

TRI VALLEY CORP
Form 8-K
November 17, 2011

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):
November 17, 2011 (November 10, 2011)

Tri-Valley Corporation
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-31852
(Commission File Number)

94-1585250
(IRS Employer
Identification No.)

4927 Calloway Drive
Bakersfield, California 93312
(Address of principal executive office)

Issuer's telephone number: 661-864-0500

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

As previously reported, on August 29, 2011, Mr. G. Thomas Gamble, Chairman of the Board of Directors of Tri-Valley Corporation (the "Company"), made a short-term demand loan to the Company in the principal amount of \$150,000, bearing interest at 10% per annum, for additional working capital purposes. Also as previously reported, on October 13, 2011, Mr. Gamble made a second short-term demand loan to the Company in the principal amount of \$1.0 million, bearing interest at 14% per annum, for additional working capital purposes. On November 10, 2011, Mr. Gamble made, through a related trust, a third short-term demand loan to the Company in the principal amount of \$2.0 million, bearing interest at 14% per annum, on the express conditions that this loan would be (i) combined with his previous \$1,150,000 short term demand loans and collectively secured by a pledge by the Company of its capital stock in Tri-Valley Oil & Gas Co. ("TVOG") and in Select Resources Corporation, Inc. ("Select Resources"), and (ii) repaid and replaced by a long-term secured senior note. A copy of the \$2,000,000 promissory note evidencing the latest loan is attached hereto as Exhibit 4.1 and incorporated herein by reference.

The Company and Mr. Gamble's related trust are currently working on definitive agreements for the related trust to issue a senior secured note to replace the \$3,150,000 in short-term loans, with accompanying warrant coverage in an amount yet to be negotiated. The Company expects to use the net proceeds from this senior secured loan, which will mature on December 31, 2012, and bear interest at 14% per annum, for further development of the first drilling phase at the Claflin property, general corporate purposes, and working capital. The Company expects that the senior secured note will be secured by, among other things, a pledge by the Company of its capital stock in TVOG and in Select Resources, with a general continuing guaranty from TVOG secured by the pledge of a security interest in certain of TVOG's oil and gas leases, including the Claflin property. As an inducement to Mr. Gamble's related trust to provide long term funding, the parties expect that it will receive certain yet-to-be-negotiated royalty override rights in the Claflin property, and potentially other contiguous properties. Consummation of the senior secured note transaction is subject to the negotiation and execution of definitive agreements and the approval of the independent members of the Board of Directors of the Company.

None of the leases relating to the Pleasant Valley Oil Sands Project will be part of the collateral package securing the senior secured note.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information contained in Item 1.01 above is incorporated by reference into this Item 2.03.

Special Note Regarding Forward-Looking Statements

All statements contained in this report that refer to future events or other non-historical matters are forward-looking statements. Although Tri-Valley does not make forward-looking statements unless it believes it has a reasonable basis for doing so, Tri-Valley cannot guarantee their accuracy. These statements are only predictions based on management's expectations as of the date of this report, and involve known and unknown risks, uncertainties and other factors, including those risks and uncertainties discussed in our filings with the Securities and Exchange Commission from time to time, including under "Part I, Item 1A. Risk Factors" and "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations," contained in Tri-Valley's Annual Report on Form 10-K for the year ended December 31, 2010, as amended, and under "Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Part II, Item 1A. Risk Factors," contained in Tri-Valley's Quarterly Reports on Form 10-Q for the quarters ended March 31 and June 30, 2011, as amended, respectively. Except as required by law, Tri-Valley undertakes no obligation to update or revise publicly any of the forward-looking

statements after the date of this report to conform such statements to actual results or to reflect events or circumstances occurring after the date of this report.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description of Exhibit
4.1	Promissory Note Issued by the Company to George T. Gamble 1991 Trust, on November 10, 2011.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TRI-VALLEY CORPORATION

Date: November 17, 2011

/s/ Maston N. Cunningham

Maston N. Cunningham, President and Chief Executive Officer

EXHIBIT INDEX

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