

GEOPETRO RESOURCES CO
Form S-1
June 30, 2006

As filed with the Securities and Exchange Commission on June 30, 2006

Registration No.

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

GEOPETRO RESOURCES COMPANY

(Exact Name of Registrant as specified in its Charter)

California
(State or Other Jurisdiction of
Incorporation or Organization)

1311
(Primary Standard Industrial
Classification Code Number)

94-3214487
(I.R.S. Employer
Identification Number)

One Maritime Plaza, Suite 700
San Francisco, CA 94111
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(415) 398-9227-Fax

(Address Including Zip Code and Telephone Number Including Area Code
of Registrant's Principal Executive Offices)

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Approximate date of proposed sale to the public: As soon as practicable after this Registration Statement is declared effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

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If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Number of shares to be registered(1)	Proposed maximum offering price per share(2)	Proposed maximum aggregate offering price	Amount of registration fee
Common stock, no par value per share	35,384,240	\$3.50	\$123,844,840	\$13,252

(1) Includes (i) 1,890,710 shares of common stock issuable upon conversion of Series AA Preferred Stock, (ii) 2,119,522 shares of common stock issuable upon exercise of warrants, (iii) 4,025,250 shares of common stock issuable upon exercise of options and (iv) 27,348,758 outstanding shares of common stock.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) under the Securities Act of 1933 based on the average of the high and low prices of the Registrant's common stock, as reported on The Toronto Stock Exchange on June 28, 2006, in U.S. dollars.

The Registrant hereby amends this Registrant Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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Information contained in this prospectus is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

Subject to completion, dated June 30, 2006.

PROSPECTUS

GEOPETRO RESOURCES COMPANY

35,384,240 shares of Common Stock

(No Par Value)

The Offering:	This offering relates to the possible sale, from time to time, by the shareholders listed on page 69 of this prospectus, the selling shareholders, of up to 35,384,240 shares of common stock of GeoPetro Resources Company. The shares of our common stock and securities which are convertible into or exercisable for shares of our common stock which are being offered by this prospectus were issued to the selling shareholders pursuant to financing transactions. We will not receive any proceeds from sales by selling shareholders. The selling shareholders may sell all or a portion of their shares covered by this prospectus through public or private transactions at fixed prices, at prevailing market prices at the time of sale, at varying prices or negotiated prices, in negotiated transactions, or in trading markets for our common stock. We will bear all costs associated with this registration.
Proposed Trading Symbol:	We intend to apply for quotation on The NASDAQ National Market or the American Stock Exchange under the symbol _____.
Current Trading Market:	Our common stock is listed on the Toronto Stock Exchange under the symbol GEP.s . Our common stock has not been previously registered with the U.S. Securities and Exchange Commission (SEC) and those shares of our common stock which trade on the Toronto Stock Exchange may not presently be purchased by United States persons or persons in the United States pursuant to SEC Regulation S. Our common stock may also trade in the United States over-the-counter market in the Pink Sheets under the symbol GPRC . On June 28, 2006, the last reported sale prices for our common stock on The Toronto Stock Exchange and in the U.S. on the Pink Sheets were \$3.50 and \$3.65, respectively.

Investing in our common stock involves a high degree of risk. See Risk Factors Beginning on Page 5.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

GeoPetro is bearing all the expenses of registering these shares. The expenses are estimated at \$ _____.

The date of this prospectus is _____, 2006

TABLE OF CONTENTS

<u>Prospectus Summary</u>	1
<u>Risk Factors</u>	5
<u>Cautionary Note Regarding Forward Looking Statements</u>	16
<u>Use of Proceeds</u>	16
<u>Dilution</u>	16
<u>Market Price of Common Stock</u>	17
<u>Dividends</u>	17
<u>Selected Consolidated Financial Data</u>	18
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	20
<u>Business</u>	34
<u>Properties</u>	40
<u>Legal Proceedings</u>	55
<u>Management</u>	57
<u>Executive Compensation</u>	62
<u>Security Ownership of Certain Beneficial Owners and Management</u>	66
<u>Selling Shareholders</u>	69
<u>Plan of Distribution</u>	71
<u>Certain Relationships and Related Party Transactions</u>	73
<u>Material Income Tax Consequences</u>	74
<u>Description of Securities</u>	79
<u>Legal Matters</u>	82
<u>Experts</u>	82
<u>Where You Can Find More Information</u>	82
<u>Index to Financial Statements</u>	F-1
<u>Appendix A Glossary of Natural Gas and Oil Terms</u>	A-1

You should rely only on the information contained in this prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. The selling shareholders are not making an offer to sell these securities in any jurisdiction where an offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate as of the date on the front cover of this prospectus only. Our business, financial condition, results of operations and prospects may have changed since that date.

Unless otherwise specified or the context otherwise requires, all dollar amounts in this prospectus are expressed in U.S. dollars. Canadian dollars, when used, are expressed with the symbol "CDN\$". Unless otherwise specified, where dollars are shown on a converted basis, the conversion is based upon an exchange ratio of CDN\$1.00=\$0.8897, the exchange rate in effect on June 28, 2006, except for dollars set forth in or derived from the financial statements, where the exchange rate is derived as of the date of the financial statements.

PROSPECTUS SUMMARY

This summary highlights selected information contained in greater detail elsewhere in this prospectus and does not contain all of the information that you should consider before investing in our common stock. You should read the entire prospectus carefully, especially the risks of investing in our common stock, which we discuss under Risk Factors and our consolidated financial statements and related notes. Unless otherwise indicated or required by the context, we, us, and our refer to GeoPetro Resources Company and its subsidiaries and predecessors. All financial data included in this prospectus has been prepared in accordance with generally accepted accounting principles in the United States. We have provided definitions for some of the natural gas and oil industry terms used in this prospectus in the Glossary of Natural Gas and Oil Terms on page A-1 of this prospectus. All dollar amounts appearing in this prospectus are stated in U.S. dollars unless specifically noted in Canadian dollars (CDN\$).

GEOPETRO RESOURCES COMPANY

Offices:	Our principal executive offices are located at One Maritime Plaza, Suite 700, San Francisco, CA 94111. Our telephone number is (415) 398-8186.
Our Business:	We are an oil and gas company originally incorporated in the State of Wyoming in August 1994 but incorporated in California since June 1996. Our business is the exploration and the development of oil and natural gas reserves on a worldwide basis. We currently have projects in the United States, Canada, Indonesia and Australia. The projects encompass approximately 1.56 million gross (645,115 net) acres consisting of mineral leases, production sharing contracts and exploration permits that give us the right to explore for, develop and produce crude oil and natural gas. We have developed a proven cash-flow generating property in our Madisonville Project in Texas which we operate. Elsewhere, we have assembled a geographically diversified portfolio of exploratory and appraisal prospects which we believe have the potential for oil and natural gas reserves.
Corporate Strategy:	Our strategy is to maximize shareholder value through the development of oil and natural gas prospects. To carry out this philosophy we employ the following business strategies: <ul style="list-style-type: none"> Identify and pursue projects which individually have the potential to be company makers which we define as projects which could generate a minimum unrisks net present value of \$50 million net to our interest using a 10% discount factor; perform geological, engineering and geophysical evaluations; gain control of key acreage; generate high quality drillable exploration and development prospects; retain a large working interest in those projects which involve low risk development, exploitation or appraisal of proven, probable and possible reserves; and minimize early investment and exploration risk in higher risk exploratory prospects through farmouts to other oil and natural gas companies and maintain meaningful interests with a carry through the exploration phase.
Management:	Stuart J. Doshi, David V. Creel and J. Chris Steinhauser, the three members of our senior management team, have a combined experience of approximately 100 years in the oil and gas industry. This experience covers a broad range of activity both onshore and offshore, domestic and international and from company start-up to mature development and company sale. This experience also covers the entire spectrum of the risk profile in any particular project from early stage exploration through full development and production.

Madisonville Field:	We own and operate a 100% working interest in the Madisonville Project in Madison County, Texas. We own working interests in approximately 2,668 gross and net acres of leases in the Rodessa Formation interval, as well as approximately 1,849 gross and net acres of leases as to depths below the Rodessa Formation interval. In addition, we have entered into farmout agreements which require us to drill certain wells in order to earn 100% working interest rights in up to 1,742 acres in depths equivalent to the Rodessa Formation interval and deeper. In October 2001, we tested the Magness Well at rates of up to 20.8 MMcf/d on a restricted choke. Production from this well commenced in May 2003 and stabilized at a rate of approximately 18 MMcf/d of raw gas as at October, 2003. In December 2004, the Fannin Well was drilled, completed and tested at rates of up to 25.7 MMcf/d with a flowing tubing pressure of 3,700 pounds per square inch. In 2006, we drilled the Wilson and Mitchell wells. Presently, the Fannin and Magness wells are producing at a combined restricted rate of approximately 16.5 MMcf/d while the Wilson and Mitchell wells are shut-in awaiting completion and testing. The production rate is presently restricted awaiting a planned expansion of the gas treatment plant to 68 MMcf/d treating capacity. The well reserves are being produced from the Rodessa formation existing at approximately 12,000 feet of depth. We recently entered into a long-term agreement with MGP, the gas treatment plant owner, to process Rodessa formation natural gas. MGP has made a binding commitment to expand the capacity of the treatment plant from 18 MMcf/d to 68 MMcf/d. MGP is jointly owned by JPMorgan Partners and Bear Cub Investments LLC. Gateway Processing Company owns and operates an approximately nine-mile sales pipeline with an estimated capacity of approximately 70 MMcf/d to transport the natural gas from the Madisonville Field to two major pipelines in the area.
Alaska CBM:	We have entered into an agreement with Pioneer Oil Company, Inc. dated April 20, 2005, wherein we have acquired a 100% working interest, 81% net revenue interest, in approximately 116,806 acres onshore in Cook Inlet, near Anchorage, Alaska. Preliminary log analysis indicates the lease blocks may contain coal bed methane, CBM, reserves as well as conventional accumulations of natural gas in Tertiary sandstones. The coals occur in seams which are commonly 20 feet thick and can be as thick as 70 feet. Accessible onshore areas have 200 to 300 feet of coal shallower than 5,000 feet. Gas content for these coals ranges from 80 to 250 standard cubic feet per ton. We may reduce exploration risk by finding participants to pay most or all of the money expended towards acquisition and initial exploration.
Lokern Project:	We have a 100% working interest in 1,280 acres over a prospect in Kern County, California. A Stevens sand channel has been mapped over a four-way closure using reprocessed seismic, updip to an offset well which we believe contains net oil pay from log analysis.
West Biggs Project:	We have a 100% working interest in 2,400 acres in the West Biggs Project located in Butte County, California. Based on seismic data and well control, we believe that the West Biggs structure has approximately 800 gross acres of closure.
Reef Project:	We, through our wholly-owned subsidiary, GeoPetro Canada Ltd. (GeoPetro Canada) have acquired seismic data and plan to participate in exploratory drilling targeting reef prospects located in the central Alberta basin, Canada, approximately 100 miles northeast of Calgary. We have a 56.25% working interest in 2,560 leased acres in the central Alberta basin.
Bengara (II) PSC:	We have a 40% interest in the Bengara (II) PSC Block in East Kalimantan, Indonesia (the Bengara Block) which covers approximately 900,000 gross (360,000 net) acres. Two wells have been drilled in this block since 1938 and one of these resulted in a natural gas discovery, testing 19.5 MMcf/d together with 600 bbls condensate per day. We are presently engaged in a feasibility study to determine the commerciality of this discovery. Elsewhere in the block, a large number of prospects and leads have been identified based primarily on seismic data.

THE OFFERING

Common stock that may be offered by the selling shareholders:	35,384,240 shares(1)
Common stock to be outstanding immediately after this offering:	34,544,240 shares(2)
Use of proceeds:	We will not receive any proceeds from the sales of our common stock by the selling shareholders.
Risk factors:	See Risk Factors and other information included in this prospectus for a discussion of some of the factors you should consider before deciding to purchase shares of our common stock.

Proposed NASDAQ National Market or American Stock Exchange Symbol:(3)

- (1) Includes 27,348,758 shares of common stock, 1,890,710 shares of common stock issuable upon conversion of Series AA Preferred Stock, 2,119,522 shares of common stock issuable upon exercise of warrants and 4,025,250 shares of common stock issuable upon exercise of options.
- (2) Assumes the sale by the selling stockholders of all the shares of common stock available for resale under this prospectus, except for 840,000 shares of common stock which are issuable upon exercise of unvested options.
- (3) There is no assurance that the common stock will be approved for quotation on the NASDAQ National Market or the American Stock Exchange, or that a trading public market on a U.S. exchange or NASDAQ will develop, or, if developed, will be sustained. See Risk Factors

SUMMARY CONSOLIDATED FINANCIAL DATA

The following table sets forth certain of our summary consolidated financial data for the periods indicated. The data presented below has been derived from our financial statements included elsewhere in this prospectus. You should read this information together with the consolidated financial statements and the notes to those statements appearing elsewhere in this prospectus and the information under "Selected Consolidated Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	Three Months Ended		For The Years Ended December 31		
	March 31, 2006 (unaudited)	March 31, 2005 (unaudited)	2005 (audited)	2004 (audited)	2003 (audited)
Consolidated Statement of Operations:					
Revenues	\$ 1,498,453	\$ 1,588,204	\$ 7,975,990	\$ 5,825,072	\$ 2,452,648
Lease operating expense	266,223	210,171	878,176	780,237	582,889
General and administrative	548,864	442,968	1,551,747	1,963,649	1,259,269
Net profits expense	158,603	177,288	856,837	579,590	225,869
Impairment expense				2,038,422	473,496
Depreciation and depletion expense	405,197				