

MILLER ENERGY RESOURCES, INC.
Form 10-Q
September 09, 2011

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

(Mark One)

Form 10-Q

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

For the quarterly period ended July 31, 2011

or

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 001-34732

Miller Energy Resources, Inc.
(Name of registrant as specified in its charter)

Tennessee
(State or other jurisdiction of
incorporation or organization)

62-1028629
(I.R.S. Employer Identification No.)

3651 Baker Highway, Huntsville, TN
(Address of principal executive offices)

37756
(Zip Code)

(423) 663-9457
(Registrant's telephone number, including area
code)

not applicable
(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

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, 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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

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. 40,911,751 shares of common stock are issued and outstanding as of September 6, 2011.

MILLER ENERGY RESOURCES, INC.

QUARTERLY REPORT ON FORM 10-Q
FOR THE PERIOD ENDED JULY 31, 2011

TABLE OF CONTENTS

	Page
PART I - FINANCIAL INFORMATION	
Item 1. Financial Statements (Unaudited):	3
Consolidated Balance Sheets as of July 31, 2011 and April 30, 2011	3
Consolidated Statements of Operations for the Three Months Ended July 31, 2011 and 2010	4
Consolidated Statements of Cash Flows for the Three Months Ended July 31, 2011 and 2010	5
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	22
Item 3. Quantative and Qualitative Disclosures About Market Risk	29
Item 4. Controls and Procedures	30
PART II - OTHER INFORMATION	
Item 1. Legal Proceedings	31
Item 1A. Risk Factors	31
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	31
Item 5. Other Information	31
Item 6. Exhibits	31
SIGNATURES	35
EXHIBIT INDEX	36

PART I - FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS.

MILLER ENERGY RESOURCES, INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

July 31,
2011

April 30,
2011

ASSETS

Current Assets

Cash and cash equivalents	\$ 4,564,691	\$ 1,558,933
Restricted cash	225,968	202,980
Accounts receivable		
Related parties	83,473	27,822
Customers and other	1,596,578	1,619,720
State production credits receivable	3,620,336	3,620,336
Inventory	969,010	1,043,960
Prepaid expenses	473,941	231,724
Current portion of derivative asset	679,207	—
Total current assets	12,213,204	8,305,475

Oil and Gas Properties

Cost	504,057,088	496,308,182
Less accumulated depletion	(18,076,715)	(14,439,233)
Oil and gas properties, net	485,980,373	481,868,949

Equipment

Cost	23,262,003	10,292,514
Less accumulated depreciation and amortization	(2,352,988)	(2,003,053)
Equipment, net	20,909,015	8,289,461

Other Long-Term Assets

Land	526,500	526,500
Restricted cash, non-current	10,055,132	10,026,516
Deferred financing costs, net of accumulated amortization	2,330,155	63,907
Other assets	402,171	—
Total other long-term assets	13,313,958	10,616,923
Total Assets	\$ 532,416,550	\$ 509,080,808

LIABILITIES AND EQUITY

Current Liabilities

Accounts payable	\$ 9,760,027	\$ 7,496,786
Accrued expenses	3,275,793	4,185,087
Current portion of derivative liability	—	2,305,118
Current portion of borrowings under credit facility	23,118,691	2,000,000
Total current liabilities	36,154,511	15,986,991

Long-term Liabilities		
Deferred income taxes	178,078,910	178,326,065
Asset retirement obligation	17,562,400	17,293,718
Non-current portion of derivative liability	2,062,831	2,732,659
Total long-term liabilities	197,704,141	198,352,442
Total Liabilities	233,858,652	214,339,433
Commitments and Contingencies (Note 7, 12 and 14)		
Equity		
Common stock, par value \$0.0001 per share (500,000,000 shares authorized, 40,749,251 and 39,880,251 shares issued as of July 31, 2011 and April 30, 2011, respectively)	4,075	3,988
Additional paid-in capital	53,011,871	49,012,755
Retained		