

BARNWELL INDUSTRIES INC

Form 10-Q

May 13, 2008

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 March 31, 2008

or

[] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number 1-5103

BARNWELL INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of incorporation or organization)

72-0496921

(I.R.S. Employer Identification No.)

1100 Alakea Street, Suite 2900, Honolulu, Hawaii

(Address of principal executive offices)

96813

(Zip code)

(808) 531-8400

(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

x

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. (Check one):

Large accelerated filer
Non-accelerated filer
(Do not check if a smaller reporting company)

Accelerated filer
Smaller reporting company

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of May 9, 2008 there were 8,269,460 shares of common stock, par value \$0.50, outstanding.

BARNWELL INDUSTRIES, INC.

AND SUBSIDIARIES

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

BARNWELL INDUSTRIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

	March 31, 2008	September 30, 2007
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 8,187,000	\$ 10,107,000
Accounts receivable, net	9,059,000	7,131,000
Deferred income taxes	1,714,000	2,171,000
Current taxes receivable	-	1,040,000
Other current assets	2,003,000	1,030,000
TOTAL CURRENT ASSETS	20,963,000	21,479,000
DEPOSITS ON RESIDENTIAL PARCELS	600,000	800,000
RESIDENTIAL LOTS UNDER DEVELOPMENT	6,421,000	5,009,000
INVESTMENT IN RESIDENTIAL PARCELS	5,022,000	2,383,000
INVESTMENT IN JOINT VENTURES	2,765,000	2,765,000
INVESTMENT IN LAND INTERESTS	1,450,000	1,450,000
PROPERTY AND EQUIPMENT	205,620,000	202,342,000
ACCUMULATED DEPRECIATION, DEPLETION, AND AMORTIZATION	(115,349,000)	(111,663,000)
PROPERTY AND EQUIPMENT, NET	90,271,000	90,679,000
TOTAL ASSETS	\$ 127,492,000	\$ 124,565,000
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 6,137,000	\$ 5,983,000
Accrued capital expenditures	4,672,000	2,774,000
Accrued stock appreciation rights	973,000	1,672,000
Accrued incentive plan costs	1,633,000	2,029,000
Other accrued compensation costs	2,339,000	3,228,000
Drilling advances	401,000	1,407,000
Payable to joint interest owners	1,480,000	1,123,000
Income taxes payable	610,000	-
Current portion of long-term debt	582,000	354,000
Other current liabilities	2,687,000	2,160,000
TOTAL CURRENT LIABILITIES	21,514,000	20,730,000

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LONG-TERM DEBT	24,976,000	22,104,000
LIABILITY FOR RETIREMENT BENEFITS	2,542,000	2,387,000
ASSET RETIREMENT OBLIGATION	4,830,000	4,734,000
DEFERRED INCOME TAXES	16,453,000	19,299,000
MINORITY INTEREST	863,000	707,000
STOCKHOLDERS EQUITY:		
Common stock, par value \$0.50 per share; Authorized, 20,000,000 shares:		
8,393,060 issued at March 31, 2008,		
8,280,060 issued at September 30, 2007	4,197,000	4,140,000
Additional paid-in capital	1,003,000	738,000
Retained earnings	49,168,000	44,988,000
Accumulated other comprehensive income, net	3,815,000	4,933,000
Treasury stock, at cost:		
123,600 shares at March 31, 2008,		
11,900 shares at September 30, 2007	(1,869,000)	(195,000)
TOTAL STOCKHOLDERS EQUITY	56,314,000	54,604,000
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	\$ 127,492,000	\$ 124,565,000

See Notes to Condensed Consolidated Financial Statements

BARNWELL INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

(Unaudited)

	Three months ended March 31,		Six months ended March 31,	
	2008	2007	2008	2007
Revenues:				
Oil and natural gas	\$ 11,503,000	\$ 8,660,000	\$ 21,593,000	\$ 17,028,000
Contract drilling	2,383,000	1,258,000	4,593,000	2,345,000
Sale of interest in leasehold land, net	201,000	957,000	709,000	2,217,000
Sale of development rights, net	-	-	2,497,000	2,292,000
Gas processing and other	220,000	288,000	575,000	549,000
	14,307,000	11,163,000	29,967,000	24,431,000
Costs and expenses:				
Oil and natural gas operating	2,551,000	2,391,000	4,932,000	4,831,000
Contract drilling operating	1,956,000	1,073,000	3,777,000	2,098,000
General and administrative	3,208,000	2,209,000	6,283,000	5,950,000
Depreciation, depletion and amortization	3,636,000	3,127,000	7,379,000	6,389,000
Interest expense	255,000	231,000	577,000	