

TETON ENERGY CORP
Form 10-Q
November 14, 2006

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-Q

(Mark One)

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

For the Quarterly Period Ended September 30, 2006

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

For the transition period from to

Commission file number: 001-31679

TETON ENERGY CORPORATION

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of
incorporation or organization)

84-1482290

(IRS Employer
Identification No.)

410 17th Street Suite 1850

Denver, Colorado

(Address of principal executive offices)

80202

(Zip Code)

(303) 565-4600

(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 periods 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 (as defined in Rule 12b-2 of the Act). (Check one):

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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 Act). Yes No

As of November 10, 2006, 14,704,759 shares of the issuer's common stock were outstanding.

TETON ENERGY CORPORATION

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TETON ENERGY CORPORATION

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Consolidated Balance Sheets

	September 30, 2006 (Unaudited)	December 31, 2005
Assets		
Current assets		
Cash and cash equivalents	\$ 8,318,308	\$ 7,064,295
Trade accounts receivable	1,159,101	247,769
Advances to operator	2,125,875	224,429
Tubular inventory	148,628	
Prepaid expenses and other assets	167,420	137,729
Total current assets	11,919,332	7,674,222
Non-current assets		
Oil and gas properties (using successful efforts method of accounting)		
Proved	10,489,861	1,717,213
Producing facilities	200,444	
Unproved	13,851,063	10,636,279
Wells in progress	3,629,775	2,105,884
Facilities in progress	612,500	120,554
Fixed assets	220,449	71,045
Total property and equipment	29,004,092	14,650,975
Less accumulated depreciation and depletion	(1,266,066)	(193,702)
Net property and equipment	27,738,026	14,457,273
Debt issuance costs	193,072	
Total non-current assets	27,931,098	14,457,273
Total assets	\$ 39,850,430	\$ 22,131,495
Liabilities and Stockholders Equity		
Current liabilities		
Accounts payable	\$ 1,347,899	\$ 1,281,457
Accrued liabilities	2,120,591	297,351
Accrued payroll and severance	723,193	396,589
Accrued royalties		94,403
Accrued franchise taxes payable	34,388	62,025
Deposits on sale of assets		300,000
Accrued liability of discontinued operations		255,000
Accrued purchase consideration	2,729,151	
Total current liabilities	6,955,222	2,686,825
Long-term liability		
Asset retirement obligations	39,554	3,851
Total liabilities	6,994,776	2,690,676