

DORCHESTER MINERALS, L.P.
Form 10-Q
August 06, 2018

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UNITED STATES

**SECURITIES AND EXCHANGE COMMISSION
Washington, DC. 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 **June 30, 2018**

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 **000-50175**

DORCHESTER MINERALS, L.P.

(Exact name of registrant as specified in its charter)

Delaware

81-0551518

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(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

3838 Oak Lawn Avenue, Suite 300, Dallas, Texas 75219

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(214) 559-0300**

None

(Former name, former address and former fiscal year, if changed since last report)

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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	Accelerated filer	Non-accelerated filer (Do not check if a smaller reporting company)
Smaller reporting company	Emerging growth company	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act.): Yes No

As of August 6, 2018, 32,279,774 common units representing limited partnership interests were outstanding.

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DORCHESTER MINERALS, L.P.

(A Delaware Limited Partnership)

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

Statements included in this report that are not historical facts (including any statements concerning plans and objectives of management for future operations or economic performance, or assumptions or forecasts related thereto), are forward-looking statements. These statements can be identified by the use of forward-looking terminology including “may,” “believe,” “will,” “expect,” “anticipate,” “estimate,” “continue” or other similar words. These statements discuss future expectations, contain projections of results of operations or of financial condition or state other “forward-looking” information. In this report, the term “Partnership,” as well as the terms “DMLP,” “us,” “our,” “we,” and “its” are sometimes used as abbreviated references to Dorchester Minerals, L.P. itself or Dorchester Minerals, L.P. and its related entities.

These forward-looking statements are based upon management’s current plans, expectations, estimates, assumptions and beliefs concerning future events impacting us and, therefore, involve a number of risks and uncertainties. We caution that forward-looking statements are not guarantees and that actual results could differ materially from those expressed or implied in the forward-looking statements for a number of important reasons. Examples of such reasons include, but are not limited to, changes in the price or demand for oil and natural gas, changes in the operations on or development of our properties, changes in economic and industry conditions and changes in regulatory requirements (including changes in environmental requirements) and our financial position, business strategy and other plans and objectives for future operations. These and other factors are set forth in our filings with the Securities and Exchange Commission.

You should read these statements carefully because they discuss our expectations about our future performance, contain projections of our future operating results or our future financial condition, or state other “forward-looking” information. Before you invest, you should be aware that the occurrence of any of the events described in this report could substantially harm our business, results of operations and financial condition and that upon the occurrence of any of these events, the trading price of our common units could decline, and you could lose all or part of your investment.

Table of Contents**PART I – FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****DORCHESTER MINERALS, L.P.****(A Delaware Limited Partnership)****CONDENSED CONSOLIDATED BALANCE SHEETS****(In Thousands)****(Unaudited)**

	June 30, 2018	December 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$19,608	\$13,827
Trade and other receivables	7,301	6,198
Net profits interests receivable - related party	4,288	5,330
Total current assets	31,197	25,355
Property and leasehold improvements - at cost:		
Oil and natural gas properties (full cost method)	363,211	363,186
Accumulated full cost depletion	(301,902)	(297,442)
Total	61,309	65,744
Leasehold improvements	1,614	1,573
Accumulated amortization	(633)	(625)
Total	981	948
Total assets	\$93,487	\$92,047

LIABILITIES AND PARTNERSHIP CAPITAL

Current liabilities:

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Accounts payable and other current liabilities	\$1,580	\$599
Current portion of deferred rent incentive	65	38
Total current liabilities	1,645	637
Deferred rent incentive less current portion	659	664
Total liabilities	2,304	1,301
Commitments and contingencies (Note 2)		
Partnership capital:		
General partner	1,839	1,782
Unitholders	89,344	88,964
Total partnership capital	91,183	90,746
Total liabilities and partnership capital	\$93,487	\$92,047

The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of Contents**DORCHESTER MINERALS, L.P.****(A Delaware Limited Partnership)****CONDENSED CONSOLIDATED INCOME STATEMENTS****(In Thousands except Income per Unit)****(Unaudited)**

	Three Months Ended		Six Months Ended	
	June 30, 2018	2017	June 30, 2018	2017
Net operating revenues:				
Royalties	\$13,941	\$10,489	\$27,187	\$21,112
Net profits interests	2,996	309	5,559	1,969
Lease bonus	4,125	1,726	4,163	1,756
Other	61	29	97	443
Total net operating revenues	21,123	12,553	37,006	25,280
Costs and expenses:				
Operating, including production taxes	1,316	1,051	2,572	2,038
Depreciation, depletion and amortization	2,284	1,893	4,468	3,648
General and administrative expenses	1,159	1,160	2,639	