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MILLER PETROLEUM INC
Form 10-K
June 01, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

(MARK ONE)

AMENDMENT NO. 1 ON FORM 10-K
TO FORM 10-KSB

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT
OF 1934

FOR THE FISCAL YEAR ENDED APRIL 30, 2008

TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT
OF 1934

FOR THE TRANSITION PERIOD FROM _____ TO _____

COMMISSION FILE NUMBER: 033-02249-FW

MILLER PETROLEUM, INC.

(Name of small business Issuer in its charter)

TENNESSEE

62-1028629

(State or other jurisdiction of
incorporation or organization)

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

3651 BAKER HIGHWAY, HUNTSVILLE, TN 37756

(Address of principal executive offices)

(423) 663-9457

(Issuer's Telephone Number, including area code)

SECURITIES REGISTERED UNDER SECTION 12(b) OF THE ACT: NONE

SECURITIES REGISTERED UNDER SECTION 12(g) OF THE ACT: NONE

Check whether the issuer is not required to file reports pursuant to Section 13
or 15(d) of the Exchange Act.

Check whether the issuer (1) filed all reports required to be filed by Section
13 or 15(d) of the Exchange Act during the past 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

Check if there is no disclosure of delinquent filers in response to Item 405 of
Regulation S-B contained in this form, and no disclosure will be contained, to
the best of the registrant's knowledge, in definitive proxy or information
statements incorporated by reference in Part III of this Form 10-KSB or any
amendment to this Form 10-KSB.

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

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The Issuer's revenues for the fiscal year ended April 30, 2008 were \$829,342.

The aggregate market value of the Common Stock held by non-affiliates, based on the average closing bid and asked price of the Common Stock on April 12, 2008 was \$3,149,468.

There are approximately 6,846,670 shares of common voting stock of the Registrant held by non-affiliates. On August 12, 2008 the average bid and asked price was \$0.46.

As of August 12, 2008 there were 14,566,856 shares of common stock outstanding.

Transitional Small Business Disclosure Form (check one): Yes ___ No X

EXPLANATORY PARAGRAPH

Miller Petroleum, Inc. is filing this Amendment No. 1 on Form 10-K to its Annual Report on Form 10-KSB for the year ended April 30, 2008 (the "2008 10-KSB") in response to comments from the staff of the Securities and Exchange Commission on such filing. By this amendment, we are hereby deleting Part I, Item 2. Description of Property which appeared in our 2008 10-KSB in its entirety and substituting it with the information contained in this Amendment No. 1. This Amendment No. 1 also contains currently dated certifications as Exhibits 31.1, 31.2, 32.1 and 32.2.

PART II

Item 2. Description of Property.

Our executive offices presently comprise approximately 6,300 square feet on 14 acres of land in Huntsville, Tennessee that the Company owns.

Oil and Gas Leases

We are an exploration and production company that utilizes seismic data, and other technologies for geophysical exploration and development of oil and gas wells. In addition to our engineering and geological capabilities, we have work-over rigs, dozers, roustabout crews and equipment to set pumping units, tanks and lay flow lines, winch trucks and trailers for traveling support, backhoes, ditchers, fusion machines and welders for pipeline and compression installation, as well as other equipment necessary to take a drilling program from the development stage to completion. The company also sells rigs, oilfield trailers, compressors and other miscellaneous oil and gas production equipment.

At April 30, 2008 we had approximately 43,491 acres of oil and gas leases, all located in Anderson, Campbell and Roane Counties in Tennessee. These three counties are geographically situated in East Tennessee, with both Campbell and Roane counties sharing borders with Anderson county. As described elsewhere herein, on June 13, 2008 we sold approximately 30,000 acres of leases which were located in Campbell County, Tennessee and generally known as Koppers North and Koppers South to Atlas America LLC for \$19.625 million.

Of the remaining approximately 13,491 acres of oil and gas leases we held at April 30, 2008, approximately 5,694 acres are located in Anderson County, Tennessee, approximately 4,175 acres are located in Campbell County, Tennessee and approximately 3,622 acres are located in Roane County Tennessee. There is no production at the Anderson County, Tennessee sites. The following table provides information on the oil and gas production from the remaining acreage during the fiscal years ended April 30, 2007 and 2008:

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| | Total All Wells ----- | Our % ----- |
|---------------------------------|--------------------------|----------------|
| Oil Production (Bbls) | | |
| Produced April 30, 2007 | 8,900 | 4,898 |
| Produced April 30, 2008 | 9,264 | 4,984 |
| Gas Production (Mcf) | | |
| Produced April 30, 2007 | 216,096 | 54,765 |
| Produced April 30, 2008 | 206,388 | 39,507 |

Oil and Gas Reserve Analyses

Our estimated net proved oil and gas reserves and the present value of estimated cash flows from those reserves are summarized below. The reserves were estimated at April 30, 2008 by Lee Keeling and Associates, Inc., independent petroleum consultants, in accordance with regulations of the Securities and Exchange Commission, using market or contract prices at the end of each of the years presented in the consolidated financial statements. These prices were held constant over the estimated life of the reserves.

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Ownership interests in estimated quantities of proved oil and gas reserves and changes in net proved reserves, all of which are located in the continental United States, are summarized below for each of the years presented in the consolidated financial statements.

| | Oil (Bbl) ----- | Gas (Mcf) ----- |
|---|--------------------|--------------------|
| Proved Reserves | | |
| Balance, April 30, 2006 | 91,279 | 980,730 |
| Discoveries and extensions | - | - |
| Revisions of previous estimates | (24,977) | (224,155) |
| Production | (4,898) | (54,765) |
| | ----- | ----- |
| Balance, April 30, 2007 | 61,404 | 701,810 |
| Discoveries and extensions | - | - |
| Revisions of previous estimates | 17,993 | 475,894 |
| Return of proved undeveloped properties to company | - | 1,037,857 |
| Sale of minerals in place | - | (324,195) |
| Production | (4,984) | (39,508) |
| | ----- | ----- |
| Balance, April 30, 2008 | 74,413 | 1,851,858 |

Finally, the following table provides information at each of April 30, 2007 and 2008 regarding our developed and undeveloped reserves:

| | Oil (Bbl) ----- | Gas (Mcf) ----- |
|--|--------------------|--------------------|
| Proved developed producing reserves at April 30, 2008 | 63,068 | 510,825 |
| Proved developed producing reserves at April 30, 2007 | 48,591 | 624,404 |
| Proved developed non-producing reserves at April 30, 2008 | 11,345 | 81,002 |

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| | | |
|---|--------|-----------|
| Proved developed non-producing reserves at April 30, 2007 | 12,813 | 77,406 |
| Proved undeveloped reserves at April 30, 2008 | - | 1,260,031 |
| Proved undeveloped reserves at April 30, 2007 (1) | - | - |

(1) At April 30, 2007 the leases had been transferred to the Wind City Joint Venture and the litigation had not been concluded to establish the Company's right to the return of the leases.

As described elsewhere herein, the return of the proved undeveloped properties resulted from the return of the leases from Wind City to our settlement of all litigation.

Our standardized measure of discounted future net cash flows from our estimated proved oil and gas reserves is provided for the financial statement user as a common base for comparing oil and gas reserves of enterprises in the industry and may not represent the fair market value of our oil and gas reserves or the present value of future cash flows of equivalent reserves due to various uncertainties inherent in making these estimates. Those factors include changes in oil and gas prices from year-end prices used in the estimates, unanticipated changes in future production and development costs and other uncertainties in estimating quantities and present values of oil and gas reserves.

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The following table presents the standardized measure of discounted future net cash flows from our ownership interests in proved oil and gas reserves as of the end of each of the years presented in the consolidated financial statements. The standardized measure of future net cash flows as of April 30, 2008 and 2007 are calculated using weighted average prices in effect as of those dates. Those prices were \$9.36 and \$7.96 respectively, per Mcf of natural gas, and \$103.31 and \$55.77 respectively, per barrel of oil. The resulting estimated future cash inflows are reduced by estimated future costs to develop and produce the estimated proved reserves based on year-end cost levels. Future income taxes are based on year-end statutory rates, adjusted for any operating loss carry forwards and tax credits. The future net cash flows are reduced to present value by applying a 10% discount rate.

Standardized measures of discounted future net cash flows at April 30, 2008 and 2007 are as follows:

| | 2008 | 2007 |
|---|---------------|--------------|
| | ----- | ----- |
| Future cash flows | \$ 25,456,619 | \$ 8,422,828 |
| Future production costs and taxes | (3,597,397) | (2,402,638) |
| Future development costs | (1,471,400) | (13,900) |
| Future income tax expense | (6,320,225) | (1,861,950) |
| | ----- | ----- |
| Future cash flows | 14,067,597 | 4,144,340 |
| Discount at 10% for timing of cash flows | (7,323,458) | (2,144,700) |
| | ----- | ----- |
| Discounted future net cash flows from proved reserves | \$ 6,744,139 | \$ 1,999,640 |
| | ===== | ===== |

Changes in Standardized Measure of Discounted Future Net Cash Flows

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The following table summarized the changes in the standardized measure of discounted future net cash flows from estimated production of our proved oil and gas reserves after income taxes for each of the years presented in the consolidated financial statements.

The following table sets forth the changes in the standardized measure of discounted future net cash flows from proved reserves for April 30, 2008 and 2007.

| | 2008 | 2007 |
|--|--------------|--------------|
| | ----- | ----- |
| Balance, beginning of year | \$ 1,999,640 | \$ 3,132,740 |
| Sales, net of production costs and taxes | (504,265) | (453,670) |
| Changes in prices and production costs | 2,134,824 | 1,008,950 |
| Revisions of quantity estimates and return of proved undeveloped properties | 6,853,630 | (3,015,904) |
| Sale of minerals in place | (714,788) | - |
| Development costs incurred | - | 474 |
| Net changes in income taxes | (3,024,902) | 1,327,050 |
| | ----- | ----- |
| Balances, end of year | \$ 6,744,139 | \$ 1,999,640 |
| | ===== | ===== |

The reserves presented in this Report were evaluated in accordance with Rule 4-10 of Regulation S-X promulgated by the Securities and Exchange Commission ("SEC").

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Miller Petroleum, Inc.

Date: June 1, 2009

By: /s/ Scott M. Boruff

Scott M. Boruff, Chief Executive Officer

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