

Rockdale Resources Corp
Form 10-Q
August 14, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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, 2015

☐ Transition Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File Number: 000-52690

ROCKDALE RESOURCES CORPORATION
(Exact name of registrant as specified in its charter)

Colorado
(State or other jurisdiction of incorporation or
organization)

86-1061005
(I.R.S. Employer Identification No.)

710 N Post Oak, Suite 512
Houston, Texas
(Address of principal executive offices)

77024
(Zip Code)

(832-941-0011)
(Issuer's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
	None

Securities registered pursuant to Section 12(g) of the Act:

Common Stock
(Title of class)

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Check whether the issuer: (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the issuer 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 or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one).

Large accelerated filer	<input type="checkbox"/>	Accelerated
filer	<input type="checkbox"/>	
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting
company	<input checked="" type="checkbox"/>	

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

State the number of shares outstanding of each of the issuer’s classes of common equity, as of the latest practicable date: 20,953,152 shares of common stock as of August 14th, 2015.

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PART I

Item 1. Financial Statements

ROCKDALE RESOURCES CORPORATION
BALANCE SHEETS
(Unaudited)

	June 30, 2015	December 31, 2014
ASSETS		
Current assets		
Cash	\$ 28,368	\$ 24,688
Accounts receivable	28,511	26,176
Other current assets	33,154	40,801
Total current assets	90,033	91,665
Property & equipment		
Oil and gas, on the basis of full cost accounting		
Evaluated properties	3,715,779	3,715,779
Furniture, equipment & software	88,380	94,283
Less accumulated depreciation & impairment	(1,009,890)	(283,984)
Net property and equipment	2,794,269	3,526,078
Total Assets		
	\$ 2,884,302	\$ 3,617,743
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 138,645	\$ 99,425
Accrued liabilities	10,022	8,875
Current maturities of installment notes payable	18,877	18,877
Deferred rent	2,816	2,816
Total current liabilities	170,360	129,993
Asset retirement obligations		
	100,175	100,175
Convertible debt - related party, net of discount of \$262,148 and \$324,553	287,852	225,447
Installment note payable	18,495	26,362
Total Liabilities	576,882	481,977
Stockholders' Equity		
Preferred stock, \$.10 par value; 1,000,000 shares authorized; No shares issued & outstanding		
	-	-
Common stock, \$.001 par value; 50,000,000 shares authorized; 20,953,152 and 19,353,152 shares issued and outstanding		
	20,953	19,353
Additional paid in capital	7,652,924	7,351,640

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Accumulated deficit	(5,366,457)	(4,235,227)
Total Stockholders' Equity	2,307,420	3,135,766
Total Liabilities and Stockholders' Equity	\$ 2,884,302	\$ 3,617,743

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

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ROCKDALE RESOURCES CORPORATION
STATEMENT OF OPERATIONS
(Unaudited)

	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
Oil and gas sales	\$ 67,633	\$ 235,775	\$ 128,159	\$ 360,644
Operating expenses				
Lease operating expense	77,183	64,954	134,054	163,136
Production tax	3,121	10,865	5,917	16,072
General and administrative expenses	103,326	752,007	243,482	1,296,628
Depreciation, depletion and amortization	27,016	54,222	59,210	88,492
Impairment of Oil & Gas Properties	668,073		668,073	
Asset retirement obligation accretion	-	398	-	547
Total operating expenses	878,719	882,446	1,110,736	1,564,875
Loss from operations	(811,086)	(646,671)	(982,577)	(1,204,231)
Interest (expense)	(42,757)	(26,167)	(88,030)	(59,263)
Loss on conversion of debt	(69,107)	-	(69,107)	-
Other Income (expense)	5,000	-	8,484	-
Net loss from continuing operations before taxes	(917,950)	(672,838)	(1,131,230)	(1,263,494)
Net loss	\$ (917,950)	\$ (672,838)	\$ (1,131,230)	\$ (1,263,494)
Loss per share (Basic and fully diluted)	\$ (0.05)	\$ (0.04)	\$ (0.06)	\$ (0.08)
Weighted average number of common shares outstanding	19,723,482	17,648,316	19,470,832	16,548,923

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

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ROCKDALE RESOURCES CORPORATION
STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
Cash Flows from Operating Activities		
Net loss	\$ (1,131,230)	\$ (1,263,494)
Adjustment to reconcile net loss to net cash provided by/(used in) operating activities:		
Depreciation and amortization	59,210	88,492
Accretion of debt discount	62,405	40,934
Impairment of Oil & Gas Properties	668,073	-
Loss on Conversion of Debt	69,107	-
ARO accretion	-	547
Stock-based compensation expense - employees	33,778	589,130
Stock-based compensation expense – consultants	-	399,000
Changes in operating assets and liabilities		
Accounts receivable	(2,335)	(17,910)
Other assets	7,647	15,731
Accounts payable	39,220	(26,185)
Accrued liabilities	1,147	1,081
Deferred rent	-	(1,867)
Net cash flows from operating activities	(192,978)	(174,541)
Cash Flows from Investing Activities		
Purchase of property and equipment	-	(18,876)
Proceeds from sale of property and equipment	4,525	-
Capital expenditures on oil and gas properties	-	(587,582)
Cash flows from investing activities	4,525	(606,458)
Cash Flows from Financing Activities		
Proceeds from issuance of common stock	140,000	690,004
Proceeds from shareholder advances	60,000	-
Payments on notes payable	(7, 867)	(6,356)
Cash flows from financing activities	192,133	683,648
Net change in cash and cash equivalents	3,680	(97,351)
Cash and cash equivalents		
Beginning of period	24,688	122,162
End of period	\$ 28,368	\$ 24,811

SUPPLEMENTAL DISCLOSURES

Interest Paid	\$	8,716	\$	18,329
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NON-CASH INVESTING AND FINANCIAL DISCLOSURES

Change in accounts payable for expenditures on oil and gas properties		-		7,103
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Conversion of debt	60,000		-	
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Initial recognition of asset retirement obligations	\$	-	\$	9,437
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Note Payable for Equipment		-		54,541
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The accompanying notes are an integral part of these unaudited financial statements.

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ROCKDALE RESOURCES CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JUNE 30, 2015
(Unaudited)

NOTE 1. ORGANIZATION AND BASIS OF PRESENTATION

Rockdale Resources Corporation (“we”, “us”, the “Company”) was formed for the purpose of oil and gas exploration, development, and production. The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission (“SEC”).

Basis of Presentation

The accompanying unaudited interim financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission (“SEC”), and should be read in conjunction with the audited financial statements and notes thereto contained in the Company’s latest Annual Report filed with the SEC on Form 10-K. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of the results of operations for the interim periods presented have been reflected herein. The results of operations for such interim periods are not necessarily indicative of operations for a full year. Notes to the consolidated financial statements which would substantially duplicate the disclosure contained in the audited financial statements for the most recent fiscal year, 2014, as reported in Form 10-K, have been omitted.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows.

Management Estimates—The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property and Equipment

Full Cost Ceiling Test – Principally due to the decrease in oil prices, for the three months ended June 30, 2015, we reported a non-cash impairment write-down of \$668,073 on our oil & gas properties.

Recent Accounting Pronouncements

The Company has evaluated all the recent accounting pronouncements through the filing date and believes that none of them will have a material effect on the Company.

NOTE 3. GOING CONCERN

The Company has suffered recurring losses from operations. These conditions raise substantial doubt about the Company’s ability to continue as a going concern. The Company plans to generate profits by reworking its existing oil or gas wells and drilling additional wells, as needed. The Company will need to raise funds through either the sale of its securities, issuance of corporate bonds, joint venture agreements and/or bank financing to accomplish its goals.

The Company does not have any commitments or arrangements from any person to provide the Company with any additional capital, at this time. If additional financing is not available when needed, the Company may need to cease operations. The Company may not be successful in raising the capital needed to drill and/or rework existing oil wells. Any additional wells that the Company may drill may be non-productive. Management believes that actions presently being taken to secure additional funding for the reworking of its existing infrastructure will provide the opportunity for the Company to continue as a going concern. Since the Company has an oil producing asset, its goal is to increase the production rate by optimizing its current infrastructure. The accompanying financial statements have been prepared assuming the Company will continue as a going concern; no adjustments to the financial statements have been made to account for this uncertainty.

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ROCKDALE RESOURCES CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JUNE 30, 2015
(Unaudited)

NOTE 4. EQUITY

Preferred Stock – 1,000,000 shares authorized, none issued or outstanding.

Common Stock – During the six month period ending June 30, 2015, the Company sold 1,400,000 shares to private investors as part of a private placement offering. The shares were sold at a price of \$0.10 cents per share and one warrant was also granted to purchase an additional 100,000 shares of common stock at a price of \$0.12 cents per share at any time prior to August 5, 2018.

Stock based compensation of \$33,778 shares was recorded related to shares issued to David N. Baker, former CEO and Director of the Company, during the three months ended March 31, 2015.

The Company received 400,000 shares from David N. Baker upon his resignation and cancelled the certificates with its transfer agent.

On May 12, 2015 Mr. Leo Womack the Chairman of the Board filed a Form 4 disclosing that an affiliated Family Trust had purchased 1,630,000 shares of common stock from Mr. David Baker in a private transaction at a cash price of \$0.08 cents per share. Combined with prior ownership Mr. Womack now controls approximately 10% of the total outstanding common stock of the Company.

On May 1, 2015, the Company commenced a private offering of its securities under Regulation D to accredited investors. Each unit is comprised of 100,000 shares of common stock at a price of \$0.10 cents per share and one warrant to purchase an additional 100,000 shares of common stock at a price of \$0.12 cents per share at any time prior to August 5, 2018. As of June 30, 2015 fourteen (14) units had been subscribed for and 1,400,000 shares of common stock had been purchased and six (6) units were subscribed for and 600,000 shares were issued for conversion of debt. Mr. Leo Womack, Chairman of Rockdale Resources, purchased 300,000 shares through the Leo B. Womack Family Trust. Mr. Lee Lytton, a Director of the Company, purchased 300,000 shares, Mr. Joel Oppenheim, a Director, purchased 300,000 shares and Jovian Petroleum Corporation, a contract operator for the Company, purchased 100,000 shares. A total of \$60,000 in advances from affiliates that was disclosed as a liability in the financial statements as of March 31, 2015 were converted to equity in this offering. The conversion resulted in a \$69,107 loss on the conversion.

Summary information regarding common stock warrants issued and outstanding as of June 30, 2015, is as follows:

	Warrants	Weighted Average Exercise Price	Aggregate intrinsic value	Weighted average remaining contractual life (years)
Outstanding at year end December 31, 2014	4,170,111	\$ 0.77	\$ -	6.10
Granted	2,000,000	0.12	-	3.20
Exercised	-	-	-	
Expired	-	-	-	
Outstanding at June 30, 2015	6,170,111	\$ 0.56	\$ -	5.16

NOTE 5. COMMITMENTS AND CONTINGENCIES

The Company, as a lessee of oil and gas properties, is subject to various federal, state and local laws and regulations relating to discharge of materials into, and protection of, the environment. These laws and regulations may, among other things, impose liability on the Company for the cost of pollution clean-up resulting from operations and subject the Company to liability for pollution damages. In some instances, the Company may be directed to suspend or cease operations in the affected area. The Company is not aware of any environmental claims existing as of June 30, 2015, which have not been provided for, or covered by insurance or which may have a material impact on its financial position or results of operations. There can be no assurance, however, that current regulatory requirements will not change, or past noncompliance with environmental laws will not be discovered on the Company's properties.

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FORWARD LOOKING STATEMENTS

This report contains statements which, to the extent that they do not recite historical fact, constitute forward-looking statements. These statements can be identified by the fact that they do not relate strictly to historical or current facts and may include the words “may,” “will,” “could,” “should,” “would,” “believe,” “expect,” “anticipate,” “estimate,” words or expressions of similar meaning. We have based these forward-looking statements on our current expectations about future events. The forward-looking statements include statements that reflect management’s beliefs, plans, objectives, goals, expectations, anticipations and intentions with respect to our financial condition, results of operations, future performance and business, including statements relating to our business strategy and our current and future development plans.

The potential risks and uncertainties that could cause our actual financial condition, results of operations and future performance to differ materially from those expressed or implied in this report include:

The sale prices of crude oil;

The amount of production from oil wells in which we have an interest;

Lease operating expenses;

International conflict or acts of terrorism;

General economic conditions; and

Other factors disclosed in this report.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. Many factors discussed in this report, some of which are beyond our control, will be important in determining our future performance. Consequently, actual results may differ materially from those that might be anticipated from the forward-looking statements. In light of these and other uncertainties, you should not regard the inclusion of a forward-looking statement in this report as a representation by us that our plans and objectives will be achieved, and you should not place undue reliance on such forward-looking statements. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Background

We were incorporated in Colorado on January 16, 2002.

We planned to sell custom framed artwork, art accessories, and interior design consulting. However, we generated only limited revenue since inception and have been inactive since 2008.

In February 2012 we decided it would be in the best interests of our shareholders to no longer pursue our original business plan and, in April 2012 we became active in the exploration and development of oil and gas properties.

On May 4, 2012 we amended our articles of incorporation and changed our name to Rockdale Resources Corporation.

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On June 11, 2015, the board of directors increased the size of the board of directors from two to three members by adding Joel Oppenheim to the board of directors to fill the newly created vacancy. Joel Oppenheim has owned and operated the Oppenheim Group since 1991. The Oppenheim Group is a real estate consulting firm that has represented multiple Fortune 10 and Fortune 100 Companies on their commercial real estate needs throughout the United States.

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Plan of Operation

We evaluate undeveloped and/or underdeveloped oil and gas prospects and participate in drilling activities on those prospects, which, in the opinion of management, are favorable for the production of oil or gas. If, through our review, a geographical area indicates geological and economic potential, we will attempt to acquire leases or other interests in the area. We may then attempt to sell portions of our leasehold interests in a prospect to third parties, thus sharing the risks and rewards of the exploration and development of the prospect with the other owners. One or more wells may be drilled on a prospect, and if the results indicate the presence of sufficient oil and gas reserves, additional wells may be drilled on the prospect.

Our strategy is to acquire other similar prospects in or adjacent to existing fields with further development potential and minimum risk in the same area.

We may also acquire a working interest in one or more prospects from others and participate with the other working interest owners in drilling, and if warranted, completing oil or gas wells on a prospect.

Our activities will primarily be dependent upon available financing.

Oil and gas leases are considered real property. Title to properties which we may acquire will be subject to landowner's royalties, overriding royalties, carried working and other similar interests and contractual arrangements customary in the oil and gas industry, to liens for current taxes not yet due, liens for amounts owing to persons operating wells, and to other encumbrances. As is customary in the industry, in the case of undeveloped properties little investigation of record title will be made at the time of acquisition (other than a preliminary review of local records). However, drilling title opinions may be obtained before commencement of drilling operations.

Minerva-Rockdale Field

The Minerva-Rockdale Field, which is located approximately 30 miles Northeast of Austin, was first discovered in 1921 and is approximately 50 square miles in size. The main producing formation for this field is the Upper Cretaceous Navarro Group of sands and shale. The Navarro is typically subdivided into several producing zones from the uppermost "A" and "B" sands to the lower "C" and "D" sands. The "B" sand is the primary producing zone. These sands are commonly fine grained and poorly sorted and were deposited close to a shoreline during a cycle of marine regression.

In April 2013, the Company entered into a lease pertaining to a 423 acre tract in Milam County, Texas, which is adjacent to the Company's original 200 acre lease. The Company issued 500,000 shares of its common stock as consideration for a 100% working interest (75% net revenue interest) in such lease.

In June 2013 we drilled two wells at approximately \$120,000 each.

In August 2013, we became an oil and gas operator and took over the operating of 100% of our wells. We will work independently with vendors to drill wells on our lease with the supervision of the Company's director, Matthew Ferguson.

In August 2013 we drilled one well at a cost of approximately \$120,000 and converted one existing well to an injection well.

On October 2, 2013, the Company executed a Paid Up Oil and Gas Lease (the "New Lease") between Noack Farms, LLC ("Noack"), as Lessor, and the Company, as Lessee. Under the New Lease, Noack leased to the Company 623.29 acres in Milam County, Texas, for the purpose of exploring for, developing, producing, and marketing oil and gas,

along with all hydrocarbon and hydrocarbon substances produced in association therewith. The New Lease provides for royalties of 1/6th of the production from the leased premises to be paid to Noack.

The land described in the New Lease was subject to a pre-existing Paid Up Oil and Gas Lease dated June 20, 2011, from Noack, as Lessor, to Ardent 1, LLC, as Lessee (the "Prior Lease"). The New Lease provided that it was subordinate to the Prior Lease, and that it would not become effective until the termination or release of the Prior Lease.

By virtue of a series of assignments, the Prior Lease previously had been assigned to the Company as Lessee effective as of March 20, 2012. (The assignment to the Company is filed as Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2013, filed with the Securities and Exchange Commission on August 14, 2013, and the Prior Lease is filed as Exhibit 10.8 to such Quarterly Report.) All of the Company's current wells are drilled on the 623.29 acres that constitute the leased premises under the New Lease and the Prior Lease.

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On October 24, 2013, the Company filed a release of the Prior Lease.

In January 2014 the Company drilled one well at a cost of approximately \$120,000.

In March 2014 the Company drilled three additional wells but did not complete them by March 31, 2014. Total cost per well is approximately \$120,000.

The cost to drill and complete any remaining wells on the 623 acre lease will be approximately \$120,000 per well.

As of March 31, 2015, the Company has sixteen wells drilled and completed, of which thirteen wells are currently online and producing at a rate of approximately 30bbls of oil and 64bbls of water per day.

If, in our sole discretion, the estimated future production from wells drilled on the leases in the Minerva-Rockdale Field does not warrant further drilling, we plan to drill wells in other areas.

On April 24, 2015, the Company executed a letter of intent ("LOI") with SUDS Properties, LLC, a special purpose company set up under Jovian group of companies. Two provisions of the LOI are to bring in a new management team as well as expand operations to own and operate wells in Oklahoma, New Mexico, and Texas. The related agreement is pending shareholder approval.

The company continues with the rework of the wells at Minerva/Rockdale field and has implemented a paraffin maintenance program.

An agreement is in process to acquire a small working interest and obtain operational control of a key oil lease near Roswell, New Mexico. This lease includes approximately 130 existing wells on 4,000 acres and significant proven reserves.

The Company intends to uplist onto the OTCQX stock exchange upon the successfully completion of the acquisition of working interest in the SUDS oilfield in Oklahoma. The OTXQX is a blue sky exchange that provides enhanced transparency and allows otherwise restricted investors to purchase shares.

Results of Operations/Liquidity and Capital Resources

Revenues & Costs – Three months ended June 30, 2015 & 2014

Revenues

Our total revenue reported for the quarter ended June 30, 2015 was \$67,633, a decrease of \$168,142 from the prior year quarter. Our decreased revenue for the quarter ended June 30, 2015 as compared with the prior year quarter is due to the 50% decrease in oil prices and a number of wells requiring paraffin wax treatment.

Operating Expenses

Operating expenses decreased to \$878,719 for the quarter ended June 30, 2015 from \$882,446 for the quarter ended June 30, 2014. Our major expenses for the quarter ended June 30, 2015 were impairment of oil & gas properties \$668,073, lease operating expense of \$77,000, accounting expense of \$30,000, legal and professional fees of \$41,000 and management fees of \$60,000. In comparison, major operating expenses for the quarter ended June 30, 2014 were stock-based contract labor of \$588,000, lease operating expenses of \$65,000, legal and professional fees of \$24,900 and salaries and wages of \$55,000.

Our lease operating expenses decreased due to closer oversight and more efficient operating procedures. Our general and administrative expenses decreased as a result of our efforts to operate more efficiently, including a significant decrease in stock based-based contract labor.

Other Income/Expenses

Other expenses were \$106,864 for the quarter ended June 30, 2015; an increase from other expenses of \$26,167 for the same period ended 2014. This was primarily due to loss on conversion of debt of \$69,107 as well as an increase of \$16,568 in accretion expenses in 2015.

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Net Loss

Net loss for the quarter ended June 30, 2015 was \$917,950 compared to a net loss of \$672,838 for the quarter ended June 30, 2014 due to the factors described above.

Revenues & Costs – Six months ended June 30, 2015 & 2014

Revenues

Our total revenue reported for the first six months of 2015 was \$128,159, a decrease of \$232,485 from the first six months of 2014. Our decreased revenue for the first six months of 2015 as compared with the first six months of 2014 is due to the 50% decrease in oil prices and a number of wells requiring paraffin wax treatment.

Operating Expenses

Operating expenses decreased to \$1,110,736 for the first six months of 2015 from \$1,564,875 for the first six months of 2014. Our major expenses for the first six months of 2015 were impairment of oil & gas properties \$668,073, lease operating expense of \$134,054, wages and stock based compensation of \$33,778, legal and professional fees of \$56,275 and management fees of \$60,000. In comparison, major operating expenses for the first six months of 2014 were stock-based contract labor of \$988,130, lease operating expenses of \$163,136, legal and professional fees of \$128,663 and salaries and wages of \$108,222.

Our lease operating expenses decreased due to closer oversight and more efficient operating procedures. Our general and administrative expenses decreased as a result of our efforts to operate more efficiently, including a significant decrease in stock based-based contract labor.

Other Income/Expenses

Other expenses were \$148,653 for the first six months of 2015; an increase from other expenses of \$59,263 for the same period ended 2014. This was primarily due to loss on conversion of debt of \$69,107 as well as an increase of \$21,471 in accretion expenses in 2015.

Net Loss

Net loss for the first six months of 2015 was \$1,131,230 compared to a net loss of \$1,263,494 for the first six months of 2014 due to the factors described above.

Our sources and (uses) of funds for the six months ended June 30, 2015 were:

Cash provided (used) in operations	\$ (192,978)
Proceeds from sale of property and equipment	4,525
Proceeds from issuance of common stock	140,000
Proceeds from related party note payable	60,000
Payments on notes payable	(7,867)

Critical Accounting Policies and New Accounting Pronouncements

See Note 2 to the financial statements included as part of our Annual Report on Form 10-K, filed with the Securities and Exchange Commission on June 30, 2015 for a description of our critical accounting policies and the potential

impact of the adoption of any new accounting pronouncements.

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Item 4. Controls and Procedures.

(a) We maintain a system of controls and procedures designed to ensure that information required to be disclosed in reports filed or submitted under the Securities Exchange Act of 1934, as amended ("1934 Act"), is recorded, processed, summarized and reported within time periods specified in the SEC's rules and forms and to ensure that information required to be disclosed by us in the reports that we file or submit under the 1934 Act is accumulated and communicated to our management, including our Principal Executive and Financial Officer, as appropriate to allow timely decisions regarding required disclosure. As of June 30, 2015, our Principal Executive and Financial Officer evaluated the effectiveness of the design and operation of our disclosure controls and procedures. Based on that evaluation, our Principal Executive and Financial Officer concluded that there was a material weakness related to our disclosure controls and procedures were they were not effective at that date. This issue included inadequate month-end closing review to ensure all required analysis and entries have been performed and entered. Subsequently, management is ensuring these additional procedures are performed.

(b) Changes in Internal Controls. There were significant changes in our internal controls over financial reporting during the quarter ended June 30, 2015 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. These changes included the installation of new accounting software, as well as additional accounting procedures such as a purchase order system, invoice reconciliation on a daily, weekly and monthly basis. All data is also now being backed up on a daily basis.

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PART II

Item 6. Exhibits

Exhibits

31.1 Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32 Certification pursuant to Section 906 of the Sarbanes-Oxley Act.

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 Presentation Linkbase Document

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SIGNATURES

Pursuant to the requirements 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.

ROCKDALE RESOURCES CORPORATION

August 14th, 2015

By: /s/ Zel C. Khan
Zel C. Khan
Principal Executive

