

CRIMSON EXPLORATION INC.

Form 10-Q

May 21, 2007

FORM 10-Q

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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

For the quarterly period ended March 31, 2007

OR

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 000-21644

CRIMSON EXPLORATION INC.

(Exact name of Registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

717 Texas Avenue, Suite 2900

Houston, Texas

(Address of principal executive offices)

20-3037840

(IRS Employer Identification No.)

77002

(zip code)

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480 N. Sam Houston Parkway East, Suite 300

Houston, Texas

(Former address of principal executive offices)

77060

(Former zip code)

(713) 236-7400

(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 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 Rule 12b-2 of the Exchange Act). Yes No

On May 11, 2007, there were 4,093,969 shares of common stock outstanding.

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CRIMSON EXPLORATION INC.

FOR THE QUARTER ENDED

MARCH 31, 2007

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PART I. FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS.**

CRIMSON EXPLORATION INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

ASSETS

	March 31, 2007 (unaudited)	December 31, 2006
CURRENT ASSETS		
Cash and cash equivalents	\$	\$ 23,321
Accounts receivable - trade, net of allowance for doubtful accounts of \$118,110 and \$118,110 , respectively	4,288,542	3,283,270
Prepaid and other current expenses	462,494	225,304
Derivative instruments		700,088
Total current assets	4,751,036	4,231,983
PROPERTY AND EQUIPMENT		
Oil and gas properties, using the successful efforts method of accounting	98,005,037	91,656,534
Other property and equipment	1,783,110	1,713,911
Less accumulated depreciation, depletion and amortization	(17,595,319) (16,823,553)
Total property and equipment, net	82,192,828	76,546,892
NONCURRENT ASSETS		
Deposits	49,502	49,502
Debt issuance cost, net	400,249	449,583
Derivative instruments	1,253,508	2,233,800
Deferred tax asset, net	2,285,413	1,190,962
Total other assets	3,988,672	3,923,847
TOTAL ASSETS	\$ 90,932,536	\$ 84,702,722

The Notes to Consolidated Financial Statements are an integral part of these statements.

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CRIMSON EXPLORATION INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

LIABILITIES AND STOCKHOLDERS' EQUITY

	March 31, 2007 (unaudited)	December 31, 2006
CURRENT LIABILITIES		
Current portion of long-term debt	\$ 97,653	\$ 91,093
Accounts payable - trade	6,603,339	9,778,359
Accrued expenses	355,821	736,406
Income taxes payable	75	75
Asset retirement obligations	173,925	185,414
Derivative instruments	181,735	
Deferred tax liability, net	119,057	140,808
Total current liabilities	7,531,605	10,932,155
NONCURRENT LIABILITIES		
Long-term debt, net of current portion	18,333,377	8,414,993
Asset retirement obligations	4,092,347	4,029,791
Other noncurrent liabilities	518,219	
Total noncurrent liabilities	22,943,943	12,444,784
Total liabilities	30,475,548	23,376,939
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Preferred stock (see Note 2)	1,032	1,032
Common stock (see Note 2)	3,335	3,334
Additional paid-in capital	80,741,702	79,693,736
Retained deficit	(20,289,081)	(18,372,319)
Total stockholders' equity	60,456,988	61,325,783
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 90,932,536	\$ 84,702,722

The Notes to Consolidated Financial Statements are an integral part of these statements.

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CRIMSON EXPLORATION INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(UNAUDITED)

**Three Months
Ended March 31,
2007**

2006

OPERATING REVENUES