

ARCHER DANIELS MIDLAND CO

Form SC 13D/A

November 10, 2005

Unknown document format

Environmental liability\$— \$— \$(2,100,000) \$(2,100,000) Asset retirement obligations
(non-recurring) — — (3,317,358) (3,317,358) Total\$— \$— \$(5,417,358) \$(5,417,358)

The following is a summary of changes to fair value measurements using Level 3 inputs during the 12 months ended December 31, 2013:

	Environmental Liability
Balance, December 31, 2012	\$ 2,100,000
Acquisitions	—
Settlement of liabilities	11,657
Revisions of previous estimates	—
Balance, December 31, 2013	\$ 2,087,973

12 – Income taxes

Total income tax expense (benefit) differed from the amounts computed by applying the U.S. Federal statutory tax rates to pre-tax income:

(in thousands)	Year Ended	
	December 31, 2013	2012
Income taxes at U.S. statutory rate	1,140	(802)
State taxes, net of federal impact	88	(63)
Change in valuation allowance	(1,229)	864
Permanent differences	1	1
Other differences	0	0
Total	0	0

Deferred tax assets/(liabilities) consist of the following:

(in thousands)	Year Ended	
	December 31, 2013	2012
Derivatives	(34)	105
Valuation allowance	(5,972)	(7,200)
Difference in depreciation and capitalization methods-natural gas properties,	(3,444)	(379)

Accrued expenses	765	769
Net operating losses	8,685	6,705
Total	0	0

F-18

Deferred tax assets and liabilities are the result of temporary differences between the financial statement carrying values and tax bases of assets and liabilities. The Company's net deferred tax assets and liabilities are recorded as a long-term liability of \$0 at December 31, 2013 and 2012, respectively.

As of December 31, 2013, the Company had net operating loss carryforwards ("NOLs") of approximately \$23.7 million which will begin to expire, if unused, in 2026.

The Company continually assesses both positive and negative evidence to determine whether it is more likely than not that deferred tax assets can be realized prior to their expiration. Management monitors Company-specific, oil and natural gas industry and worldwide economic factors and assesses the likelihood that the Company's NOLs and other deferred tax attributes in the United States, state, and local tax jurisdictions will be utilized prior to their expiration. The Company establishes a valuation allowance to reduce any deferred tax asset for which it is determined that it is more likely than not that some portion of the deferred tax asset will not be realized. At December 31, 2013, and 2012 the Company had a valuation allowance of \$6.0 million and \$7.2 million, respectively, related to its deferred tax assets.

The company recognizes the financial statement effects of tax positions when it is more likely than not, based on the technical merits, that the position will be sustained upon examination by a taxing authority. Recognized tax positions are initially and subsequently measured as the largest amount of tax benefit that is more likely than not of being realized upon ultimate settlement with a taxing authority. We have not taken a tax position that, if challenged, would have a material effect on the financial statements or the effective tax rate for the periods ended December 31, 2013 and December 31, 2012. There were no interest and penalties related to unrecognized tax positions for the periods ended December 31, 2013 and December 31, 2012. The tax years subject to examination by tax jurisdictions in the United States are 2009 through 2012.

13 - Supplemental information relating to oil and natural gas producing activities (unaudited)

Costs incurred in oil and natural gas property acquisition, exploration and development

Set forth below is certain information regarding the costs incurred for oil and gas property acquisition, development and exploration activities:

	Year Ended December 31,	
	2013	2012
Property acquisition costs:		
Unproved properties	\$—	\$—
Proved properties	—	—
Exploration costs	—	—
Development costs (1)	8,312,662	13,261,812
Total costs incurred	\$8,312,662	\$13,261,812

(1) For the years ended December 31, 2013 and 2012, development costs included \$51,290 and \$383,481, respectively, in non-cash, asset retirement obligations.

F-19

Results of operations for oil and natural gas producing activities

Set forth below is certain information regarding the results of operations for oil and gas producing activities:

	Year Ended December 31,	
	2013	2012
Revenues	\$ 13,125,960	\$ 14,781,497
Production costs	2,300,899	2,281,443
Impairment	—	2,663,742
Depletion	4,941,614	5,671,202
Income tax expense	—	—
Accretion expense	148,364	94,556
Gain on sale of properties	—	—
Environmental cleanup	—	2,100,000
Natural gas marketing	78,211	143,672
Production taxes	1,246,153	1,171,471
Results of operations	\$ 4,410,719	\$ 685,408

Proved reserves

Cawley, Gillespie and Associates, Inc, independent petroleum engineers estimated 100% of the proved reserve information for the Company properties as of December 31, 2013.

Joe C. Neal & Associates, Inc., independent petroleum engineers estimated 100% of the proved reserve information for the Company properties as of December 31, 2012. Each year's estimate of proved reserves and related valuations were also prepared in accordance with then-current provisions of ASC 932, *Extractive Activities*.

Estimates of proved reserves are inherently imprecise and are continually subject to revision based on production history, results of additional exploration and development, price changes and other factors. All of the Company's estimated oil and natural gas reserves are attributable to properties within the United States. A summary of the Company's changes in quantities of proved oil and natural gas reserves for the years ended December 31, 2013 and 2012 are as follows:

	Oil (MBbls)	Natural Gas (MMcf)	Total (MBoe)
December 31, 2011	1,708	2,385	2,106
Acquisitions	(144)	(143)	(168)
Extensions and discoveries	16	265	210
Revisions in previous estimates	(308)	(518)	(394)
Production	(151)	(294)	(200)
December 31, 2012	1,271	1,695	1,554
Acquisitions	—	—	—
Extensions and discoveries	371	817	507
Revisions of previous estimates	11	906	161
Production	(123)	(283)	(170)
December 31, 2013	1,530	3,135	2,052
Proved Developed Reserves			
December 31, 2012	804	1,336	1,027

Edgar Filing: ARCHER DANIELS MIDLAND CO - Form SC 13D/A

December 31, 2013	804	2,215	1,173
Proved Undeveloped Reserves			
December 31, 2012	467	359	527
December 31, 2013	726	920	879

F-20

Standardized measure of discounted future net cash flows relating to proved reserves

Future cash inflows were computed by applying the average on the closing price on the first day of each month for the 12-month period prior to December 31, 2013 to estimated future production. Future production and development costs are computed by estimating the expenditures to be incurred in developing and producing the proved oil and natural gas reserves at year end, based on year-end costs and assuming continuation of existing economic conditions.

Future income tax expenses are calculated by applying appropriate year-end tax rates to future pre-tax net cash flows relating to proved oil and natural gas reserves, less the tax basis of properties involved.

Future income tax expenses give effect to permanent differences, tax credits and loss carryforwards relating to the proved oil and natural gas reserves. Future net cash flows are discounted at a rate of 10% annually to derive the standardized measure of discounted future net cash flows. This calculation procedure does not necessarily result in an estimate of the fair market value of the Company's oil and natural gas properties.

The standardized measure of discounted future net cash flows relating to proved oil and natural gas reserves are as follows:

	Year Ended December 31,	
	2013	2012
Future cash inflows	\$ 153,544,250	\$ 120,208,031
Future production costs	(41,381,543)	(47,186,808)
Future development costs	(18,821,422)	(22,620,478)
Future income tax expense	(20,243,102)	(12,218,429)
Future net cash flows	73,098,179	38,182,316
10% annual discount for estimated timing of cash flows	(36,817,148)	(19,542,639)
Standardized measure of discounted future net cash flows	\$36,281,031	\$18,639,677

F-21

Changes in standardized measure of discounted future net cash flows

The changes in the standardized measure of discounted future net cash flows relating to proved oil and natural gas reserves are as follows:

	Year Ended December 31,	
	2013	2012
Balance, beginning of period	\$28,147,572	\$44,862,000
Net change in sales and transfer prices and in production (lifting) costs related to future production	9,374,986	(18,916,722)
Changes in estimated future development costs	4,042,730	11,934,249
Sales and transfers of oil and natural gas produced during the period	(10,825,061)	(11,227,504)
Net change due to extensions and discoveries	12,107,955	(3,726,923)
Net change due to revisions in quantity estimates	3,883,464	6,992,767
Previously estimated development costs incurred during the period	(8,312,662)	(16,602,246)
Accretion of discount	2,747,142	4,486,195
Other	(672,750)	9,880,721
Net change in income taxes	(4,212,345)	—
Balance, end of period	\$36,281,031	\$28,147,572

F-22

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.

Dated: APRIL 15, 2014

**RED MOUNTAIN
RESOURCES, INC.**

By: /s/ Earl M. Sebring
Earl M. Sebring
Interim President

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Alan W. Barksdale Alan W. Barksdale	Chairman of the Board of Directors	APRIL 15, 2014
/s/ Earl M. Sebring Earl M. Sebring	Interim President (Principal Executive Officer)	APRIL 15, 2014
/s/ Kenneth S. Lamb Kenneth S. Lamb	Chief Accounting Officer, Secretary, and Treasurer (Principal Financial and Accounting Officer)	APRIL 15, 2014
/s/ Paul N. Vassilakos Paul N. Vassilakos	Director	APRIL 15, 2014
/s/ Richard F. LaRoche, Jr. Richard F. LaRoche, Jr.	Director	APRIL 15, 2014
/s/ John W. Hawkins John W. Hawkins	Director	APRIL 15, 2014

EXHIBIT INDEX

Exhibit No.	Name of Exhibit
2.1	Agreement and Plan of Merger entered into on December 2, 2010 among Doral Energy Corp., Doral Acquisition Corp., Pure Gas Partners II, L.P. and Pure Energy Group, Inc. (14)
2.2	Agreement and Plan of Merger entered into on December 24, 2010 between Doral Acquisition Corp. (as subsidiary merging entity) and Doral Energy Corp. (as parent surviving entity) with the surviving entity changing its name to Cross Border Resources, Inc. (16)
3.1	Articles of Incorporation. (1)
3.2	Certificate of Change Pursuant to NRS 78.209 increasing the authorized capital of common stock to 2,500,000,000 shares, par value \$0.001 per share (25-for-1 Stock Split). (3)
3.3	Articles of Merger between Language Enterprises Corp. (as surviving entity) and Doral Energy Corp. (as merging entity). (4)
3.4	Certificate of Change Pursuant to NRS 78.209 decreasing the authorized capital of common stock to 400,000,000 shares, par value \$0.001 per share (1-for-6.25 Reverse Split). (5)
3.5	Certificate of Change Pursuant to NRS 78.209 increasing the authorized capital of common stock to 2,000,000,000 shares, par value \$0.001 per share (5-for-1 Stock Split). (6)
3.6	Certificate of Change Pursuant to NRS 78.209 decreasing the authorized capital of common stock to 36,363,637 shares, par value \$0.001 per share (1-for-55 Stock Split). (15)
3.7	Certificate of Merger between Doral Acquisition Corp. (as merging entity) and Doral Energy Corp. (as surviving entity). (16)
3.8	Articles of Merger between Doral Acquisition Corp. (as merging entity) and Doral Energy Corp. (as surviving entity). (16)
3.9	Amended and Restated Bylaws as amended by Amendments No. 1 and No. 2. (*)
4.1	Trust Indenture of Pure Energy Group, Inc. and Pure Gas Partners II, L.P. assumed by the Company. (16)
4.2	Form of Common Stock Warrant. (23)
10.1	Loan and Cancellation of Convertible Note Agreement between Doral Energy Corp. and Edward Ajootian dated March 3, 2010. (7)
10.2	Debt Settlement Agreement with War Chest Multi-Strategy Fund, LLC dated March 8, 2010. (7)
10.3	Amendment Agreement dated March 12, 2010 to Debt Settlement Agreement with War Chest Multi-Strategy Fund, LLC. (7)
10.4	Release and Settlement Agreement between Doral Energy Corp. and Macquarie Bank Limited dated March 8, 2010. (7)
10.5	Purchase and Sale Agreement dated April 30, 2010 between Doral Energy Corp. and Alamo Resources LLC. (8)
10.6	Purchase and Sale Agreement dated June 14, 2010 between Doral Energy Corp., John R. Stearns and John R. Stearns Jr. (9)
10.7	Amended and Restated 2009 Stock Incentive Plan. (10)
10.8	Debt Settlement Agreement dated September 16, 2010 between the Company and War Chest Multi-Strategy Fund, LLC. (11)
10.9	Debt Settlement Agreement dated September 16, 2010 between the Company and Barclay Lyons, LLC. (11)
10.10†	Separation Agreement dated June 15, 2010 between Doral Energy Corp. and H. Patrick Seale. (12)
10.11†	Debt Settlement Agreement dated November 24, 2010 between the Company and WS Oil & Gas Limited. (13)
10.12	Amended and Restated Credit Agreement between Cross Border Resources, Inc. and Texas Capital Bank, N.A. dated January 31, 2011. (18)

- 10.13† Employment Agreement with Everett Willard “Will” Gray II. (19)
- 10.14† Nonqualified Stock Option Award Agreement with Everett Willard “Will” Gray II. (19)
- 10.15† Employment Agreement with Lawrence J. Risley. (19)
- 10.16† Nonqualified Stock Option Award Agreement with Lawrence J. Risley. (19)

- 10.17†Employment Agreement with P. Mark Stark. (19)
- 10.18†Nonqualified Stock Option Award Agreement with P. Mark Stark. (19)
- 10.19†Consulting Agreement with BDR, Inc. (19)
- 10.20†Nonqualified Stock Option Award Agreement with BDR, Inc. (19)
- 10.21 Loan Agreement by and between Green Shoe Investments Ltd. and the Company. (20)
- 10.22 Promissory Note to Green Shoe Investments Ltd. (20)
- 10.23 Loan Agreement by and between Little Bay Consulting SA and the Company. (20)
- 10.24 Promissory Note to Little Bay Consulting SA. (20)
- 10.25†Separation Agreement and Release with BDR, Inc. (22)
- 10.26 Consent Waiver and First Amendment to Amended and Restated Credit Agreement with Texas Capital Bank, N.A. (25)
- 10.27†First Amendment to Employment Agreement with Everett Willard “Will” Gray II. (25)
- 10.28†First Amendment to Employment Agreement with Lawrence J. Risley. (25)
- 10.29†Letter Agreement with Nancy S. Stephenson. (25)
- 10.30 Letter Agreement with American Standard Energy Corp. (21)
- 14.1 Code of Business Conduct and Ethics. (*)
- 21.1 List of Subsidiaries. (23)
- 23.1 Consent of Darilek, Butler & Associates PLLC. (*)
- 23.2 Consent of Joe C. Neal & Associates, Inc. (*)
- 24.1 Power of Attorney (included in signature block to this Annual Report on Form 10-K).
- 31.1 Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (*)
- 31.2 Certification of Principal Accounting Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (*)
- 32.1 Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (*)
- 32.2 Certification of Principal Accounting Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (*)
- 99.1* Evaluation of Oil and Gas Reserves of Cross Border Resources, Inc., Effective Date: January 1, 2012. (*)
- 99.2* Evaluation of Oil and Gas Reserves of Pure Energy Group, Inc., Effective Date: December 31, 2010. (*)
- (1) Filed as an exhibit to our Registration Statement on Form SB-2 filed on September 11, 2006.
- (2) Filed as an exhibit to our Annual Report on Form 10-KSB for the year ended July 31, 2007 filed on October 30, 2007.
- (3) Filed as an exhibit to our Current Report on Form 8-K filed on January 9, 2008.
- (4) Filed as an exhibit to our Current Report on Form 8-K filed on April 28, 2008.
- (5) Filed as an exhibit to our Current Report on Form 8-K filed on January 29, 2009.
- (6) Filed as an exhibit to our Current Report on Form 8-K filed on September 14, 2009.
- (7) Filed as an exhibit to our Quarterly Report on Form 10-Q filed on March 22, 2010.
- (8) Filed as an exhibit to our Current Report on Form 8-K filed on May 6, 2010.
- (9) Filed as an exhibit to our Current Report on Form 8-K filed on June 18, 2010.
- (10) Filed as an exhibit to our Current Report on Form 8-K filed on July 30, 2010.
- (11) Filed as an exhibit to our Current Report on Form 8-K filed on October 1, 2010.
- (12) Filed as an exhibit to our Annual Report on Form 10-K filed on November 15, 2010.
- (13) Filed as an exhibit to our Current Report on Form 8-K filed on December 1, 2010.
- (14) Filed as an exhibit to our Current Report on Form 8-K filed on December 6, 2010.
- (15) Filed as an exhibit to our Current Report on Form 8-K filed on December 29, 2010.
- (16) Filed as an exhibit to our Current Report on Form 8-K filed on January 7, 2011.
- (17) Filed as an exhibit to our Current Report on Form 8-K filed on January 19, 2011.
- (18) Filed as an exhibit to our Current Report on Form 8-K filed on February 8, 2011.

- (19) Filed as an exhibit to our Current Report on Form 8-K filed on March 25, 2011.
- (20) Filed as an exhibit to our Current Report on Form 8-K filed on April 28, 2011.
- (21) Filed as an exhibit to our Current Report on Form 8-K filed on November 23, 2011.

- (22) Filed as an exhibit to our Current Report on Form 8-K filed on June 3, 2011.
- (23) Filed as an exhibit to our Registration Statement on Form S-1/A on August 2, 2011.
- (24) Filed as an exhibit to our Current Report on Form 8-K filed on November 16, 2011.
- (25) Filed as an exhibit to our Current Report on Form 8-K filed on March 6, 2012.

101.INS** XBRL Instance Document

101.SCH** XBRL Taxonomy Extension Schema Document

101.CAL** XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF** XBRL Taxonomy Extension Definition Linkbase Document

101.LAB** XBRL Taxonomy Extension Label Linkbase Document

101.PRE** XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith.

As provided in Rule 406T of Regulation S-T, this information shall not be deemed “filed” for purposes of Section 11** and 12 of the Securities Act of 1933 and Section 18 of the Securities Exchange Act of 1934 or otherwise subject to liability under those sections.

† Indicates a compensation contract or arrangement with management.