,331
General and administrative – other	2,003,719	1,844,163	4,161,205	3,516,375
Depreciation, depletion and amortization	2,020,804	3,755,446	4,467,205	7,896,466
Asset retirement obligation accretion expense	105,242	166,773	210,256	329,557
Impairments	11,015,589	4,927,508	11,015,589	4,927,508
Other	8,647	707,338	(16,785)	718,649
Total expenses	17,335,869	14,919,431	24,450,777	26,464,401
<b>INCOME (LOSS) FROM OPERATIONS</b>	<b>(15,438,147)</b>	<b>(11,081,516)</b>	<b>(19,250,531)</b>	<b>(16,983,239)</b>
<b>OTHER INCOME (EXPENSE):</b>				
Interest expense	(326,396)	(114,378)	(729,044)	(206,385)
Other, net	(2,447)	5,310	6,566	21,466
Total other income (expense)	(328,843)	(109,068)	(722,478)	(184,919)
<b>NET INCOME (LOSS) BEFORE INCOME TAXES</b>	<b>(15,766,990)</b>	<b>(11,190,584)</b>	<b>(19,973,009)</b>	<b>(17,168,158)</b>
Income tax expense (benefit)	(692,302)	(1,640,910)	(1,225,235)	(3,935,492)
<b>NET INCOME (LOSS)</b>	<b>(15,074,688)</b>	<b>(9,549,674)</b>	<b>(18,747,774)</b>	<b>(13,232,666)</b>
<b>PREFERRED STOCK, PERPETUAL PREFERRED</b>				

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SERIES A:				
Dividends paid in cash	-	318,874	-	619,689
Dividends in arrears	320,626	-	641,252	-
NET INCOME (LOSS) ATTRIBUTABLE TO COMMON STOCKHOLDERS				
	\$(15,395,314)	\$(9,868,548)	\$(19,389,026)	\$(13,852,355)
EARNINGS (LOSS) PER COMMON SHARE:				
Basic	\$(0.21)	\$(0.14)	\$(0.27)	\$(0.20)
Diluted	\$(0.21)	\$(0.14)	\$(0.27)	\$(0.20)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING:				
Basic	72,185,618	71,502,546	72,048,490	70,384,326
Diluted	72,185,618	71,502,546	72,048,490	70,384,326

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



Yuma Energy, Inc.  
 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)  
 (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
		(As Restated)		(As Restated)
NET LOSS	\$(15,074,688)	\$(9,549,674)	\$(18,747,774)	\$(13,232,666)
OTHER COMPREHENSIVE INCOME (LOSS):				
Commodity derivatives sold	-	-	-	(119,917)
Less income taxes	-	-	-	(46,168)
Commodity derivatives sold, net of income taxes	-	-	-	(73,749)
Reclassification of loss on settled commodity derivatives	-	8,118	-	31,554
Less income taxes	-	3,125	-	12,148
Reclassification of loss on settled commodity derivatives, net of income taxes	-	4,993	-	19,406
OTHER COMPREHENSIVE INCOME (LOSS)	-	4,993	-	(54,343)
COMPREHENSIVE LOSS	\$(15,074,688)	\$(9,544,681)	\$(18,747,774)	\$(13,287,009)

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



