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Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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 Smaller reporting company
(Do not check if smaller reporting company)

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

As of June 29, 2007, the aggregate market value of voting stock held by non-affiliates of the registrant was approximately \$76,325,387, based on the closing price of the Common Shares on the American Stock Exchange of \$1.14 per share. As of March 13, 2008, 81,087,320 shares of registrant's Common Shares, without par value, were issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Pursuant to Instruction G (3) to Form 10-K, Items 10, 11, 12, 13 and 14 are omitted because the Company will file a definitive proxy statement (the "Proxy Statement") pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act") not later than 120 days after the close of the fiscal year. The information required by such items will be included in the Proxy Statement to be so filed for the Company's annual meeting of shareholders to be held on or about June 18, 2008 and is hereby incorporated by reference.

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PART I

ITEMS 1 AND 2. BUSINESS AND PROPERTIES

We use the terms “Storm Cat”, the “Company”, “we”, “us” and “our” to refer to Storm Cat Energy Corporation and subsidiaries in this Annual Report on Form 10-K.

BUSINESS

General

Storm Cat Energy Corporation and its subsidiaries are engaged in the exploitation, development and production of crude oil and natural gas with specific focus on unconventional natural gas resources from coal seams, fractured shales and tight sand formations. For a description of the meanings of some of the natural gas and oil industry terms used in this Annual Report on Form 10-K, a glossary of terms is provided at the end of this section.

We report to the Securities and Exchange Commission (the “SEC”) information, including the Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports pursuant to Section 13(a) or 15(d) of the Exchange Act. Copies of any materials the Company files with the SEC can be obtained at www.sec.gov or at the SEC’s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Information on the operation of the Public Reference Room is available by calling the SEC at 1-800-SEC-0330.

Our corporate internet web site is www.stormcatenergy.com. We make available free of charge, on or through the Financial Reports / Investors section of our web site, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, all SEDAR filings with the British Columbia Securities Commission and all amendments to those reports as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC or British Columbia Securities Commission. We also provide corporate presentations made at recent industry gatherings. In addition, our Code of Ethics is available on our website. No content of our web site is incorporated by reference herein.

Our corporate headquarters are located at 1125 Seventeenth Street, Suite 2310, Denver, Colorado 80202. Our telephone number is (303) 991-5070.

We have grown primarily through the acquisition of undeveloped properties and development drilling on those properties. Our acquisition and development activities are concentrated in the following areas:

- Powder River Basin (“PRB”) in northeast Wyoming;
- Arkoma Basin / Fayetteville Shale in north-central Arkansas;
 - Elk Valley Region in southeast British Columbia;
- Western Canadian Sedimentary Basin (“WCSB”) in Alberta, Canada; and
 - Cook Inlet Region of Alaska.

Our estimated proved reserves at December 31, 2007 were 44.5 Bcf of natural gas based on an average December 31, 2007 price of \$6.06/Mcf. Our December 31, 2007 proved reserves represent an increase of 78% over our December 31, 2006 proved reserves. Proved developed reserves constitute 62% of our proved reserves as of December 31, 2007. We produced 3.154 Bcf of natural gas during 2007, for an average daily production rate of 8.641 MMcf/d. This represents a 96% increase over our average daily production in 2006. Fourth quarter average daily production was 9.959 MMcf/d, a 32.0% increase over the fourth quarter 2006 average daily production rate. Our 2007 reserve replacement was 718% of our 2007 production.

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As of December 31, 2007, we owned interests in 473 gross (360 net) wells and we operated 404 gross (344 net) wells. We operate 97% of the PV-10 value of our estimated net cash flow from our estimated proved developed reserves. The high proportion of operated properties allows us to exercise more control over our expenses, capital allocation and timing of our development and exploitation activities in our fields.

As of December 31, 2007, we owned interests in 193,094 gross acres and 169,748 net acres.

History of the Company

Storm Cat was incorporated under the laws of British Columbia, Canada on May 15, 2000 under the name "Toby Ventures Inc." We conducted an initial public offering in Canada and our shares began trading under the symbol "SME" on the TSX Venture Exchange on November 15, 2001 (listing graduated to the Toronto Stock Exchange ("TSX") on June 29, 2006). Since incorporation, we have been involved in the development and exploration of natural resources. We commenced the acquisition and exploration of mineral properties in 2000. In late 2003, we disposed of, sold or abandoned our mineral exploration interests and focused our efforts on the exploitation, development and production of crude oil and natural gas with specific focus on unconventional natural gas resources from coal seams, fractured shales and tight sand formations.

Effective January 30, 2004, we changed our name to Storm Cat Energy Corporation and adopted new Articles of Incorporation under the Business Corporations Act of British Columbia on May 21, 2004. Prior to June 2004, our authorized capital was 20,000,000 common shares without par value. Beginning in June 2004, we were authorized to issue an unlimited number of common shares without par value. Effective March 31, 2005, we effected a two-for-one share split. All share and per share amounts included in this filing have been restated to give retroactive effect, as necessary, to the effect of the share split.

On October 3, 2005, we began trading our shares on the American Stock Exchange ("AMEX") under the symbol "SCU."

Business Strategy

Our business strategy is comprised of the following components:

- Deploying our capital resources in areas that create favorable rates of return;
- Increasing production and reserves through efficient management of operations;
 - Acquiring additional undeveloped properties in our core areas;
 - Retaining operational control wherever possible;
- Hedging a significant portion of our production to provide adequate cash flow to fund a portion of our capital development budget and protect the economic return on our development projects; and
 - Retaining management and technical staff that have substantial expertise in our core operating areas.

PROPERTIES

Powder River Basin

Our growth in production and reserves from 2004 through mid 2007 has been focused primarily on our coal bed natural gas (“CBNG”) operations in the PRB. The PRB is located in northeast Wyoming and southeast Montana (see Figure 1).

Figure 1: Powder River Basin

Figure 2: CBNG Development in Powder River Basin

Our operations are concentrated within two areas in Wyoming; the Recluse area north of Gillette, Wyoming and the Sheridan area east of Sheridan, Wyoming (see Figures 2 and 3). Covering 12,000 square miles, the PRB CBNG play encompasses parts of seven counties in two states and targets natural gas contained in the Tertiary-age Fort Union Formation coal seams. Depths for the play range from 100 feet to over 3,000 feet, and include a series of distinct coal seams, such as the Wyodak and Big George. In our area of operations, these coal seams split into equivalent members, such as the Anderson, Canyon, Cook, Wall and Pawnee seams. Over the past ten years, development has increased dramatically. In 2007, the PRB CBNG play was producing in excess of one Bcf/d from over 22,000 producing wells.

Figure 3: Storm Cat Energy Leasehold and Wells in Powder River Basin

On December 31, 2007 we owned approximately 51,951 gross acres and 35,345 net acres in the PRB, operated 370 wells and owned interests in 51 non-operated wells. We added 107 wells on our acreage position in 2007 in our Sheridan, Ford Ranch, PeeGee and Marathon Joint Development operating areas (see Figure 3).

At December 31, 2007, our exit-rate production out of the PRB was 21.5 MMcf/d gross and 11.9 MMcf/d net.

Arkoma Basin / Fayetteville Shale

The Fayetteville Shale is an unconventional gas reservoir located on the Arkansas side of the Arkoma Basin, ranging in thickness from 50 to 550 feet and ranging in depth from 1,000 to 6,500 feet. The formation is a Mississippian-age shale that is the geologic equivalent of the Caney Shale found on the Oklahoma side of the Arkoma Basin and the Barnett Shale found in north Texas.

Driven by the activities of Southwestern Energy Company, XTO Energy Inc., Chesapeake Energy Corporation, PetroHawk Energy Corporation and other operators, the Fayetteville Shale play has developed rapidly since early 2006. Southwestern Energy Company, the early leader in the play, produced approximately 10 MMcf/d in January 2006 from the Fayetteville Shale and was producing 325 MMcf/d on December 31, 2007, a 3,150% increase in just twenty-four months.

Figure 4: Storm Cat Energy Leasehold and Wells in the Fayetteville Shale

We owned or controlled 24,178 gross and 18,265 net acres in the Fayetteville Shale at December 31, 2007 (see Figure 4). During 2007, we successfully drilled and completed three Company-operated horizontal wells. All of these wells are currently shut-in and awaiting pipeline completion. We placed our first completed well, the Kamalmaz 1-13H, on an extended two week flow test. The initial production rate was 1.75 MMcf/d and the well averaged 1.2 MMcf/d over the two week test period. Of our other two wells, the Files 1-12H has shown limited early time productivity similar to Kamalmaz 1-13H and the Vaughn 1-18H will not be conclusively production tested until the sales pipeline discussed below is completed.

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In the fourth quarter of 2007, we reached an agreement with an unaffiliated third party for the construction of field gathering, compression and a transportation lateral to the Ozark interstate pipeline. Pipeline construction was underway on December 31, 2007 and we anticipate that the pipeline could be completed and operational in the second quarter of 2008.

In addition to our operated acreage position, we have nominal interests in 16 non-operated wells in the play that were in various stages of production, drilling and completion through 2007. Production at year-end 2007 associated with our non-operated wells, eight of which were producing, was 0.3 MMcf/d net (10.5 MMcf/d gross).

Elk Valley / British Columbia

Our Elk Valley project in southeast British Columbia is a CBNG project targeting the Jurassic-aged Mist Mountain coals. The project is comprised of 76,960 gross (76,960 net) acres (see Figure 5). We earned our interest in the project in 2005 through a farm-in agreement. In 2006, we increased our ownership to a 100% working interest when the former operator elected to retain an overriding royalty interest only.

Figure 5: Elk Valley and Storm Cat Energy Land Position

The Mist Mountain coal section is comprised of up to fourteen separate coal seams totaling as much as 300 net feet of coal thickness underlying our acreage position. Our challenge is that tectonic activities associated with our geologic setting have significantly altered permeability. Commercial productivity is conditioned upon inducing or connecting permeable pathways into our wellbores to allow the extraction of water and resulting desorption of natural gas from the coal seams.

The prior operator of the property drilled 17 stratigraphic test and pilot wells. We drilled seven additional wells, two in 2005 and five in 2006. Of the 24 total wells, nine are currently producing at an aggregate rate as high as 1.3MMcf/d.

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Western Canadian Sedimentary Basin of Alberta, Canada

The WCSB is a vast sedimentary basin underlying 540,000 square miles of western Canada including southwestern Manitoba, southern Saskatchewan, Alberta, northeast British Columbia and the southwest corner of the Northwest Territories (see Figure 6). The WCSB contains significant reserves of petroleum and natural gas and supplies the North American market. It also has extensive reserves associated with coal and shales.

Figure 6: Storm Cat Prospect Areas in Western Canadian Sedimentary Basin

In the WCSB, we owned or controlled approximately 15,680 gross (14,853 net) acres at December 31, 2007. As of December 31, 2007, we have drilled or participated in eight wells. We have two productive wells that are being evaluated for a pipeline connection and the others are in various stages of completion and production testing.

We continue to evaluate opportunities on our acreage and are actively reviewing potential prospects and strategic joint development opportunities.

Cook Inlet Alaska

We hold 24,325 gross (24,325 net) acres in the Cook Inlet region of Alaska (see Figure 7). The Cook Inlet region contains a thick sequence of inter-bedded coals and sandstones deposited in fluvial environments during Tertiary time creating both conventional and CBNG objectives and targets.

Figure 7: Storm Cat Leases in Cook Inlet, Alaska

In 2006, we drilled and cased one well on our acreage position. We are actively seeking an industry partner to complete and production test the well and assist in the development of the acreage position.

Reserve Estimates

Netherland, Sewell & Associates, Inc. of Dallas, Texas estimated our proved reserves as of December 31, 2007.

The terms set forth below are used in our disclosures of oil and natural gas reserves. For the complete detailed definitions of proved, proved developed and proved undeveloped oil and gas reserves applicable to oil and gas registrants, reference is made to Rule 4-10(a)(2)(3)(4) of Regulation S-X of the SEC, available at its web site <http://www.sec.gov/divisions/corpfin/ecfrlinks.shtml>.

Proved reserves. Estimated quantities of crude oil, natural gas and natural gas liquids which, upon analysis of geologic and engineering data, appear with reasonable certainty to be recoverable in the future from known oil and gas reservoirs under existing economic and operating conditions.

Proved developed reserves. Proved reserves which can be expected to be recovered through existing wells with existing equipment and operating methods.

Proved undeveloped reserves. Proved reserves which are expected to be recovered from new wells on undrilled acreage or from existing wells where a relatively major expenditure is required.

Estimated future net revenues. Also referred to herein as “estimated future net cash flows.” Computational result of applying current prices of oil and gas (with consideration of price changes only to the extent provided by existing contractual arrangements, other than hedge derivatives) to estimated future production from proved oil and gas reserves as of the date of the latest balance sheet presented, less estimated future expenditures (based on current costs) to be incurred in developing and producing the proved reserves.

Present value of estimated future net cash flows. The computational result of discounting estimated future net cash flows at a rate of 10% annually. The present value of estimated future net cash flows after income tax is also referred to herein as “standardized measure of discounted future net cash flows” or “standardized measure.”

The following table summarizes our proved natural gas reserves at the end of each year for 2005 through 2007. Amounts do not include estimates of future Federal and state income taxes.

Proved Reserves and Future Net Cash Flows

	Year Ended December 31,		
	2007	2006	2005
Proved reserves (MMcf)	44,487.9	25,015.3	10,010.0
Estimated net cash flow from proved reserves (in thousands)	\$ 132,794.5	\$ 41,944.7	\$ 37,461.0
Estimated future net cash flow, discounted at 10% (in thousands)	\$ 98,425.1	\$ 32,036.4	\$ 29,017.2
Percentage of total proved reserves classified as developed	61.8%	53.4%	38.7%
Price per Mcf used to calculate estimated future net cash flows	\$ 6.06	\$ 4.46	\$ 7.72

All proved reserves and estimated future net cash flows are for our PRB and Fayetteville properties in the U.S. We have no proved reserves in Canada.

Productive Wells

As of December 31, 2007, we owned interests in 473 gross (360 net) wells and we operated 404 gross (344 net) wells, of which 415 gross (314 net) were producing and 58 gross (46 net) were shut-in. Productive wells are either producing wells or wells capable of commercial production although currently shut-in. One or more completions in the same wellbore are counted as one well. A well is categorized under state reporting regulations as an oil well or a

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gas well based upon the ratio of gas to oil produced when it first commenced production, and such designation may not be indicative of current production. The table below illustrates our gross/net productive wells at December 31, 2007:

	Year Ended December 31, 2007		
	Producing	Gross/Net Shut-in	Total
United States			
Powder River Basin	398/305	23/21	421/326
Fayetteville Shale	8/0.2	11/2.5	19/2.7
Cook Inlet	0/0	1/1	1/1
Total U.S.	406/305	35/25	441/330
Canada			
Elk Valley	9/9	15/15	24/24
Alberta	0/0	8/6	8/6
Total Canada	9/9	23/21	32/30
Total Productive Wells	415/314	58/46	473/360

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Drilling Activity

All of our drilling activities are conducted on a contract basis with independent drilling contractors. We do not own any drilling equipment. The following table sets forth the wells drilled and recompleted in which we participated during each of the three years indicated:

	Year Ended December 31,					
	2007		2006		2005	
	Gross	Net	Gross	Net	Gross	Net
Development:						
Oil	—	—	—	—	—	—
Gas	126	78	86	73	43	43
Non-productive	—	—	—	—	—	—
Total Development	126	78	86	73	43	43
Exploratory:						
Oil	—	—	—	—	—	—
Gas	2	2	11	9	2	2
Non-productive	—	—	3	1	1	1
Total Exploratory	2	2	14	10	3	3
Farm-out or non-consent	—	—	—	—	—	—
Total Wells Drilled	128	80	100	83	46	46

Acreage

A summary of our oil and gas leasehold position as of December 31, 2007 is as follows:

Area:	Total		Acreage Developed		Undeveloped	
	Gross	Net	Gross	Net	Gross	Net
United States						
Powder River Basin, WY	51,951	35,345	20,303	18,390	31,648	16,955
Fayetteville Shale, AR	24,178	18,265	280	210	23,898	18,055
Cook Inlet, AK	24,325	24,325	160	160	24,165	24,165
Total U.S.	100,454	77,935	20,743	18,760	79,711	59,175
Canada						
Elk Valley, BC	76,960	76,960	800	800	76,160	76,160
Alberta, AB	15,680	14,853	800	800	14,880	14,053
Total Canada	92,640	91,813	1,600	1,600	91,040	90,213
Total Acreage	193,094	169,748	22,343	20,360	170,751	149,388

Undeveloped Acreage Expiring

The following table sets forth the number of undeveloped acres (primarily located in the PRB) that will expire during the next five years and thereafter unless production is established in the interim. Undeveloped acres "held-by-production" represents the undeveloped portions of producing leases that will not expire until commercial production ceases.

	As of December 31, 2007	
	Working Interest Acreage	
	Gross	Net
2008	10,156	9,726
2009	3,753	1,610

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2010	14,444	11,329
2011	2,254	1,371