

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

FORM 10-K

(Mark One)

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

For the fiscal year ended **December 31, 2014**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

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, TX

(Address of principal executive offices)

77024

(Zip Code)

Registrant's telephone number, including area code: **(832-941-0011)**

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)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Indicate by check mark whether the registrant (1) has filed all reports 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 Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulations 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 filing). Yes No

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, 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.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a 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

The aggregate market value of the voting stock held by non-affiliates of the registrant on June 30, 2014 was approximately \$3,439,251.

As of May 21, 2015, the Registrant had 18,953,152 outstanding shares of common stock.

Documents Incorporated by Reference: None

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PART I

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,” “intend,” “plan” or other 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 1. BUSINESS.

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 between 2008 and February of 2012.

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.

Plan of Operation

We evaluate undeveloped 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.

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 shales. 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.

Michael D. Smith, a former officer and director of the Company, is an officer and director of Kingman Energy, LLC. Kingman Operating Company, Inc. is controlled by Kingman Energy, LLC. We terminated our agreement with Kingman Operating Company, Inc. on January 31, 2013.

In February, 2013, we entered into an agreement with RTO Operating, LLC, to operate our wells and supervise the drilling and completion of future wells.

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. As such, we terminated our relationship with RTO Operating, LLC for the day to day operations and monitoring of our wells. During 2014 the Company continued to operate its own lease. During the fourth quarter of 2014 the Company hired Jovian Petroleum Corporation to survey the operations and well performance at the Noack field. Their report identified paraffin buildup problems in the well bores and gathering lines as the main production issue for the Company to overcome. In December 2014 the Company signed an operating agreement with Jovian to assume full operational responsibility for the Noack field under a fixed fee agreement of \$10,000 per month for full operating field services.

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 was 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.

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

During the period from our inception to December 31, 2011, we did not drill any oil or gas wells. During the year-ended December 31, 2012 we drilled and completed six (6) oil wells and during 2013 the Company drilled and completed three (3) wells of which one (1) was converted to an injection well.. During 2014 the Company drilled seven (7) new wells. Two (2) of the wells were completed, one (1) well was completed but never produced and four (4) wells were never completed.

The table below shows the type and number of wells we drilled during the year ended December 31, 2014.

	<u>Gross</u>	<u>Net</u>
Development Wells:		
Productive:		
Oil	2	2
Gas		
Complete but not produced	1	1
Uncompleted	4	4
Exploratory Wells:		
Productive		
Oil	-	-
Gas		
Nonproductive		

The following table shows, as of March 15, 2015, our producing wells, developed acreage, and undeveloped acreage, excluding one (1) service (injection and disposal) well:

<u>State</u>	<u>Productive Wells</u>		<u>Developed Acreage</u>		<u>Undeveloped Acreage (1)</u>	
	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>
Texas	17	17	30	30	593.3	593.3

- (1) Undeveloped acreage includes leasehold interests on which wells have not been drilled or completed to the point that would permit the production of commercial quantities of natural gas and oil regardless of whether the leasehold interest is classified as containing proved undeveloped reserves.

The following table shows, as of March 15, 2015, the status of our gross acreage:

<u>State</u>	<u>Held by Production</u>	<u>Not Held by Production</u>
Texas	623	--

Leases on acres that are Held by Production remain in force so long as oil or gas is produced from one or more wells on the particular lease. Leased acres that are not held by Production require annual rental payments to maintain the lease until the first to occur of the following: the expiration of the lease or the time oil or gas is produced from one or more wells drilled on the leased acreage. At the time oil or gas is produced from wells drilled on the leased acreage, the lease is considered to be Held by Production.

Proved Reserves

Below are estimates of our net proved reserves as of December 31, 2014, net to our interest. All of our proved reserves are located in Texas.

Estimates of volumes of proved reserves at December 31, 2014 are presented in barrels (Bbls) for oil and, for natural gas, in millions of cubic feet (Mcf) at the official temperature and pressure bases of the areas in which the gas reserves are located.

	<u>Oil (Bbls)</u>	<u>Gas (Mcf)</u>
Proved Developed:		
Producing	69,400	-
Non-Producing	9,700	-
Proved Undeveloped	222,800	-

“Bbl” refers to one stock tank barrel, or 42 U.S. gallons liquid volume, in reference to crude oil or other liquid hydrocarbons. “Mcf” refers to one thousand cubic feet. A BOE (i.e., barrel of oil equivalent) combines Bbls of oil and Mcf of gas by converting each six Mcf of gas to one Bbl of oil. Below are estimates of our present value of estimated future net revenues from our proved reserves based upon the standardized measure of discounted future net cash flows relating to proved oil and gas reserves in accordance with the provisions of Accounting Standards Codification Topic 932, Extractive Activities—Oil and Gas. The standardized measure of discounted future net cash flows is determined by using estimated quantities of proved reserves and the periods in which they are expected to be developed and produced based on period-end economic conditions. The estimated future production is based upon benchmark prices that reflect the unweighted arithmetic average of the first-day-of-the-month price for oil and gas during the twelve months period ended December 31, 2014. The resulting estimated future cash inflows are then reduced by estimated future costs to develop and produce reserves based on period-end cost levels. No deduction has been made for depletion, depreciation or for indirect costs, such as general corporate overhead. Present values were computed by discounting future net revenues by 10% per year.

Future cash inflows	\$ 27,417,600
Deductions (including estimated taxes)	\$ (16,888,500)
Future net cash flow	\$ 10,529,050
Discounted future net cash flow	\$ 6,303,880

Mire and Associates Inc. prepared the estimates of our proved reserves, future production and income attributable to our leasehold interests as of December 31, 2014 and 2013. Mire and Associates is an independent petroleum engineering firm that provides petroleum consulting services to the oil and gas industry. The estimates of drilled reserves, future production and income attributable to certain leasehold and royalty interests are based on technical analysis conducted by engineers employed at Mire and Associates.

Kurt Mire, P.E. was the technical person primarily responsible for overseeing the preparation of the reserve report. Mr. Mire has more than 30 years of practical experience in the estimation and evaluation of petroleum reserves.

Zel C. Khan, our interim CEO, and his team at Jovian Petroleum oversaw preparation of the reserve estimates by Mire and Associates. We do not have a reserve committee and we do not have any specific internal controls regarding the estimates of our reserves.

Our proved reserves include only those amounts which we reasonably expect to recover in the future from known oil and gas reservoirs under existing economic and operating conditions, at current prices and costs, under existing regulatory practices and with existing technology. Accordingly, any changes in prices, operating and development costs, regulations, technology or other factors could significantly increase or decrease estimates of proved reserves.

Proved reserves were estimated by performance methods, the volumetric method, analogy, or a combination of methods utilizing present economic conditions and limited to those proved reserves economically recoverable. The performance methods include decline curve analysis that utilize extrapolations of historical production and pressure data available through December 31, 2014 in those cases where such data were considered to be definitive.

Forecasts for future production rates are based on historical performance from wells currently on production in the region with an economic cut-off for production based upon the projected net revenue being equal to the projected operating expenses. No further reserves or valuation were given to any wells beyond their economic cut-off. Where no production decline trends have been established due to the limited historical production records from wells on the properties, surrounding wells historical production records were used and extrapolated to wells of the property. Where applicable, the actual calculated present decline rate of any well was used to determine future production volumes to be economically recovered. The calculated present rate of decline was then used to determine the present economic life of the production from the reservoir.

For wells currently on production, forecasts of future production rates were based on historical performance data. If no production decline trend has been established, future production rates were held constant, or adjusted for the effects of curtailment where appropriate, until a decline in ability to produce was anticipated. An estimated rate of decline was then applied to economic depletion of the reserves. If a decline trend has been established, this trend was used as the basis for estimating future production rates.

Proved developed non-producing and undeveloped reserves were estimated primarily by the performance and historical extrapolation methods. Test data and other related information were used to estimate the anticipated initial production rates from those wells or locations that are not currently producing. For reserves not yet on production, sales were estimated to commence at a date we determined to be reasonable.

Proved undeveloped reserves increased from 2013 to 2014 as a result of a new well that was drilled on the other side of a fault line bisecting the lease. This new well allowed for additional reserves to be proven in that area of the lease.

In general, the volume of production from our oil and gas properties declines as reserves are depleted. Except to the extent we acquire additional properties containing proved reserves or conduct successful exploration and development activities, or both, our proved reserves will decline as reserves are produced. Accordingly, volumes generated from our future activities are highly dependent upon the level of success in acquiring or finding additional reserves and the costs incurred in doing so.

Government Regulation

Various state and federal agencies regulate the production and sale of oil and natural gas. All states in which we plan to operate impose restrictions on the drilling, production, transportation and sale of oil and natural gas.

The Federal Energy Regulatory Commission (the "FERC") regulates the interstate transportation and the sale in interstate commerce for resale of natural gas. The FERC's jurisdiction over interstate natural gas sales has been substantially modified by the Natural Gas Policy Act under which the FERC continued to regulate the maximum selling prices of certain categories of gas sold in "first sales" in interstate and intrastate commerce.

FERC has pursued policy initiatives that have affected natural gas marketing. Most notable are (1) the large-scale divestiture of interstate pipeline-owned gas gathering facilities to affiliated or non-affiliated companies; (2) further development of rules governing the relationship of the pipelines with their marketing affiliates; (3) the publication of standards relating to the use of electronic bulletin boards and electronic data exchange by the pipelines to make available transaction information on a timely basis and to enable transactions to occur on a purely electronic basis; (4) further review of the role of the secondary market for released pipeline capacity and its relationship to open access service in the primary market; and (5) development of policy and promulgation of orders pertaining to its authorization of market-based rates (rather than traditional cost-of-service based rates) for transportation or transportation-related services upon the pipeline's demonstration of lack of market control in the relevant service market. We do not know what effect the FERC's other activities will have on the access to markets, the fostering of competition and the cost of doing business.

Our sale of oil and natural gas liquids will not be regulated and will be at market prices. The price received from the sale of these products will be affected by the cost of transporting the products to market. Much of that transportation is through interstate common carrier pipelines.

Federal, state, and local agencies have promulgated extensive rules and regulations applicable to our oil and natural gas exploration, production and related operations. Most states require permits for drilling operations, drilling bonds and the filing of reports concerning operations and impose other requirements relating to the exploration of oil and natural gas. Many states also have statutes or regulations addressing conservation matters including provisions for the unitization or pooling of oil and natural gas properties, the establishment of maximum rates of production from oil and natural gas wells and the regulation of spacing, plugging and abandonment of such wells. The statutes and regulations of some states limit the rate at which oil and natural gas is produced from our properties. The federal and state regulatory burden on the oil and natural gas industry increases our cost of doing business and affects our profitability. Because these rules and regulations are amended or reinterpreted frequently, we are unable to predict the future cost or impact of complying with those laws.

Competition and Marketing

We will be faced with strong competition from many other companies and individuals engaged in the oil and gas business, many are very large, well established energy companies with substantial capabilities and established earnings records. We will be at a competitive disadvantage in acquiring oil and gas prospects since we must compete with these individuals and companies, many of which have greater financial resources and larger technical staffs. It is nearly impossible to estimate the number of competitors; however, it is known that there are a large number of companies and individuals in the oil and gas business.

Exploration for and production of oil and gas are affected by the availability of pipe, casing and other tubular goods and certain other oil field equipment including drilling rigs and tools. We will depend upon independent drilling contractors to furnish rigs, equipment and tools to drill our wells. Higher prices for oil and gas may result in competition among operators for drilling equipment, tubular goods and drilling crews which may affect our ability expeditiously to drill, complete, recomplete and work-over wells.

The market for oil and gas is dependent upon a number of factors beyond our control, which at times cannot be accurately predicted. These factors include the proximity of wells to, and the capacity of, natural gas pipelines, the extent of competitive domestic production and imports of oil and gas, the availability of other sources of energy, fluctuations in seasonal supply and demand, and governmental regulation. In addition, there is always the possibility that new legislation may be enacted which would impose price controls or additional excise taxes upon crude oil or natural gas, or both. Oversupplies of natural gas can be expected to recur from time to time and may result in the gas producing wells being shut-in. Imports of natural gas may adversely affect the market for domestic natural gas.

The market price for crude oil is significantly affected by policies adopted by the member nations of Organization of Petroleum Exporting Countries ("OPEC"). Members of OPEC establish prices and production quotas among themselves for petroleum products from time to time with the intent of controlling the current global supply and consequently price levels. We are unable to predict the effect, if any, that OPEC or other countries will have on the amount of, or the prices received for, crude oil and natural gas.

Gas prices, which were once effectively determined by government regulations, are now largely influenced by competition. Competitors in this market include producers, gas pipelines and their affiliated marketing companies, independent marketers, and providers of alternate energy supplies, such as residual fuel oil. Changes in government regulations relating to the production, transportation and marketing of natural gas have also resulted in significant changes in the historical marketing patterns of the industry. Generally, these changes have resulted in the abandonment by many pipelines of long-term contracts for the purchase of natural gas, the development by gas producers of their own marketing programs to take advantage of new regulations requiring pipelines to transport gas for regulated fees, and an increasing tendency to rely on short-term contracts priced at spot market prices.

Glossary of Oil and Gas Terms

DEVELOPED ACREAGE. The number of acres that are allocated or assignable to productive wells or wells capable of production.

DISPOSAL WELL. A well employed for the reinjection of salt water produced with oil into an underground formation.

HELD BY PRODUCTION. A provision in an oil, gas and mineral lease that perpetuates an entity's right to operate a property or concession as long as the property or concession produces a minimum paying quantity of oil or gas.

INJECTION WELL. A well employed for the injection into an underground formation of water, gas or other fluid to maintain underground pressures which would otherwise be reduced by the production of oil or gas.

LANDOWNER'S ROYALTY. A percentage share of production, or the value derived from production, which is granted to the lessor or landowner in the oil and gas lease, and which is free of the costs of drilling, completing, and operating an oil or gas well.

LEASE. Full or partial interests in an oil and gas lease, authorizing the owner thereof to drill for, reduce to possession and produce oil and gas upon payment of rentals, bonuses and/or royalties. Oil and gas leases are generally acquired from private landowners and federal and state governments. The term of an oil and gas lease typically ranges from three to ten years and requires annual lease rental payments of \$1.00 to \$2.00 per acre. If a producing oil or gas well is drilled on the lease prior to the expiration of the lease, the lease will generally remain in effect until the oil or gas production from the well ends. The owner of the lease is required to pay the owner of the leased property a royalty which is usually between 12.5% and 25% of the gross amount received from the sale of the oil or gas produced from the well.

LEASE OPERATING EXPENSES. The expenses of producing oil or gas from a formation, consisting of the costs incurred to operate and maintain wells and related equipment and facilities, including labor costs, repair and maintenance, supplies, insurance, production, severance and other production excise taxes.

NET ACRES OR WELLS. A net well or acre is deemed to exist when the sum of fractional ownership working interests in gross wells or acres equals one. The number of net wells or acres is the sum of the fractional working interests owned in gross wells or acres expressed as whole numbers and fractions.

NET REVENUE INTEREST. A percentage share of production, or the value derived from production, from an oil or gas well and which is free of the costs of drilling, completing and operating the well.

OVERRIDING ROYALTY. A percentage share of production, or the value derived from production, which is free of all costs of drilling, completing and operating an oil or gas well, and is created by the lessee or working interest owner and paid by the lessee or working interest owner to the owner of the overriding royalty.

PRODUCING PROPERTY. A property (or interest therein) producing oil or gas in commercial quantities or that is shut-in but capable of producing oil or gas in commercial quantities. Interests in a property may include working interests, production payments, royalty interests and other non-working interests.

PROSPECT. An area in which a party owns or intends to acquire one or more oil and gas interests, which is geographically defined on the basis of geological data and which is reasonably anticipated to contain at least one reservoir of oil, gas or other hydrocarbons.

PROVED RESERVES. Proved oil and gas reserves are the estimated quantities of crude oil, natural gas and natural gas liquids which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions (prices and costs held constant as of the date the estimate is made).

SHUT-IN WELL. A well which is capable of producing oil or gas but which is temporarily not producing due to mechanical problems or a lack of market for the well's oil or gas.

UNDEVELOPED ACREAGE. Lease acres on which wells have not been drilled or completed to a point that would permit the production of commercial quantities of oil and gas regardless of whether or not such acreage contains proved reserves. Undeveloped acreage should not be confused with undrilled acreage which is "Held by Production" under the terms of a lease.

WORKING INTEREST. A percentage of ownership in an oil and gas lease granting its owner the right to explore, drill and produce oil and gas from a tract of property. Working interest owners are obligated to pay a corresponding percentage of the cost of leasing, drilling, producing and operating a well. After royalties are paid, the working interest also entitles its owner to share in production revenues with other working interest owners, based on the percentage of the working interest owned.

General

As of May 1, 2015 we had one full time employee and no part time employees. As noted in our filings we have entered into a formal agreement with Jovian Petroleum to handle all field and office responsibilities and as of March 1, 2015 Mr. Zel C. Khan became the interim CEO of the Company.

Our principal office is located at 710 N. Post Oak Rd. Suite 512 Houston, Texas 77024.

ITEM 2. PROPERTIES.

See Item 1 of this report. In addition, we lease our principal office space, consisting of approximately 600 square feet, at a rate which is currently \$600.00 per month. Our lease expires on May 31, 2015 when we expect to move into larger offices.

ITEM 3. LEGAL PROCEEDINGS.

Aside from the following, we are not a party to any pending material legal proceeding. We are not aware of any pending legal proceeding to which any of our officers, directors, or any beneficial holders of 5% or more of our voting securities are adverse to us or have a material interest adverse to us.

On November 2, 2012, a lawsuit was filed by William D. Veasey IV against the Company and certain other defendants: William D. Veasey IV v. Kingman Energy, LLC, Kingman Operating Company, Inc., Kingman Energy Investors I, L.P., Kingman Energy I, LP, Kingman Energy II, LP, Rockdale Resources Corporation, and Michael D. Smith, Case No. DC-12-12976, filed in the District Court of Dallas County, Texas. The Plaintiff alleges that Michael Smith, on behalf of one or more of the Kingman entities named as Defendants (such entities, collectively, the "Kingman Defendants"), promised the Plaintiff a partnership interest and certain other financial rights in one or more of the Kingman Defendants, and that Mr. Smith failed to keep his promise. Mr. Smith formerly served as an officer and director of the Company; he resigned these positions on January 31, 2013. As part of this suit, the Plaintiff has alleged that the Company is vicariously liable for the actions of Mr. Smith. The Plaintiff is seeking unspecified amounts of actual damages, compensatory damages, punitive damages, consequential damages, and pecuniary damages, plus certain fees and costs, from the Defendants.

On June 17, 2014 the Case was permanently settled with the payment of \$7,500.00 by the Company.

PART II**ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.****Market Information**

Our common stock is quoted under the symbol "BBLSE" on the OTCBB operated by the Financial Industry Regulatory Authority, Inc. ("FINRA") and the OTCQB operated by OTC Markets Group, Inc. few market makers continue to participate in the OTCBB system because of high fees charged by FINRA. Consequently, market makers that once quoted our shares on the OTCBB system may no longer be posting a quotation for our shares. As of the date of this report, however, our shares are quoted by several market makers on the OTCQB. The criteria for listing on either the OTCBB or OTCQB are similar and include that we remain current in our SEC reporting. Our reporting is presently not current and that is why the E designation as been added to our symbol. We anticipate that our trading status and symbol will return to normal with this filing. Since inception, we have previously filed all our SEC reports on time.

Only a limited market exists for our securities. There is no assurance that a regular trading market will develop, or if developed, that it will be sustained. Therefore, a shareholder may be unable to resell his securities in our company.

The following tables set forth the range of high and low closing prices for our common stock for the periods indicated as reported by the OTCQB. The market quotations reflect inter-dealer prices, without retail mark-up, mark-down or commissions and may not necessarily represent actual transactions.

Quarter Ended	High	Low
March 31, 2013	\$ 0.80	\$ 0.30
June 30, 2013	\$ 0.79	\$ 0.21
September 30, 2013	\$ 0.30	\$ 0.16
December 31, 2013	\$ 0.44	\$ 0.25

Quarter Ended	High	Low
March 31, 2014	\$ 0.50	\$ 0.20
June 30, 2014	\$ 0.39	\$ 0.24
September 30, 2014	\$ 0.30	\$ 0.14
December 31, 2014	\$ 0.18	\$ 0.05

On May 1, 2015 the closing price of our common stock was \$0.07.

Penny Stock

The SEC has adopted rules that regulate broker-dealer practices in connection with transactions in penny stocks. Penny stocks are generally equity securities with a market price of less than \$5.00, other than securities registered on certain national securities exchanges or quoted on the NASDAQ system, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock, to deliver a standardized risk disclosure document prepared by the SEC, that: (a) contains a description of the nature and level of risk in the market for penny stocks in both public offerings and secondary trading; (b) contains a description of the broker's or dealer's duties to the customer and of the rights and remedies available to the customer with respect to a violation of such duties or other requirements of the securities laws; (c) contains a brief, clear, narrative description of a dealer market, including bid and ask prices for penny stocks and the significance of the spread between the bid and ask price; (d) contains a toll-free telephone number for inquiries on disciplinary actions; (e) defines significant terms in the disclosure document or in the conduct of trading in penny stocks; and (f) contains such other information and is in such form, including language, type size and format, as the SEC shall require by rule or regulation.

The broker-dealer also must provide, prior to effecting any transaction in a penny stock, the customer with (a) bid and offer quotations for the penny stock; (b) the compensation of the broker-dealer and its salesperson in the transaction; (c) the number of shares to which such bid and ask prices apply, or other comparable information relating to the depth and liquidity of the market for such stock; and (d) a monthly account statement showing the market value of each penny stock held in the customer's account.

In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from those rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written acknowledgment of the receipt of a risk disclosure statement, a written agreement as to transactions involving penny stocks, and a signed and dated copy of a written suitability statement.

These disclosure requirements may have the effect of reducing the trading activity for our common stock. Therefore, stockholders may have difficulty selling our securities.

Holders of Our Common Stock

As of May 1, 2015 we had 18,953,152 outstanding shares of common stock and approximately 230 shareholders of record.

Dividends

Holders of our common stock are entitled to receive dividends as may be declared by our board of directors. Our directors are not restricted from paying any dividends but are not obligated to declare a dividend. No cash dividends have ever been declared and it is not anticipated that cash dividends will ever be paid.

Our Articles of Incorporation authorize our Board of Directors to issue up to 1,000,000 shares of preferred stock. The provisions in the Articles of Incorporation relating to the preferred stock allow our directors to issue preferred stock with multiple votes per share and dividend rights which would have priority over any dividends paid with respect to the holders of our common stock. The issuance of preferred stock with these rights may make the removal of management difficult even if the removal would be considered beneficial to shareholders generally, and will have the effect of limiting shareholder participation in certain transactions such as mergers or tender offers if these transactions are not favored by our management.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

Revenues

Our total revenue reported for the year ended December 31, 2014 was \$683,536, an increase of \$359,026 from the prior year.

Our increased revenue for the year ended December 31, 2014 as compared with the prior year is a result of drilling new wells.

Operating Expenses

Operating expenses increased to \$2,244,788 for the year ended December 31, 2014 from \$1,186,113 for the year ended December 31, 2013. Our major expenses for the year ended December 31, 2013 were stock compensation expense of \$1,147,302, salaries and wages of \$250,703, legal expenses of \$104,332 professional fees and contract labor of \$82,800. In comparison, our operating expenses for the year ended December 31, 2013, were salaries and wages of \$257,839, legal expenses of \$212,561 and professional fees and contract labor of \$114,103.

During the year ended December 31, 2013, our oil and gas sales increased as we drilled more productive wells. Our lease operating expenses increased as we drilled additional wells. Our general and administrative expenses increased primarily due to stock compensation expense.

Other Income/Expenses

Other expenses were \$113,281 for the year ended December 31, 2014 an increase from other expenses of \$80,378 for the same period ended 2013. The increase was primarily due to increased accretion expense from ARO and debt discount.

Net Loss

Net loss for the year ended December 31, 2014 was \$1,674,533 compared to net loss of \$894,506 for the year ended December 31, 2013.

Liquidity and Capital Resources

As of December 31, we had total current assets of \$91,665 and total assets in the amount of \$3,617,743. Our total current liabilities as of December 31, 2014 were \$129,993. We had negative working capital of \$38,328 as of December 31, 2014.

Operating activities used \$173,895 in cash for the year ended December 31, 2014. Our net loss of \$1,674,533 was the main component of our negative operating cash flow, offset mainly by amortization of debt discount of \$86,124, stock-based compensation of \$1,147,302 and depreciation and amortization of \$165,943.

Cash flows used by investing activities during the year ended December 31, 2014 was \$691,229 as a result of capital expenditures on oil properties of \$675,426 as well as the purchase of property and equipment of \$15,803.

Cash flows used by financing activities during the year ended December 31, 2014 amounted to \$767,650 and consisted of \$780,024 in a private placement offering and \$12,374 in payments on notes payable.

During the year ended December 31, 2013, we raised \$350,000 through a private convertible debt offering with warrants as reported on Form 8-K filed June 20, 2013. We also raised \$200,000 through a private convertible debt offering with warrants in two tranches, as reported on Form 8-K filed October 3, 2013 and on Form 8-K as filed January 3, 2014.

During the year ended December 31, 2014, the Company raised \$780,000 through the sale of 2,600,111 shares to private investors as part of a private placement, detailed on Form 8-K filed on February 14, 2014. The shares were all purchased at a price of \$0.30 per share and included warrants. The purchasers included David Baker and Leo Womack.

Our sources and (uses) of funds for the year ended December 31, 2014 were:

Cash used in operations	\$ (173,895)
Purchase of property and equipment	(15,803)
Capital expenditures on oil and gas properties	(675,426)
Net payments on notes payable	(12,374)
Funds from Private Placement Offering	780,024

See Item 1 of this report for more detailed information concerning our plan of operation.

The Company has suffered recurring losses from operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern. We plan to generate profits by drilling productive oil or gas wells. However, we will need to raise additional funds to drill new wells through the sale of our securities, through loans from third parties or from third parties willing to pay our share of drilling and completing the wells. We do not have any commitments or arrangements from any person to provide us with any additional capital. If additional financing is not available when needed, we may need to cease operations. There can be no assurance that we will be successful in raising the capital needed to drill oil or gas wells nor that any such additional financing will be available to us on acceptable terms or at all. Any wells which we may drill may not be productive of oil or gas. Management believes that actions presently being taken to obtain additional funding provide the opportunity for the Company to continue as a going concern. 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.

Contractual Obligations

The Company had no material contract obligations as of December 31, 2014:

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, results of operations, liquidity or capital resources.

Trends Affecting Future Operations

The factors that will most significantly affect our results of operations will be (i) the sale prices of crude oil and natural gas, (ii) the amount of production from oil or gas wells in which we have an interest, and (iii) lease operating expenses. Our revenues will also be significantly impacted by our ability to maintain or increase oil or gas production through exploration and development activities.

It is expected that our principal source of cash flow will be from the production and sale of crude oil and natural gas reserves which are depleting assets. Cash flow from the sale of oil and gas production depends upon the quantity of production and the price obtained for the production. An increase in prices will permit us to finance our operations to a greater extent with internally generated funds, may allow us to obtain equity financing more easily or on better terms, and lessens the difficulty of obtaining financing. However, price increases heighten the competition for oil and gas prospects, increase the costs of exploration and development, and, because of potential price declines, increase the risks associated with the purchase of producing properties during times that prices are at higher levels.

A decline in oil and gas prices (i) will reduce the cash flow internally generated by the Company which in turn will reduce the funds available for exploring for and replacing oil and gas reserves, (ii) will increase the difficulty of obtaining equity and debt financing and worsen the terms on which such financing may be obtained, (iii) will reduce the number of oil and gas prospects which have reasonable economic terms, (iv) may cause us to permit leases to expire based upon the value of potential oil and gas reserves in relation to the costs of exploration, (v) may result in marginally productive oil and gas wells being abandoned as non-commercial, and (vi) may increase the difficulty of obtaining financing. However, price declines reduce the competition for oil and gas properties and correspondingly reduce the prices paid for leases and prospects.

Other than the foregoing, we do not know of any trends, events or uncertainties that will have, or are reasonably expected to have, a material impact on our sales, revenues or expenses.

Critical Accounting Policies

In December 2001, the SEC requested that all registrants list their most “critical accounting policies” in the Management Discussion and Analysis. The SEC indicated that a “critical accounting policy” is one which is both important to the portrayal of a company’s financial condition and results, and requires management’s most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain.

Going concern – The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has incurred cumulative net losses of \$4,235,227 since its inception and requires capital for its contemplated operational and marketing activities to take place. The Company’s ability to raise additional capital through the future issuances of common stock is unknown. The obtainment of additional financing, the successful development of the Company’s contemplated plan of operations, and its transition, ultimately, to the attainment of profitable operations are necessary for the Company to continue operations. The ability to successfully resolve these factors raise substantial doubt about the Company’s ability to continue as a going concern. The consolidated financial statements of the Company do not include any adjustments that may result from the outcome of these aforementioned uncertainties.

Recently Issued Accounting Pronouncements

We do not expect the adoption of recently issued accounting pronouncements to have a significant impact on our results of operations, financial position or cash flow.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

Index to Financial Statements Required by Article 8 of Regulation S-X:

Audited Financial Statements:

F-1	Report of Independent Registered Public Accounting Firm
F-2	Consolidated Balance Sheets as of December 31, 2014 and 2013
F-3	Consolidated Statements of Operations for the years ended December 31, 2014 and 2013
F-4	Consolidated Statements of Cash Flows for the years ended December 31, 2014 and 2013
F-6	Consolidated Statement of Stockholders’ Deficit for the years ended December 31, 2014 and 2013
F-7	Notes to Financial Statements

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

No events occurred requiring disclosure under Item 304 of Regulation S-K during the fiscal year ending December 31, 2014.

ITEM 9A. CONTROLS AND PROCEDURES.

An evaluation was carried out under the supervision and with the participation of our management, including our Principal Executive and Financial Officer, of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report on Form 10-K. Disclosure controls and procedures are procedures designed with the objective of ensuring that information required to be disclosed in our reports filed under the Securities Exchange Act of 1934, such as this Form 10-K, is recorded, processed, summarized and reported, within the time period specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and is communicated to our management, including our Principal Executive and Financial Officer, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure. Based on our evaluation, controls and procedures were not effective at that date due to the transition issues related to the relocation of the Company to Houston. These issues included implementing a new accounting system under new accounting personnel and establishing new procedures to insure proper controls are in place. Management feels significant progress has been made towards accomplishing these objectives.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting and for the assessment of the effectiveness of internal control over financial reporting. As defined by the Securities and Exchange Commission, internal control over financial reporting is a process designed by, or under the supervision of our Principal Executive and Financial Officer and implemented by our Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our financial statements in accordance with U.S. generally accepted accounting principles.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Zel C. Khan, our interim CEO and Leo Womack our financial expert Board Member, evaluated the effectiveness of our internal control over financial reporting as of December 31, 2014 based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, or the COSO Framework of 1992. Management's assessment included an evaluation of the design of our internal control over financial reporting and testing of the operational effectiveness of those controls.

Based on this evaluation, management concluded that our internal control over financial reporting was not effective as of December 31, 2014.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

The following information sets forth the names, ages, and positions of our current directors and executive officers as of December 31, 2014.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Zel C. Khan	41	Chief Executive
Leo Womack	72	Director
Lee Lytton	71	Director

Set forth below is a brief description of the background and business experience of each of our current executive officers and directors:

Zel C. Khan is an oilfield operator with over 20 years of experience in the Oil & Gas industry. He has successfully operated, both on and offshore, in Texas, Oklahoma, New Mexico and California. He has established a reputation for reducing operating costs on various projects, including a former ConocoPhillips offshore facility located in deep water Gulf of Mexico. Mr. Khan holds an MBA from Chapman University, California.

Directors

Leo Womack has over 40 years of experience in advising and serving as Director of small micro-capitalization public and private companies. Mr. Womack has been the President of Gulf Equities Realty Advisors, Inc., a diversified real estate portfolio management company, since 1986. He has been the Chairman of Fairway Medical Technologies, Inc., a medical device company and a portfolio company of the Baylor College of Medicine Venture Fund since 1996. From 1969 to 1978, he was the managing partner of a local and later national CPA firm. He has served on the Board and as Chairman of the Houston Angel Network and on National Committees of the Angel Capital Association. He currently serves as audit committee chair and Director of HII Technologies, Inc. (OTCQB:HIIT). Prior to its acquisition by ITT in 2010, he served as a board member and the audit committee chair for OI Corporation (NASDAQ:OICO). Mr. Womack earned a Bachelor of Business Administration in Accounting from Texas A&M University-Kingsville in 1965 and holds a Series 7 Securities License.

Lee Lytton is a currently a tenured professor at St. Mary's Law School in San Antonio where he has taught Oil and Gas Law as well as Texas Land and Title courses for the last 26 years. Prior to that Mr. Lytton was a founding partner in a South Texas Oil and Gas Operating Company for 10 years after leaving the FBI as a Special Agent. He was admitted to the Texas Bar and practiced law as an Assistant District Attorney early in his career. Mr. Lytton serves on the Board of the South Texans' Property Rights Association as a result of his family's historical standing as a prominent South Texas ranching family.

Our bylaws authorize no less than three and not more than five members. We currently have two directors with the resignation of Mr. Baker in February 2014. Two new Directors have been nominated by the current Board for election at the upcoming Shareholders meeting. .

Term of Office

Our Directors are appointed for a one-year term to hold office until the next annual general meeting of our shareholders or until removed from office in accordance with our bylaws. Our officers are appointed by our board of directors and hold office until removed by the board.

Significant Employees

We have a formal employment agreement with Zel C. Khan that is subject to closing of the proposed SUDS transaction described herein under Subsequent Events. In the meantime Mr. Khan has agreed to serve as the CEO on an interim basis with a deferred salary accruing at \$10,000 per month beginning March 1, 2015.

The following shows the amount of time our officer expects to devote to our business:

<u>Name</u>	<u>Percent</u>
Zel C. Khan	90 %

Family Relationships

There are no family relationships between or among the directors, executive officers or persons nominated or chosen by us to become directors or executive officers.

Involvement in Certain Legal Proceedings

To the best of our knowledge, during the past ten years, none of the following occurred with respect to a present or former director, executive officer, or employee: (1) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time; (2) any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses); (3) being subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his or her involvement in any type of business, securities or banking activities; and (4) being found by a court of competent jurisdiction (in a civil action), the SEC or the Commodities Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended or vacated.

Audit Committee

We do not have a separately-designated standing audit committee. The entire board of directors performs the functions of an audit committee, but no written charter governs the actions of the board of directors when performing the functions of that would generally be performed by an audit committee. The board of directors approves the selection of our independent accountants and meets and interacts with the independent accountants to discuss issues related to financial reporting. In addition, the board of directors reviews the scope and results of the audit with the independent accountants, reviews with management and the independent accountants our annual operating results, considers the adequacy of our internal accounting procedures and considers other auditing and accounting matters including fees to be paid to the independent auditor and the performance of the independent auditor.

We do not have a formal audit committee, however Mr. Leo Womack Chairman of our Board of Directors has been licensed as a CPA in Texas since 1967 and has served as Audit Committee Chairman of NASD member firms so he qualifies as our financial expert.

For the fiscal year ending December 31, 2014, the board of directors:

1. Reviewed and discussed the audited financial statements with management, and
2. Reviewed and discussed the written disclosures and the letter from our independent auditors on the matters relating to the auditor's independence.

Based upon the board of directors' review and discussion of the matters above, the board of directors authorized inclusion of the audited financial statements for the year ended December 31, 2014 to be included in this Annual Report on Form 10-K and filed with the Securities and Exchange Commission.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors and executive officers and persons who beneficially own more than ten percent of a registered class of the Company's equity securities to file with the SEC initial reports of ownership and reports of changes in ownership of common stock and other equity securities of the Company. Officers, directors and greater than ten percent beneficial shareholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file. To the best of our knowledge based solely on a review of Forms 3, 4, and 5 (and any amendments thereof) received by us during or with respect to the year ended December 31, 2014, no delinquent form were filed.

ITEM 11. EXECUTIVE COMPENSATION

We do not have a compensation committee. One of our directors, Leo Womack is a financial expert as that term is defined by the Securities and Exchange Commission. All of our directors are independent as that term is defined in Rule 803 of the NYSE Amex.

During the year ended December 31, 2014, none of our officers were members of the compensation committee or a director of another entity, which other entity had one of its executive officers serving as one of our directors or as a member of our compensation committee.

The following table summarizes all compensation paid or accrued to our former or current executive officers during the years ended December 31, 2013 and December 31, 2014.

<u>Name and Principal Position</u>	<u>Fiscal Year</u>	<u>Salary (1)</u>	<u>Bonus (2)</u>	<u>Stock Awards (3)</u>	<u>Option Awards (4)</u>	<u>All Other Compensation (5)</u>	<u>Total</u>
Michael D. Smith (Former) Principal Executive Officer	2013	\$ 10,000	--	--	--	--	\$ 10,000
Marc Spezialy Principal Executive Officer and Financial and Accounting Officer	2013	\$ 120,000	--	--	--	--	120,000
John Barton (Former) Vice President	2013	\$ 18,000	--	--	--	--	\$ 18,000
Patrick Merritt (Former) Senior Vice President of Exploration and Production	2013	\$ 30,458	--	--	--	--	\$ 30,458

<u>Name and Principal Position</u>	<u>Fiscal Year</u>	<u>Salary (1)</u>	<u>Bonus (2)</u>	<u>Stock Awards (3)</u>	<u>Option Awards (4)</u>	<u>All Other Compensation (5)</u>	<u>Total</u>
Marc Spezialy Principal Executive Officer and Financial and Accounting Officer (Former)	2014	\$ 100,000	--	--	--	--	\$ 100,000
David Baker Principal Executive Officer	2014	\$ 70,000	--	118,224	--	--	\$ 188,224

- (1) The dollar value of base salary (cash and non-cash) earned.
- (2) The dollar value of bonus (cash and non-cash) earned.
- (3) The fair value of stock issued for services computed in accordance with ASC 718 on the date of grant.
- (4) The fair value of options granted computed in accordance with ASC 718 on the date of grant.
- (5) All other compensation received that we could not properly report in any other column of the table.

See "Changes in Management" in Item 10 of this report.

We do not provide our officers or employees with pension, stock appreciation rights, long-term incentive, profit sharing, retirement or other plans, although we may adopt one or more of such plans in the future.

We do not maintain any life or disability insurance on any of our officers.

We do not have any outstanding options, warrants or other securities which provide for the issuance of additional shares of our common stock as compensation for services of Directors or Officers.

Director Compensation

The table below summarizes all compensation of our directors as of December 31, 2014.

DIRECTOR COMPENSATION							
Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Non-Qualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Marc Spezialy	-	38,000	-	-	-	-	38,000
David Baker	-	38,000	-	-	-	-	38,000
Matthew Ferguson	-	76,000	-	-	-	-	76,000
Leo Womack	-	23,000	-	-	-	-	23,000
Lee H Lytton	-	15,000	-	-	-	-	15,000

Narrative Disclosure to the Director Compensation Table

Mr. Baker received 100,000 shares of restricted stock as a Director on June 1, 2014 valued @ \$0.38. Mr. Spezialy received 100,000 shares of restricted stock as a Director on June 1, 2014 valued @ \$0.38. Mr. Ferguson received 200,000 shares of restricted stock as a Director on June 3, 2014 valued @ \$0.38. Mr. Womack received 100,000 shares of restricted stock as a Director on August 16, 2014 valued at \$0.23. Mr. Lytton received 100,000 shares of restricted stock as a Director on December 15, 2014 valued @ \$0.12.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

The following table shows, as of May 15, 2015, information with respect to those persons owning beneficially 5% or more of our common stock and the number and percentage of outstanding shares owned by each of our officers and directors and by all officers and directors as a group. Unless otherwise indicated, each owner has sole voting and investment powers over his shares of common stock.

Title of class	Name and address of beneficial owner (1)	Amount of beneficial ownership(2)	Percent of class(3)
Executive Officers & Directors:			
Common	Leo Womack (1)	1,896,667 shares	9.8 %
Common	Lee H. Lytton (1)	133,400 shares	0.6 %
Total of All Directors and Executive Officers:		2,030,067 shares	10.4 %

More Than 5% Beneficial Owners:

Rick Wilber(4)	1,500,000 shares	7.7 %
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- (1) Except as otherwise indicated, the address of each person named in this table is 710 N. Post Oak Rd. Suite 400 Houston, Texas 77024.
- (2) As used in this table, "beneficial ownership" means the sole or shared power to vote, or to direct the voting of, a security, or the sole or shared investment power with respect to a security (i.e., the power to dispose of, or to direct the disposition of, a security). In addition, for purposes of this table, a person is deemed, as of any date, to have "beneficial ownership" of any security that such person has the right to acquire within 60 days after such date.
- (3) Except as otherwise indicated, all shares are owned directly and the percentage shown is based on 19,353,152 shares of common stock issued and outstanding on December 31, 2014.
- (4) As stated in the reporting person's Form 4/A filed with the Securities and Exchange Commission on January 2, 2014. Does not include 1,833,333 shares from convertible secured promissory note as stated in the reporting person's Form 4/A filed with the Securities and Exchange Commission on January 2, 2014 and Form 4 filed with the Securities and Exchange Commission on August 13, 2013

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

Aside from that which follows, none of our directors or executive officers, nor any proposed nominee for election as a director, nor any person who beneficially owns, directly or indirectly, shares carrying more than 5% of the voting rights attached to all of our outstanding shares, nor any members of the immediate family (including spouse, parents, children, siblings, and in-laws) of any of the foregoing persons has any material interest, direct or indirect, in any transaction since the beginning of our last fiscal year on January 1, 2012 or in any presently proposed transaction which, in either case, has or will materially affect us.

During the year ended December 31, 2013 the Company entered into two related-party transactions with shareholder, Rick Wilber. Mr. Wilber loaned the Company an aggregate of \$550,000 of convertible debt with warrants. See Note 4 to our Financial Statements.

As reported on Form 8-K filed January 31, 2014, on January 27, 2014, the Company entered into a Consulting Agreement (the "Agreement") with Mercadyne Advisors LLC (the "Consultant"), an entity controlled by David N. Baker. The Company agreed to issue 800,000 shares of common stock in the name of David N. Baker as consideration for the Consultant's provision of the consulting services under the Agreement. The Consultant agreed to return 400,000 of these shares to the Company if (i) the Company terminates the Agreement on or before April 27, 2014, for the Consultant's failure to perform under the Agreement, or (ii) the Consultant fails to invest \$125,000 in the Company prior to April 27, 2014, on terms reasonably satisfactory to the Company. The Consultant did invest the \$125,000 prior to April 27, 2014 so no return of shares occurred.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.

MaloneBailey, LLP served as our independent registered public accounting firm for the years ended December 31, 2014 and 2013. The following table shows the aggregate fees billed to us for these years by MaloneBailey.

	Year Ended December 31,	
	2014	2013
Audit Fees	\$ 30,000	\$ 30,000
Audit-Related Fees	-	-
Tax Fees	-	-
All Other Fees	-	-

Audit fees represent amounts billed for professional services rendered for the audit of our annual financial statements and the reviews of the financial statements included in our Form 10-Q reports. Prior to contracting with MaloneBailey to render audit or non-audit services, each engagement was approved by our directors.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.

3.1	Articles of Incorporation (1)
3.2	Amended and Restated Articles of Incorporation (1)
3.3	Amendment to Articles of Incorporation (2)
3.4	Bylaws (2)
10.1	Agreement with Kingman Operating Company (2)
10.2	Assignment of oil and gas lease (2)
10.3	Employment agreement with Patrick Merritt, as amended
10.4	Agreement with RTO Operating, LLC
10.5	Employment agreement with Marc Spezialy (2)
10.7	Amendment to agreement with Kingman Operating Company (2)
31	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Securities Exchange Act Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99	Oil and gas reserve report
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

(1) Incorporated by reference to the same exhibits filed with the Company's registration statement on Form SB-2 (Commission File No. 333-136012) filed on July 25, 2006.

(2) Incorporated by reference to the same exhibits filed the Company's registration statement on Form S-1 (File No. 333-184575) filed on October 24, 2012.

**ROCKDALE RESOURCES CORPORATION
FINANCIAL STATEMENTS**

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
Rockdale Resources Corporation
Austin, TX

We have audited the accompanying balance sheets of Rockdale Resources Corporation (the "Company") as of December 31, 2014 and 2013, and the related statement of operations, changes in stockholders' equity (deficit) and cash flows for each of the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2014 and 2013, and the related results of its operations and its cash flows for each of the years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company has incurred losses from operation since inception. This factor raises substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to this matter are described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ MaloneBailey, LLP
www.malone-bailey.com
Houston, Texas
May 22, 2015

ROCKDALE RESOURCES CORPORATION
BALANCE SHEETS

	<u>December 31,</u> <u>2014</u>	<u>December 31,</u> <u>2013</u>
ASSETS		
Current assets		
Cash	\$ 24,688	\$ 122,162
Accounts receivable	26,176	58,472
Other current assets	40,801	53,680
Total current assets	91,665	234,314
Property & equipment		
Oil and gas, on the basis of full cost accounting		
Evaluated properties	3,715,779	2,954,854
Furniture, equipment & software	94,283	82,051
Less accumulated depreciation	(283,984)	(126,642)
Net property and equipment	3,526,078	2,910,263
Total Assets	\$ 3,617,743	\$ 3,144,577
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 99,425	\$ 50,939
Accrued liabilities	8,875	9,916
Current maturities of installment notes payable	18,877	7,625
Deferred rent	2,816	4,061
Total current liabilities	129,993	72,541
Deferred rent	-	2,926
Asset retirement obligations	100,175	12,804
Convertible debt - related party, net of discount of 324,553 and \$410,667	225,447	139,323
Installment note payable	26,362	34,011
Total Liabilities	481,977	261,605
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; 19,353,152 and 14,178,041 shares issued and outstanding	19,353	14,178
Additional paid in capital	7,351,640	5,429,488
Accumulated deficit	(4,235,227)	(2,560,694)
Total Stockholders' Equity	3,135,766	2,882,972
Total Liabilities and Stockholders' Equity	\$ 3,617,743	\$ 3,144,577

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

ROCKDALE RESOURCES CORPORATION
STATEMENT OF OPERATIONS

	Year ended December 31, 2014	Year ended December 31, 2013
Oil and gas sales	\$ 683,536	\$ 324,510
Operating expenses		
Lease operating expense	290,557	164,710
Production tax	29,748	14,956
General and administrative expenses	1,756,668	904,115
Depreciation, depletion and amortization	165,943	93,740
Asset retirement obligation accretion	1,872	8,592
Total operating expenses	<u>2,244,788</u>	<u>1,186,113</u>
Loss from operations	(1,561,252)	(861,603)
Other income (expense)		
Interest (expense)	(113,281)	(32,903)
Net loss from continuing operations before taxes	(1,674,533)	(894,506)
Income tax provision (benefit)	-	-
Net loss	<u>\$ (1,674,533)</u>	<u>\$ (894,506)</u>
Loss per share		
(Basic and fully diluted)	<u>\$ (0.09)</u>	<u>\$ (0.06)</u>
Weighted average number of common shares outstanding, basic and diluted	<u>18,070,038</u>	<u>14,737,653</u>

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

ROCKDALE RESOURCES CORPORATION
STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2014	Year Ended December 31, 2013
<i>Cash Flows from Operating Activities</i>		
Net loss	\$ (1,674,533)	\$ (894,506)
Adjustment to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	165,943	93,740
Accretion of debt discount	86,124	32,551
Loss on disposal of assets	10,945	6,999
Asset retirement obligation accretion	1,872	8,592
Stock-based compensation expense – employees	700,303	36,322
Stock-based compensation expense – consultants and directors	447,000	-
Changes in operating assets and liabilities		
Accounts receivable	32,300	(53,667)
Other assets	12,879	(5,455)
Accounts payable	48,485	7,048
Accrued liabilities	(1,041)	(12,363)
Deferred rent	(4,172)	(2,898)
Net cash flows used in operating activities	(173,895)	(783,637)
<i>Cash Flows from Investing Activities</i>		
Purchase property and equipment	(15,803)	(20,700)
Proceeds from sale of property and equipment	-	24,500
Capital expenditures on oil and gas properties	(675,426)	(376,995)
Cash flows used in investing activities	(691,229)	(373,195)
<i>Cash Flows from Financing Activities</i>		
Borrowings on convertible debt - related parties	-	550,000
Proceeds from issuance of common stock	780,024	-
Purchase of treasury stock	-	(900)
Net payments on notes payable	(12,374)	(1,149)
Cash flows provided by financing activities	767,650	547,951
Net change in cash and cash equivalents	(97,474)	(608,881)
Cash and cash equivalents		
Beginning of period	122,162	731,043
End of period	\$ 24,688	\$ 122,162

ROCKDALE RESOURCES CORPORATION
STATEMENTS OF CASH FLOWS

SUPPLEMENTAL DISCLOSURES

Interest paid	\$	-	\$	-
Income taxes paid	\$	-	\$	-
NON-CASH INVESTING AND FINANCIAL DISCLOSURES				
Truck transferred to former CEO	\$	41,636	\$	-
Initial recognition of discount on related party debt		-		443,228
Initial recognition of asset retirement obligations		19,418		45,763
Change in estimated cash flows from asset retirement obligation		66,081		(74,777)
Fair value of stock issued for oil properties		-		433,000
Note payable for equipment		57,613		42,785

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

ROCKDALE RESOURCES CORPORATION
STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)

	<u>Common Stock</u>		<u>Treasury</u>		<u>Additional Paid-In Capital</u>	<u>Accumulated Deficit</u>	<u>Stockholders' Equity (Deficit)</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>			
Balance at December 31, 2012	17,159,748	17,160	(20,000)	(5,000)	4,519,856	(1,666,188)	2,865,828
Stock-based compensation – employees	95,000	95	-	-	36,227	-	36,322
Purchase of Treasury stock and cancellation of stock	(45,000)	(45)	20,000	5,000	(4,955)	-	-
Repurchase and cancellation of common shares stock	(3,631,707)	(3,632)	-	-	2,732	-	(900)
Shares issued for oil properties	600,000	600	-	-	432,400	-	433,000
Debt discount	-	-	-	-	443,228	-	443,228
Net loss	-	-	-	-	-	(894,506)	(894,506)
Balance at December 31, 2013	14,178,041	\$ 14,178	-	\$ -	\$ 5,429,488	\$ (2,560,694)	\$ 2,882,972
Repurchase and cancellation of common shares	(1,000,000)	(1,000)	-	-	1,000	-	-
Shares issued for cash	2,600,111	2,600	-	-	777,424	-	780,024
Stock-based compensation – employees	2,425,000	2,425	-	-	697,878	-	700,303
Stock-based compensation – consultants	950,000	950	-	-	411,050	-	412,000
Stock based compensation - directors	200,000	200	-	-	34,800	-	35,000
Net Loss	-	-	-	-	-	(1,674,533)	(1,674,533)
Balance at December 31, 2014	<u>19,353,152</u>	<u>\$ 19,353</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 7,351,640</u>	<u>\$ (4,235,227)</u>	<u>\$ 3,135,766</u>

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

**ROCKDALE RESOURCES CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

NOTE 1. ORGANIZATION

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”).

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and pursuant to the accounting and disclosure rules and regulations of the U.S. Securities and Exchange Commission (“SEC”). 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. Significant estimates made in preparing these financial statements include asset retirement obligations (Note 8), income taxes (Note 9) and the estimate of proved oil and gas reserves and related present value estimates of future net cash flows therefrom (Note 10).

Reclassifications – Certain amounts previously presented for prior periods have been reclassified to conform to the current presentation. The reclassifications had no effect on net loss, working capital or equity previously reported.

Cash and Cash Equivalents—The Company considers all highly liquid instruments purchased with an original maturity date of three months or less to be cash equivalents.

Oil and Gas Properties—The Company follows the full cost accounting method to account for oil and natural gas properties, whereby costs incurred in the acquisition, exploration and development of oil and gas reserves are capitalized. Such costs include lease acquisition, geological and geophysical activities, rentals on nonproducing leases, drilling, completing and equipping of oil and gas wells and administrative costs directly attributable to those activities and asset retirement costs. Disposition of oil and gas properties are accounted for as a reduction of capitalized costs, with no gain or loss recognized unless such adjustment would significantly alter the relationship between capital costs and proved reserves of oil and gas, in which case the gain or loss is recognized to operations.

The capitalized costs of oil and gas properties, excluding unevaluated and unproved properties, are amortized as depreciation, depletion and amortization expense using the units-of-production method based on estimated proved recoverable oil and gas reserves.

The costs associated with unevaluated and unproved properties, initially excluded from the amortization base, relate to unproved leasehold acreage, wells and production facilities in progress and wells pending determination of the existence of proved reserves, together with capitalized interest costs for these projects. Unproved leasehold costs are transferred to the amortization base with the costs of drilling the related well once a determination of the existence of proved reserves has been made or upon impairment of a lease. Costs associated with wells in progress and completed wells that have yet to be evaluated are transferred to the amortization base once a determination is made whether or not proved reserves can be assigned to the property. Costs of dry wells are transferred to the amortization base immediately upon determination that the well is unsuccessful.

All items classified as unproved property are assessed on a quarterly basis for possible impairment or reduction in value. Properties are assessed on an individual basis or as a group if properties are individually insignificant. The assessment includes consideration of various factors, including, but not limited to, the following: intent to drill; remaining lease term; geological and geophysical evaluations; drilling results and activity; assignment of proved reserves; and economic viability of development if proved reserves are assigned. During any period in which these factors indicate an impairment, the cumulative drilling costs incurred to date for such property and all or a portion of the associated leasehold costs are transferred to the full cost pool and become subject to amortization.

ROCKDALE RESOURCES CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

Under full cost accounting rules for each cost center, capitalized costs of evaluated oil and gas properties, including asset retirement costs, less accumulated amortization and related deferred income taxes, may not exceed an amount (the "cost ceiling") equal to the sum of (a) the present value of future net cash flows from estimated production of proved oil and gas reserves, based on current prices and operating conditions, discounted at ten percent (10%), plus (b) the cost of properties not being amortized, plus (c) the lower of cost or estimated fair value of any unproved properties included in the costs being amortized, less (d) any income tax effects related to differences between the book and tax basis of the properties involved. If capitalized costs exceed this limit, the excess is charged to operations. For purposes of the ceiling test calculation, current prices are defined as the unweighted arithmetic average of the first day of the month price for each month within the 12 month period prior to the end of the reporting period. Prices are adjusted for basis or location differentials. Unless sales contracts specify otherwise, prices are held constant for the productive life of each well. Similarly, current costs are assumed to remain constant over the entire calculation period. There was no impairment during the years ended December 31, 2014 and 2013.

Given the volatility of oil and gas prices, it is reasonably possible that the estimate of discounted future net cash flows from proved oil and gas reserves could change in the near term. If oil and gas prices decline in the future, even if only for a short period of time, it is possible that impairments of oil and gas properties could occur. In addition, it is reasonably possible that impairments could occur if costs are incurred in excess of any increases in the present value of future net cash flows from proved oil and gas reserves, or if properties are sold for proceeds less than the discounted present value of the related proved oil and gas reserves.

Revenue Recognition—Revenues from the sale of crude oil, natural gas, and natural gas liquids are recognized when the product is delivered at a fixed or determinable price, title has transferred, collectability is reasonably assured and evidenced by a contract. The Company follows the sales method of accounting for its oil and natural gas revenue, so it recognizes revenue on all crude oil, natural gas, and natural gas liquids sold to purchasers, regardless of whether the sales are proportionate to its ownership in the property. A receivable or liability is recognized only to the extent that the Company has an imbalance on a specific property greater than the expected remaining proved reserves. The Company had no imbalance positions at December 31, 2014 or 2013. Charges for gathering and transportation are included in production expenses.

Receivables and allowance for doubtful accounts—Oil revenues receivable do not bear any interest. We regularly review collectability and establish or adjust an allowance for uncollectible amounts as necessary using the specific identification method. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. Management has determined that a reserve for uncollectible amounts was not required in the periods presented.

Asset Retirement Obligations—The Company records a liability for asset retirement obligations ("ARO") associated with its oil and gas wells when those assets are placed in service. The corresponding cost is capitalized as an asset and included in the carrying amount of oil and gas properties and is depleted over the useful life of the properties. Subsequently, the ARO liability is accreted to its then-present value.

Inherent in the fair value calculation of an ARO are numerous assumptions and judgments including the ultimate settlement amounts, inflation factors, credit adjusted discount rates, timing of settlement, and changes in the legal, regulatory, environmental and political environments. To the extent future revisions to these assumptions impact the fair value of the existing ARO liability, a corresponding adjustment is made to the oil and gas property balance. Settlements greater than or less than amounts accrued as ARO are recorded as a gain or loss upon settlement.

Debt Issuance Costs—Costs incurred in connection with the issuance of long-term debt are capitalized and amortized over the term of the related debt.

Stock-Based Compensation—The Company accounts for stock-based compensation to employees in accordance with FASB ASC 718. Stock-based compensation to employees is measured at the grant date, based on the fair value of the award, and is recognized as expense over the requisite employee service period. The Company accounts for stock-based compensation to other than employees in accordance with FASB ASC 505-50. Equity instruments issued to other than employees are valued at the earlier of a commitment date or upon completion of the services, based on the fair value of the equity instruments, and is recognized as expense over the service period. The Company estimates the fair value of stock-based payments using the Black-Scholes option-pricing model for common stock options and warrants and the closing price of the Company's common stock for common share issuances. The Company may grant stock to employees and contractors in exchange for services rendered.

Income Taxes—Income Taxes—Income taxes are accounted for pursuant to ASC 740, *Income Taxes*, which requires recognition of deferred income tax liabilities and assets for the expected future tax consequences of events that have been recognized in the Company's financial statements or tax returns. The Company provides for deferred taxes on temporary differences between the financial statements and tax basis of assets using the enacted tax rates that are expected to apply to taxable income when the temporary differences are expected to reverse. Valuation allowances are established when necessary to reduce deferred income tax assets to the amount expected to be realized.

ROCKDALE RESOURCES CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

Uncertain tax positions are recognized in the financial statements only if that position is more likely than not of being sustained upon examination by taxing authorities, based on the technical merits of the position. The Company recognizes interest and penalties related to uncertain tax positions in the income tax provision. There are currently no unrecognized tax benefits that if recognized would affect the tax rate. There was no interest or penalties recognized for the twelve months ended December 31, 2014.

The Company is required to file federal income tax returns in the United States and in various state and local jurisdictions. The Company's tax returns filed since the 2010 tax year are subject to examination by taxing authorities in the jurisdictions in which it operates in accordance with the normal statutes of limitations in the applicable jurisdiction.

Furniture, equipment, and software—Furniture, equipment, and software are stated at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the related asset, generally three to five years. Fully depreciated assets are retained in property and accumulated depreciation accounts until they are removed from service. We perform ongoing evaluations of the estimated useful lives of the property and equipment for depreciation purposes. Maintenance and repairs are expensed as incurred. We periodically review our long-lived assets, other than oil and gas property, for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable. We recognize an impairment loss when the sum of expected undiscounted future cash flows is less than the carrying amount of the asset. The amount of impairment is measured as the difference between the asset's estimated fair value and its book value. We recorded no impairment on our non-oil and gas long-lived assets during the years ended December 31, 2014 and 2013, respectively.

Earnings (Loss) Per Share—Basic earnings (loss) per share have been calculated based upon the weighted-average number of common shares outstanding. The weighted-average number of common shares outstanding used in the computations of earnings (loss) per share was 18,070,038 for 2014 and 14,737,653 for 2013. Diluted EPS amounts would include the effect of outstanding stock options, warrants, and other convertible securities if including such potential shares of common stock is dilutive. Basic and diluted earnings per share are the same in all periods presented because losses are anti-dilutive.

Concentration of Credit Risk—The Company is subject to credit risk resulting from the concentration of its oil receivables with significant purchasers. Two purchasers accounted for all of the Company's oil sales revenues for 2014 and 2013. The Company does not require collateral. While the Company believes its recorded receivable will be collected, in the event of default the Company would follow normal collection procedures. The Company does not believe the loss of a purchaser would materially impact its operating results as oil is a fungible product with a well-established market and numerous purchasers.

At times, the Company maintains deposits in federally insured financial institutions in excess of federally insured limits. Management monitors the credit ratings and concentration of risk with these financial institutions on a continuing basis to safeguard cash deposits.

Fair Value Measurements—The carrying value of cash and cash equivalents, accounts receivable, and accounts payable, as reflected in the balance sheets, approximate fair value because of the short-term maturity of these instruments.

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. We plan to generate profits by drilling productive oil or gas wells. However, we will need to raise the funds required to drill new wells through the sale of our securities, through loans from third parties or from third parties willing to pay our share of drilling and completing the wells. We do not have any commitments or arrangements from any person to provide us with any additional capital. If additional financing is not available when needed, we may need to cease operations. We may not be successful in raising the capital needed to drill oil or gas wells. Any wells which we may drill may not be productive of oil or gas. Management believes that actions presently being taken to obtain additional funding provide the opportunity for the Company to continue as a going concern. 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.

ROCKDALE RESOURCES CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 4. NOTES PAYABLE

Convertible Debt – Related Party

On June 17, 2013, the Company entered into a Convertible Secured Note and Warrant Purchase Agreement (the “Purchase Agreement”) with Rick Wilber. Pursuant to the Purchase Agreement, the Company agreed to sell, and Mr. Wilber agreed to buy, for aggregate consideration of \$350,000, a convertible secured promissory note in the principal amount of \$350,000 (the “Note”) convertible at \$0.30 per share, and a warrant to purchase 1,000,000 shares of the Company’s common stock (the “Warrant”) at an exercise price of \$0.80 per share. The Company analyzed the Note and the Warrant for derivative accounting consideration and determined that derivative accounting is not applicable for these debts. The Warrant vests immediately and has a term of 10 years. The relative fair value of the Warrant was measured using the Black-Scholes option pricing model and determined to be \$148,925, which was recorded as a debt discount. Variables used in the Black-Scholes option pricing model for the Warrant included: (1) discount rate of 2.19%, (2), expected life of ten years, (3) expected volatility of 196% and (4) zero expected dividends. The Note was then evaluated for a beneficial conversion feature and it was determined that a beneficial conversion feature existed. The intrinsic value of the beneficial conversion feature was determined to be \$102,259 and was recorded as a debt discount. The debt discounts are being amortized over the life of the Note using the effective interest method. The effective interest rate was 53.7%.

On September 30, 2013, the Company entered into a Convertible Secured Note and Warrant Purchase Agreement (the “September Purchase Agreement”) with Rick Wilber. Pursuant to the September Purchase Agreement, the Company agreed to sell, and Mr. Wilber agreed to buy, for aggregate consideration of \$100,000, a convertible secured promissory note in the principal amount of \$100,000 (the “September Note”) convertible at \$0.30 per share, and a warrant to purchase 285,000 shares of the Company’s common stock (the “September Warrant”) at an exercise price of \$0.80 per share. The Company analyzed the September Note and the September Warrant for derivative accounting consideration and determined that derivative accounting is not applicable for these debts. The September Warrant vests immediately and has a term of 10 years. The relative fair value of the September Warrant was measured using the Black-Scholes option pricing model and determined to be \$46,022 which was recorded as a debt discount. Variables used in the Black-Scholes option pricing model for the September Warrant included: (1) discount rate of 2.64%, (2), expected life of ten years, (3) expected volatility of 196.3% and (4) zero expected dividends. The September Note was then evaluated for a beneficial conversion feature and it was determined that a beneficial conversion feature existed. The intrinsic value of the beneficial conversion feature was determined to be \$46,022 and was recorded as a debt discount. The debt discounts are being amortized over the life of the September Note using the effective interest method. The effective interest rate was 119.7%.

On December 31, 2013, the Company entered into a Convertible Secured Note and Warrant Purchase Agreement (the “December Purchase Agreement”) with Rick Wilber. The September Note was consolidated into the December Purchase Agreement. Pursuant to the December Purchase Agreement, in addition to the proceeds of the September Note, the Company agreed to sell, and Mr. Wilber agreed to buy, for aggregate consideration of \$100,000, a convertible secured promissory note in the principal amount of \$100,000 (the “December Note”) convertible at \$0.30 per share, and a warrant to purchase 285,000 shares of the Company’s common stock (the “December Warrant”) at an exercise price of \$0.80 per share. The Company analyzed the December Note and the December Warrant for derivative accounting consideration and determined that derivative accounting is not applicable for these debts. The December Warrant vests immediately and has a term of 10 years. The relative fair value of the December Warrant was measured using the Black-Scholes option pricing model and determined to be \$49,873 which was recorded as a debt discount. Variables used in the Black-Scholes option pricing model for the December Warrant included: (1) discount rate of 2.64%, (2), expected life of ten years, (3) expected volatility of 195.8% and (4) zero expected dividends. The December Note was then evaluated for a beneficial conversion feature and it was determined that a beneficial conversion feature existed. The intrinsic value of the beneficial conversion feature was determined to be \$50,127 and was recorded as a debt discount. The debt discounts are being amortized over the life of the December Note using the effective interest method. The effective interest rate was 132.2%.

During the years ended December 31, 2014 and 2013, the Company amortized \$86,124 and 32,551 of the total discounts on the three transactions above to interest expense. The unamortized discount at December 31, 2014 was \$324,553, and the ending note payable balance was \$550,000; resulting in net convertible debt of \$225,447.

ROCKDALE RESOURCES CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

Installment Notes

On October 31, 2013, the Company entered into an installment note with Ford Motor Credit in the amount of \$42,785 for a term of five years at 6.24% APR.

On May 8, 2014, the Company entered into an installment note with CNH Industrial Capital in the amount of \$57,613 for a term of three years at 2.9% APR.

Five Year Maturity

As of December 31, 2014, future maturities on our notes payable, which include the \$550,000 convertible notes payable and the \$45,239 remaining balance of the installment note described above, were as follows:

Fiscal year ending:		
2015	\$	19,015
2016	\$	569,573
2017	\$	6,651
Total	\$	<u>595,239</u>

Of the total future maturities, \$550,000 relates to the convertible debt with Mr. Wilber, which all comes due in 2016.

NOTE 5. EQUITY

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

Common Stock –

In March 2013, Michael Smith transferred 1,600,000 shares of the Company's common stock to the Company for consideration of \$100. These shares were returned to treasury and cancelled. In addition, in March 2013, John Barton, a former officer and director of the Company, and a number of other shareholders transferred an aggregate of 2,031,707 shares of the Company's common stock to the Company for aggregate consideration of \$900. All such shares were returned to treasury and cancelled.

In March 2013, an additional 45,000 outstanding shares of common stock were cancelled, including 20,000 of treasury stock.

In April 2013, the Company was assigned a 100% working interest (75% net revenue interest) in a 623-acre lease in Milam County, Texas. (The Company had previously been assigned an aggregate of 202.5 acres out of this 623-acre lease via an assignment in March 2012 of 200 acres and an assignment in October 2012 of 2.5 acres. See "The Subsequent Kingman Assignment" in Item 5 of 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.) The Company issued 500,000 shares of its common stock valued at \$395,000 as consideration for the release of a security interest encumbering this 623-acre lease.

ROCKDALE RESOURCES CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

In June 2013 the Company issued 20,000 shares of its common stock valued at \$5,400 as employee compensation.

On August 5, 2013, Matthew Ferguson was appointed to the Board of Directors of the Company. On the same date, the Company granted 500,000 shares of restricted stock to Matthew Ferguson, as consideration for Mr. Ferguson's future services. Of this amount, 200,000 shares shall vest in equal quarterly increments over the course of twelve months beginning on November 5, 2013. The remaining 300,000 shares shall vest upon the Company's attainment of certain production milestones, in increments of 100,000 shares per occurrence. Vesting of all shares is subject to Mr. Ferguson's continued service as a director. These shares were issued pursuant to a Stand-Alone Restricted Stock Award Agreement between the Company and Mr. Ferguson, and were valued at \$0.27 per share, or an aggregate of \$135,000.00, on the date of grant. As of December 31, 2014 and 2013, the Company has incurred \$32,104 and \$21,896 of stock based compensation expense related to these shares.

On August 5, 2013, the Company granted 300,000 shares of restricted stock to Marc Spezialy as consideration for Mr. Spezialy's continued service as an executive officer of the Company. These shares shall vest upon the Company's attainment of certain production milestones, in increments of 100,000 shares per occurrence. Vesting of all shares is subject to Mr. Spezialy's continued service as an executive officer. These shares were issued pursuant to a Stand-Alone Restricted Stock Award Agreement between the Company and Mr. Spezialy, and were valued at \$0.27 per share, or an aggregate of \$81,000, on the date of grant.

On August 5, 2013, the Company granted 100,000 shares of restricted stock to a Company employee as consideration for such employee's continued service. These shares shall vest in equal quarterly increments over the course of twelve months beginning on November 5, 2013. Vesting of all shares is subject to the employee's continued service. These shares were issued pursuant to a Stand-Alone Restricted Stock Award Agreement between the Company and the employee, and were valued at \$0.27 per share, or an aggregate of \$27,000, on the date of grant. As of December 31, 2014 and 2013, the Company has incurred \$17,974 and \$9,026 of stock based compensation expense related to these shares.

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.

As consideration for the New Lease, concurrently with Noack's execution of the New Lease in June 2013, the Company paid Noack \$3,116. As further consideration for the New Lease, on October 24, 2013, the Company issued Noack 100,000 shares of the Company's common stock valued at \$0.38 per share based on closing stock prices on the date of grant.

During the year ended December 31, 2014, the Company sold 2,600,111 shares to private investors as part of the private placement detailed in the 8-K filed on February 14, 2014. The shares were all purchased at a price of \$0.30 per share and include warrants to purchase additional shares (one-for-one) at \$0.75 per share any time before August 5, 2019. The purchasers included David Baker, who after his investment on February 16, 2014 subsequently joined our Board of Directors on May 8, 2014 and became the Company's Chief Executive Officer on June 2, 2014. The purchasers also included Leo Womack, who after his investment on August 15, 2014 simultaneously joined our Board of Directors. Mr. Womack purchased 166,667 shares and Mr. Baker purchased 416,675 shares. Mr. Lee Lytton also purchased 33,400 shares. On May 28, 2014 the Company entered into a financing services agreement ("Service Agreement") with ViewTrade Securities Corporation ("ViewTrade"). The Company will pay a commission in an amount equal to 10% of the gross proceeds received from any purchaser of Units directly introduced to the Company by ViewTrade, together with a five-year warrant to purchase up to 10% of the Securities sold by ViewTrade at an exercise price of 110% of the Offering Price. The Service Agreement resulted in \$2,500 of commission expense and 8,334 warrants issued at a strike price of \$0.33 in the second quarter of 2014. As of June 30, 2014 the Service Agreement has been terminated. The Company evaluated the warrants for derivative accounting consideration under ASC Topic 815-40, Derivatives and Hedging - Contracts in Entity's own stock. We concluded that the warrants meet the criteria for classification in stockholders' equity. Therefore, derivative accounting is not applicable for the warrants.

**ROCKDALE RESOURCES CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

On January 27, 2014, 800,000 shares were granted to David Baker in the first quarter of 2014 as consideration for his services as a consultant. The consulting agreement can be found in the 8-K filed on January 27, 2014. The shares granted to David Baker resulted in \$380,000 of general and administrative expense in the first quarter of 2014. On June 2, 2014 we issued 50,000 shares to an analyst for one year of service to research surrounding production near future oil and gas properties the Company is evaluating. The shares granted resulted in \$19,000 of general and administrative expense in the second quarter of 2014.

On June 2, 2014, David Baker and Marc Spezialy entered into employment agreements with the Company. In addition to a base salary and in consideration for both Mr. Baker's and Mr. Spezialy's future services as officers and directors, each received restricted shares of the Company's common stock according to the terms of their respective employment agreements which can be found in the 8-K filed on June 4, 2014. Mr. Baker received a one-time grant of 800,000 restricted shares of the Company's common stock effective June 1, 2014 for his service as Chief Executive Officer. The shares shall be forfeited should the employment agreement be terminated for any reason prior to the conclusion of the initial 18 month term at a rate equal to 44,445 of the shares for each whole month that the employment period is terminated prior to the conclusion of the initial 18 month term. The Company is accounting for the expense of these shares over the term of Mr. Baker's employment. As of December 31, 2014, \$118,225 has been expensed related to this 800,000 share grant. Mr. Baker also received a separate grant of an additional 100,000 restricted shares of the Company's common stock for his services as a Director effective June 1, 2014. These shares are not subject to potential forfeiture. Mr. Spezialy received a one-time grant of 1,000,000 restricted shares of the Company's common stock, effective June 1, 2014 for his service as Chief Operating Officer. These shares were fully vested and non-forfeitable at the time of the grant. Mr. Spezialy also received a separate grant of an additional 100,000 restricted shares of the Company's common stock for his services as a Director, effective June 1, 2014. Matthew Ferguson received a grant of 100,000 restricted shares of the Company's common stock as compensation for his services as a Director and a separate grant of an additional 100,000 restricted shares of the Company's stock for his services as a board advisor. All of these grants effective June 1, 2014 were valued at \$.38 cents the closing price of the Companies' stock at that date.

In August 2014, the Company granted 100,000 shares of common stock to Leo Womack for his services as a director during. These shares were valued, using the closing stock price on the date of grant, at \$23,000.

In September 2014, Marc Spezialy resigned as an officer and director of the company and transferred 1,000,000 shares of the Company's common stock, to the Company for no consideration. These shares were returned to treasury and cancelled.

In October 2014 an individual received 100,000 shares of restricted common stock in connection with consulting services he has rendered and will render in the future. These shares are not subject to vesting and the grant date fair value of \$0.13 and was determined by the closing stock price on the date of grant.

As of December 15, 2014 Mr. Lee H. Lytton was elected a Director of the Company and was granted 100,000 shares of common stock valued at \$0.12 as of the closing stock price on the day granted.

Following the above issuances of common stock, the Company has 19,353,152 shares issued and outstanding as of December 31, 2014. The company has granted 488,895 restricted shares to David Baker which were not vested on December 31, 2014. After his resignation on February 28, 2015, 400,000 of these shares were voided and returned to the treasury.

Summary information regarding common stock warrants issued and outstanding as of December 31, 2014, is as follows:

	Warrants	Weighted Average Exercise Price	Aggregate intrinsic value	Weighted average remaining contractual life (years)
Outstanding at year ended December 31, 2013	1,570,000	0.80	-	8.6
Granted	2,608,445	\$ 0.75	-	4.5
Exercised	-	-	-	
Expired	(8,334)	-	-	
Outstanding at year ended December 31, 2014	<u>4,170,111</u>	<u>\$ 0.77</u>	<u>\$ -</u>	<u>6.1</u>

ROCKDALE RESOURCES CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 6. COMMITMENTS AND CONTINGENCIES

Environmental Matters – 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 lessee under an oil and gas lease for the cost of pollution clean-up resulting from operations and subject the lessee 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 December 31, 2014, which have not been provided for, covered by insurance or otherwise 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.

Office Lease – As of December 31, 2014, the Company has no leases.

NOTE 7. OIL AND GAS ACQUISITIONS

In April 2012, the Company entered into a farmout agreement with a related party pertaining to a 200-acre lease in Milam County, Texas at a price of \$475,000. In October 2012, the Company entered into an additional farmout agreement with the related party for an additional 2.5 acres at a price of \$10. As of December 31, 2012, the Company had completed the drilling of six wells on the leased properties. The total amount incurred for the drilling of the six wells was \$2,125,685 as of December 31, 2012.

In April 2013, the Company entered into a lease pertaining to a 440 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.

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.

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

As consideration for the New Lease, concurrently with Noack's execution of the New Lease in June 2013, the Company paid Noack \$3,116.45. As further consideration for the New Lease, on October 24, 2013, the Company issued Noack 100,000 shares of the Company's common stock. Under the New Lease, the Company must pay \$1,000.00 per acre for well sites (with payments for fractions of an acre to be prorated based on the fraction of the acre used) as compensation for surface damages. The Company is also obligated to pay for certain other damages actually caused to the leased premises.

ROCKDALE RESOURCES CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

In conjunction with Noack's execution of the New Lease, on May 31, 2013, the Company entered into a Defense and Indemnity Agreement with Noack Farms, LLC (the "Defense Agreement"). Under the Defense Agreement, the Company agreed to defend and indemnify Noack and certain parties related to Noack against certain claims asserted by any third party relating to the negotiation, execution, recording, or existence of the New Lease.

As of December 31, 2014, the Company had completed the drilling of sixteen wells on the leased properties. Four of these wells have been pledged as collateral for the convertible notes payable more fully discussed in Note 4.

NOTE 8. ASSET RETIREMENT OBLIGATIONS

During the calendar years presented, the Company brought a number of oil and gas wells into productive status and will have asset retirement obligations once the wells are permanently removed from service. The primary obligations involve the removal and disposal of surface equipment, plugging and abandoning the wells, and site restoration. For the purpose of determining the fair value of ARO incurred during the calendar years presented, the Company used the following assumptions:

	<u>December 31,</u> <u>2014</u>
Inflation rate (avg.)	1.3 %
Estimated asset life	18 years

The following table shows the change in the Company's ARO for 2014 and 2013:

Asset retirement obligations at December 31, 2012	\$ 52,644
Obligations assumed in acquisition	-
Additional retirement obligations incurred	26,345
Change in estimate	(74,777)
Accretion expense	8,592
Settlements	<u>-</u>
Asset retirement obligations at December 31, 2013	\$ 12,804
Obligations assumed in acquisition	-
Additional retirement obligations incurred	19,418
Change in estimate	66,081
Accretion expense	1,872
Settlements	<u>-</u>
Asset retirement obligations at December 31, 2014	<u>\$ 100,175</u>

ROCKDALE RESOURCES CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 9. INCOME TAXES

There was no provision for income taxes for 2014 and 2013 due to a net operating losses and doubt as to the entity's ability to continue as a going concern resulting in a 100% valuation allowance. Years from 2011 forward are open to IRS examination.

The provision for income taxes differs from the amount computed by applying the federal statutory income tax rate (35%) on operations due primarily to permanent differences attributable to organizational expenses for the purchase of Art Design, Inc. (the shell company) in the amount of \$148,014.

	Fiscal Year Ended December 31, 2014	Fiscal Year Ended December 31, 2013
Income tax expense computed at statutory rates	\$ (603,209)	\$ (304,646)
Non-deductible items	468,253	24,823
Change in valuation allowance	134,956	279,823
Total	\$ -	\$ -

The components of the net deferred tax asset were as follows:

	December 31, 2013	
	Gross Values	Tax Effect
Deferred tax assets		
Book Impairment	\$ -	\$ -
Net operating loss carryforwards	3,417,844	1,196,245
Asset retirement obligation	-	-
Other	6,000	2,100
Total deferred tax assets	3,423,844	1,198,345
Deferred tax liabilities		
O&G Properties	(1,280,525)	(448,184)
Other	-	-
Total deferred tax liabilities	(1,280,525)	(448,184)
Less: Valuation allowance	(2,143,319)	(750,161)
Net deferred tax assets (liabilities)	\$ -	\$ -
	December 31, 2014	
	Gross Values	Tax Effect
Deferred tax assets		
Book Impairment	\$ -	\$ -
Net operating loss carryforwards	4,235,227	1,482,329
Asset retirement obligation	-	-
Other	-	-
Total deferred tax assets	4,235,227	1,482,329
Deferred tax liabilities		
O&G Properties	(1,631,976)	(571,192)
Other	-	-
Total deferred tax liabilities	(1,631,976)	(571,192)
Less: Valuation allowance	(2,603,251)	(911,137)
Net deferred tax assets (liabilities)	\$ -	\$ -

ROCKDALE RESOURCES CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

A valuation allowance has been established to offset deferred tax assets. The Company's accumulated net operating losses were approximately \$4.2 million at December 31, 2014 and begin to expire if not utilized beginning in the year 2032.

The Company has determined that as a result of the acquisition of substantially all of the outstanding stock of Art Design, Inc., a change of control pursuant to Section 382 of the Internal Revenue Code of 1986 occurred. As a result, the Company's ability to use any net operating losses attributable to Art Design, Inc. for federal income tax purposes has been forfeited

NOTE 10. SUPPLEMENTAL INFORMATION RELATING TO OIL AND GAS PRODUCING ACTIVITIES (UNAUDITED)

Costs Incurred in Oil and Gas Property Acquisition, Exploration and Development. Amounts reported as costs incurred include both capitalized costs and costs charged to expense during the year for oil and gas property acquisition, exploration and development activities. Costs incurred also include new asset retirement obligations established in the current year, as well as increases or decreases to the asset retirement obligations resulting from changes to cost estimates during the year. Exploration costs presented below include the costs of drilling and equipping successful exploration wells, as well as dry hole costs, leasehold impairments, geological and geophysical expenses, and the costs of retaining undeveloped leaseholds. Development costs include the costs of drilling and equipping development wells, and construction of related production facilities.

	Fiscal Year Ended December 31, 2014	Fiscal Year Ended December 31, 2013
Property acquisitions		
Unevaluated	\$ -	\$ -
Evaluated	-	-
Exploration	-	-
Development	675,426	756,219
Total Costs Incurred	\$ 675,426	\$ 756,219

Capitalized costs. Capitalized costs include the cost of properties, equipment and facilities for oil and natural-gas producing activities. Capitalized costs for proved properties include costs for oil and natural-gas leaseholds where proved reserves have been identified, development wells, and related equipment and facilities, including development wells in progress. Capitalized costs for unproved properties include costs for acquiring oil and gas leaseholds and geological and geophysical expenses where no proved reserves have been identified.

	December 31, 2014	December 31, 2013
Capitalized costs		
Unevaluated properties	\$ -	\$ -
Evaluated properties	3,715,779	2,954,854
	3,715,779	2,954,854
Less: Accumulated DD&A	(251,185)	(102,091)
Net capitalized costs	\$ 3,464,594	\$ 2,852,763

Oil and Gas Reserve Information. Mire and Associates, Inc., an independent engineering firm, prepared the estimates of the proved reserves, future production, and income attributable to the leasehold interests as of December 31, 2014 and 2013. The estimated proved net recoverable reserves presented below include only those quantities that were expected to be commercially recoverable at prices and costs in effect at the balance sheet dates under the then existing regulatory practices and with conventional equipment and operating methods. Proved Developed Reserves represent only those reserves estimated to be recovered through existing wells. Proved Undeveloped Reserves include those reserves that may be recovered from new wells on undrilled acreage or from existing wells on which a relatively major expenditure for recompletion or secondary recovery operations is required. All of the Company's Proved Reserves are located onshore in the continental United States of America.

Discounted future cash flow estimates like those shown below are not intended to represent estimates of the fair value of oil and gas properties. Estimates of fair value should also consider unproved reserves, anticipated future oil and gas prices, interest rates, changes in development and production costs and risks associated with future production. Because of these and other considerations, any estimate of fair value is subjective and imprecise.

ROCKDALE RESOURCES CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

The following table sets forth estimates of the proved oil and gas reserves (net of royalty interests) for the Company and changes therein, for the periods indicated.

	Oil (Bbls)		December 31, 2014	December 31, 2013
December 31, 2012	219,614			
Revisions of prior estimates	(8,537)			
Purchases of reserves in place	18,991			
Production	(3,468)			
December 31, 2013	226,600			
Revisions of prior estimates	(59,218)			
Purchases of reserves in place	142,080			
Production	(7,562)			
December 31, 2014	301,900			
			December 31, 2014	December 31, 2013
Estimated Quantities of Proved Developed Reserves – Oil (Bbls)		79,100		29,900
Estimated Quantities of Proved Undeveloped Reserves – Oil (Bbls)		222,800		196,700

Standardized Measure of Discounted Future Net Cash Flows. The Standardized Measure related to proved oil and gas reserves is summarized below. Future cash inflows were computed by applying a twelve month average of the first day of the month prices to estimated future production, less estimated future expenditures (based on year end costs) to be incurred in developing and producing the proved reserves, less estimated future income tax expense. Future income tax expenses are calculated by applying appropriate year-end tax rates to future pretax net cash flows, less the tax basis of properties involved. 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 or the present value of the Company.

Standardized Measure of Oil and Gas

The following table sets forth the changes in standardized measure of discounted future net cash flows relating to proved oil and gas reserves for the periods indicated.

	December 31, 2013
Future cash inflows	\$ 21,168,740
Future production costs	(7,050,170)
Future development costs	(2,060,100)
Future income taxes	-
	12,058,470
Discount of future net cash flows at 10% per annum	(4,091,920)
Standardized measure of discounted future net cash flows	\$ 7,966,550

ROCKDALE RESOURCES CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

	December 31, 2014	
Future cash inflows	\$ 27,417,550	
Future production costs	(14,381,500)	
Future development costs	(2,507,000)	
Future income taxes	-	
Future net cash flows	10,529,050	
Discount of future net cash flows at 10% per annum	(4,225,170)	
Standardized measure of discounted future net cash flows	<u>\$ 6,303,880</u>	
 <i>Changes in standardized measure of discounted future cash flows</i>		
	<u>12/31/14</u>	<u>12/31/13</u>
Beginning of year	7,966,550	4,440,757
Sales and transfers of oil & gas produced, net of production costs	(392,979)	(144,845)
Net changes in prices and production costs	(1,454,390)	808,717
Development costs incurred	675,426	829,168
Changes in estimated future development costs	(1,896,600)	316,612
Acquisitions of minerals in place, net of production costs	2,966,532	1,183,256
Revision of previous estimates	(867,355)	(180,497)
Change in discount	796,655	444,076
Change in production rate or other	(1,489,959)	269,306
End of year	<u>6,303,880</u>	<u>7,966,550</u>

NOTE 11. SUBSEQUENT EVENTS

On February 28, 2015 David Baker resigned as the President and CEO of the Company and Mr. Zel C. Khan was appointed to be the interim CEO pending the execution of a formal long-term employment agreement with Mr. Khan which would coincide with the closing of a major transaction with Mr. Khan's Jovian Petroleum Company.

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.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the Registrant has caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized on the 22nd day of May, 2015.

ROCKDALE RESOURCES CORPORATION

By: /s/ Zel Khan
Zel Khan
Chief Executive Officer

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
<u>/s/ Zel C Khan</u> Zel C. Khan	Principal Executive	May 22, 2015

CERTIFICATIONS

I, Zel C. Khan, certify that:

1. I have reviewed this annual report on Form 10-K of Rockdale Resources Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15 and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or cause such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of the internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have significant role in the registrant's internal control over financial reporting.

May 22, 2015

/s/ Zel C. Khan
Zel C. Khan, Principal Executive Officer

In connection with the Annual Report of Rockdale Resources Corporation (the "Company") on Form 10-K for the period ending December 31, 2014 as filed with the Securities and Exchange Commission (the "Report"), Zel C. Khan, the Company's Principal Executive and Financial Officer, certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of the Company.

May 22, 2015

/s/ Zel C. Khan
Zel C. Khan, Principal Executive Officer



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Katy, TX 77449
Tel: 281-646-9878
www.mireandassociates.com

April 30, 2015

Rockdale Resources Corporation
710 N Post Oak #400
Houston, TX 77024
ATTN: Mr. Leo Womack

SUBJECT: 2014 YE SEC RESERVES EVALUATION

Mr. Womack,

Mire and Associates, Inc. (MAI) has evaluated the proved and probable reserves as of December 31, 2014 for the Rockdale Resources Corporation (Rockdale) interest in selected oil properties. Reserves and cash flows were generated for the Rockdale interests using SEC pricing (\$94.99 per barrel). These estimates were done as per the Securities and Exchange Commission's standards as described in the December 2008 amendment of Section 210.4-10 of Regulation S - X. This report is provided to Rockdale Resources Corporation to satisfy the requirements contained in Item 1202(a)(8) of U.S. Securities and Exchange Commission Regulation S-K.

As of December 31, 2014 we estimate Rockdale's net proved and probable (2P) reserves to be about 545,010 barrels of oil (545.0 MBO). Projected future cash flows show a discounted net present value (NPV10%) of \$11,390,460. ***Rockdale's net proved reserves are estimated to be 301,920 barrels of oil (301.9 MBO) and projected future cash flows indicate a discounted net present value of (NPV10%) of \$6,303,880.***

Discussion

The Rockdale properties consist of producing and undeveloped reserves in the Minerva-Rockdale Field located in Milam County, Texas. The purpose of this report is to estimate oil and gas reserves for Rockdale Resources Corporation using industry standard assumptions and methods. We evaluated the properties and a summary of the reserves and value by reserves class and category is shown in the following table.

Rockdale Resources Corporation
Reserves & Value Summary - December 31, 2014

Reserves Type	Gross Oil	Net Oil	Net Revenue	Expenses & Taxes	Investments	Disc. Cashflow NPV10	Life
	MBO	MBO	M\$	M\$	M\$	(M\$)	Years
Proved							
Producing	99.2	69.4	6,303.5	4,557.1	0.0	1,141.1	18.7
Non-Producing	11.6	9.7	878.2	412.0	109.0	219.9	20.0
Undeveloped	267.4	222.8	20,235.8	9,412.4	2,398.0	4,942.9	21.4
Total Proved	<u>378.2</u>	<u>301.9</u>	<u>27,417.6</u>	<u>14,381.5</u>	<u>2,507.0</u>	<u>6,303.9</u>	<u>21.4</u>
Probable							
Undeveloped	291.7	243.1	22,075.4	10,267.5	2,616.0	5,086.6	22.2
Total (2P)	<u>669.9</u>	<u>545.01</u>	<u>49,493.0</u>	<u>24,649.0</u>	<u>5,123.0</u>	<u>11,390.5</u>	<u>22.2</u>

Method of appraisal

Significant data was collected and examined using offset analogy, volumetric calculations and decline curve analysis. Offset production, logs, maps, analog information and accounting statements were all studied. The properties have been evaluated on the basis of future net cash flow or income. This income will accrue to the appraised interest as the wells are produced to their economic limits. The future net income has also been shown discounted at ten percent (10%) to determine its present worth as required by Regulation S - X.

Economic assumptions

For the cash flow analysis an oil price of \$94.99 per barrel was used as per SEC pricing guidelines for 2014. There were no gas reserves. Local field price differentials were applied. These prices were held constant (no escalations).

Operating expense data were supplied by Rockdale for the properties. MAI analyzed these expenses and average values were included in our cash flows. These expenses were held constant through the life of the properties (no escalations). Lease restoration and well abandonment costs are not included in our analysis as the equipment salvage value should cover these costs.

Reserves determination

Reserves were estimated for the wells by using engineering and geologic methods widely accepted in the industry. For the producing reservoirs, performance methods were used to estimate reserves. Extrapolations were made of various historical data including oil, gas and water production and pressure data. For undrilled reservoirs we used volumetric calculations or offset analogy analysis.

Mire & Associates, Inc. have made use of all data, appropriate methods, and procedures that are needed to prepare this report according to SEC regulation S-X Section 210.4-10 as amended on December 2008. All estimates are a function of the quality of the available data and are subject to the existing economic conditions, operating methods, and government regulations in effect at the time of the report. The reserves presented in this report are estimates only and should not be interpreted as being exact amounts. Actual volumes recovered could be higher or lower than estimated.

Not only are such reserves and revenue estimates based on that information which is currently available, but such estimates are also subject to the uncertainties inherent in the application of judgmental factors in interpreting such information. New regulations could have an adverse effect on the reserves calculated in this report. Importantly changes to regulations on water disposal or well reinjection could significantly decrease or eliminate this report's proved reserves.

Titles to the evaluated property have not been examined or independently confirmed. The data used in this evaluation was supplied by Rockdale or was obtained from public sources.

Summary

Mire & Associates, Inc. has evaluated the 2014 YE reserves for Rockdale Resources' properties in Milam County Texas. Net proved and probable (2P) reserves are 545,010 barrels of oil with a net present value of \$11,390,460.

Kurt Mire supervised or performed all of the relevant technical work during the creation of this report. He is a licensed petroleum engineer with a B.S. degree in Petroleum Engineering from the University of Louisiana at Lafayette and 30 years of experience. In our opinion the reserve estimates presented in this report are reasonable and were made with generally accepted engineering and evaluation principles. The Economic Summary Projection tables for each reserves category are attached.

Sincerely,



Kurt Mire, P.E.
Petroleum Engineering Consultant



Date: 05/22/2015 12:29:17PM

Partner: All Cases

ECONOMIC SUMMARY PROJECTION
Rockdale-Minerva Field Evaluation
Custom Selection
Discount Rate : 10.00
As of: 01/01/2015

Total

2014 YE SEC RESERVES
 \$94.99/BBL - PROVED & PROBABLE

Est. Cum Oil (Mbb) : 15.90
Est. Cum Gas (MMcf) : 0.00
Est. Cum Water (Mbb) : 22.12

Year	Oil	Gas	Oil	Gas	Oil	Gas	Oil & Gas	Misc. Rev.	Costs	Taxes	Invest.	NonDisc. CF	Cum
	Gross (Mbb)	Gross (MMcf)	Net (Mbb)	Net (MMcf)	Price (\$/bbl)	Price (\$/Mcf)	Rev. Net (M\$)	Net (M\$)	Net (M)	Net (M\$)	Net (M\$)	Annual (M\$)	Disc. CF (M\$)
2015	16.87	0.00	14.05	0.00	90.81	0.00	1,276.33	0.00	335.11	90.73	1,417.00	-566.51	-520.89
2016	79.18	0.00	65.99	0.00	90.81	0.00	5,992.31	0.00	870.74	425.99	3,597.00	1,098.57	384.14
2017	77.10	0.00	64.25	0.00	90.81	0.00	5,834.31	0.00	1,127.42	414.76	109.00	4,183.13	3,690.38
2018	56.61	0.00	47.18	0.00	90.81	0.00	4,284.33	0.00	1,120.26	304.57	0.00	2,859.50	5,744.25
2019	46.32	0.00	38.60	0.00	90.81	0.00	3,505.33	0.00	1,081.08	249.19	0.00	2,175.05	7,163.86
2020	39.95	0.00	33.29	0.00	90.81	0.00	3,023.24	0.00	1,081.08	214.92	0.00	1,727.24	8,188.38
2021	35.30	0.00	29.41	0.00	90.81	0.00	2,671.12	0.00	1,081.08	189.89	0.00	1,400.15	8,943.13
2022	31.90	0.00	26.58	0.00	90.81	0.00	2,413.85	0.00	1,081.08	171.60	0.00	1,161.17	9,512.12
2023	29.23	0.00	24.36	0.00	90.81	0.00	2,212.21	0.00	1,073.24	157.27	0.00	981.71	9,949.27
2024	27.15	0.00	22.62	0.00	90.81	0.00	2,054.39	0.00	1,034.06	146.05	0.00	874.28	10,303.28
2025	25.28	0.00	21.07	0.00	90.81	0.00	1,913.18	0.00	1,034.06	136.01	0.00	743.11	10,576.76
2026	23.77	0.00	19.81	0.00	90.81	0.00	1,798.60	0.00	1,034.06	127.86	0.00	636.67	10,789.76
2027	22.46	0.00	18.72	0.00	90.81	0.00	1,699.72	0.00	1,034.06	120.83	0.00	544.83	10,955.48
2028	21.37	0.00	17.81	0.00	90.81	0.00	1,617.18	0.00	1,034.06	114.96	0.00	468.15	11,084.94
2029	20.27	0.00	16.89	0.00	90.81	0.00	1,533.90	0.00	1,034.06	109.04	0.00	390.79	11,183.17
Rem.	<u>101.26</u>	<u>0.00</u>	<u>84.38</u>	<u>0.00</u>	<u>90.81</u>	<u>0.00</u>	<u>7,662.99</u>	<u>0.00</u>	<u>6,075.11</u>	<u>544.76</u>	<u>0.00</u>	<u>1,043.12</u>	<u>207.30</u>
Total	22.2 <u>654.02</u>	0.00 <u>0.00</u>	545.01 <u>0.00</u>	0.00 <u>0.00</u>	90.81 <u>0.00</u>	0.00 <u>0.00</u>	49,492.98 <u>0.00</u>	0.00 <u>0.00</u>	21,130.59 <u>6,075.11</u>	3,518.43 <u>544.76</u>	5,123.00 <u>0.00</u>	19,720.96 <u>1,043.12</u>	11,390.46 <u>207.30</u>

Ult. 669.91 0.00

Eco. Indicators

Return on Investment (disc) :	3.501	Present Worth Profile (M\$)			
Return on Investment (undisc) :	4.849	PW 5.00% :	14,664.84	PW 20.00% :	7,512.48
Years to Payout :	1.93	PW 8.00% :	12,546.30	PW 30.00% :	5,353.29
Internal Rate of Return (%) :	404.48	PW 10.00% :	11,390.46	PW 40.00% :	4,007.54
		PW 12.00% :	10,394.36	PW 50.00% :	3,103.89
		PW 15.00% :	9,137.95	PW 60.00% :	2,464.62

Date: 05/22/2015 12:29:17PM

Partner: All Cases

ECONOMIC SUMMARY PROJECTION
Rockdale-Minerva Field Evaluation
Custom Selection
Discount Rate : 10.00
As of: 01/01/2015

Total

2014 YE SEC RESERVES
 \$94.99/BBL - PROVED & PROBABLE

Proved Rsv Class

Est. Cum Oil (Mbbbl) : 15.90

Est. Cum Gas (MMcf) : 0.00

Est. Cum Water (Mbbbl) : 22.12

Year	Oil	Gas	Oil	Gas	Oil	Gas	Oil & Gas	Misc. Rev.	Costs	Taxes	Invest.	NonDisc. CF	Cum	
	Gross (Mbbbl)	Gross (MMcf)	Net (Mbbbl)	Net (MMcf)	Price (\$/bbl)	Price (\$/Mcf)	Rev. Net (M\$)	Net (M\$)	Net (M\$)	Net (M\$)	Net (M\$)	Annual (M\$)	Disc. CF (M\$)	
2015	16.87	0.00	14.05	0.00	90.81	0.00	1,276.33	0.00	335.11	90.73	1,417.00	-566.51	-520.89	
2016	52.04	0.00	43.37	0.00	90.81	0.00	3,938.03	0.00	676.02	279.95	1,090.00	1,892.06	1,091.54	
2017	36.33	0.00	30.27	0.00	90.81	0.00	2,749.23	0.00	696.10	195.44	0.00	1,857.69	2,560.17	
2018	28.63	0.00	23.86	0.00	90.81	0.00	2,166.67	0.00	688.26	154.03	0.00	1,324.39	3,511.02	
2019	24.19	0.00	20.16	0.00	90.81	0.00	1,830.89	0.00	649.08	130.16	0.00	1,051.65	4,197.30	
2020	21.28	0.00	17.73	0.00	90.81	0.00	1,610.04	0.00	649.08	114.46	0.00	846.50	4,699.36	
2021	19.05	0.00	15.87	0.00	90.81	0.00	1,441.53	0.00	649.08	102.48	0.00	689.97	5,071.27	
2022	17.38	0.00	14.49	0.00	90.81	0.00	1,315.51	0.00	649.08	93.52	0.00	572.91	5,351.99	
2023	16.05	0.00	13.38	0.00	90.81	0.00	1,214.82	0.00	641.24	86.36	0.00	487.22	5,568.87	
2024	15.00	0.00	12.50	0.00	90.81	0.00	1,135.09	0.00	602.06	80.69	0.00	452.34	5,752.02	
2025	14.04	0.00	11.70	0.00	90.81	0.00	1,062.45	0.00	602.06	75.53	0.00	384.85	5,893.65	
2026	13.26	0.00	11.05	0.00	90.81	0.00	1,003.09	0.00	602.06	71.31	0.00	329.72	6,003.96	
2027	12.57	0.00	10.48	0.00	90.81	0.00	951.27	0.00	602.06	67.63	0.00	281.58	6,089.60	
2028	11.99	0.00	9.99	0.00	90.81	0.00	907.49	0.00	602.06	64.51	0.00	240.91	6,156.23	
2029	11.39	0.00	9.49	0.00	90.81	0.00	862.18	0.00	602.06	61.29	0.00	198.82	6,206.20	
Rem.	<u>52.24</u>	<u>0.00</u>	<u>43.53</u>	<u>0.00</u>	<u>90.81</u>	<u>0.00</u>	<u>3,952.93</u>	<u>0.00</u>	<u>3,186.95</u>	<u>281.01</u>	<u>0.00</u>	<u>484.96</u>	<u>97.68</u>	
Total	21.4	362.30	0.00	301.92	0.00	90.81	0.00	27,417.55	0.00	12,432.38	1,949.10	2,507.00	10,529.07	6,303.88

Ult. 378.20 0.00

Eco. Indicators

Return on Investment (disc) :	3.744	Present Worth Profile (M\$)			
			5.00%		
Return on Investment (undisc) :	5.200	PW	:	7,973.13	PW 20.00% : 4,303.38
			:	8.00%	
Years to Payout :	1.50	PW	:	6,894.70	PW 30.00% : 3,169.56
			:	10.00%	
Internal Rate of Return (%) :	>1000	PW	:	6,303.88	PW 40.00% : 2,449.31
			:	12.00%	
		PW	:	5,793.03	PW 50.00% : 1,956.03
			:	15.00%	
		PW	:	5,146.03	PW 60.00% : 1,600.06

Date: 05/22/2015 12:29:17PM

Partner: All Cases

ECONOMIC SUMMARY PROJECTION
Rockdale-Minerva Field Evaluation
Custom Selection
Discount Rate : 10.00
As of: 01/01/2015

Total

2014 YE SEC RESERVES
 \$94.99/BBL - PROVED & PROBABLE

Probable Rsv Class

Est. Cum Oil (Mbbbl) : 0.00
Est. Cum Gas (MMcf) : 0.00
Est. Cum Water (Mbbbl) : 0.00

Year	Oil	Gas	Oil	Gas	Oil	Gas	Oil & Gas	Misc. Rev.	Costs	Taxes	Invest.	NonDisc. CF	Cum
	Gross (Mbbbl)	Gross (MMcf)	Net (Mbbbl)	Net (MMcf)	Price (\$/bbl)	Price (\$/Mcf)	Rev. Net (M\$)	Net (M\$)	Net (M\$)	Net (M\$)	Net (M\$)	Annual (M\$)	Disc. CF (M\$)
2015	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2016	27.15	0.00	22.62	0.00	90.81	0.00	2,054.27	0.00	194.73	146.04	2,507.00	-793.49	-707.40
2017	40.77	0.00	33.97	0.00	90.81	0.00	3,085.08	0.00	431.32	219.32	109.00	2,325.44	1,130.21
2018	27.98	0.00	23.32	0.00	90.81	0.00	2,117.65	0.00	432.00	150.54	0.00	1,535.11	2,233.23
2019	22.13	0.00	18.44	0.00	90.81	0.00	1,674.44	0.00	432.00	119.04	0.00	1,123.40	2,966.56
2020	18.67	0.00	15.56	0.00	90.81	0.00	1,413.20	0.00	432.00	100.46	0.00	880.74	3,489.02
2021	16.25	0.00	13.54	0.00	90.81	0.00	1,229.59	0.00	432.00	87.41	0.00	710.18	3,871.86
2022	14.51	0.00	12.09	0.00	90.81	0.00	1,098.34	0.00	432.00	78.08	0.00	588.26	4,160.13
2023	13.18	0.00	10.98	0.00	90.81	0.00	997.39	0.00	432.00	70.90	0.00	494.49	4,380.40
2024	12.15	0.00	10.12	0.00	90.81	0.00	919.30	0.00	432.00	65.35	0.00	421.94	4,551.26
2025	11.24	0.00	9.37	0.00	90.81	0.00	850.73	0.00	432.00	60.48	0.00	358.25	4,683.10
2026	10.51	0.00	8.76	0.00	90.81	0.00	795.50	0.00	432.00	56.55	0.00	306.95	4,785.80
2027	9.89	0.00	8.24	0.00	90.81	0.00	748.45	0.00	432.00	53.21	0.00	263.25	4,865.87
2028	9.38	0.00	7.82	0.00	90.81	0.00	709.69	0.00	432.00	50.45	0.00	227.24	4,928.71
2029	8.88	0.00	7.40	0.00	90.81	0.00	671.72	0.00	432.00	47.75	0.00	191.97	4,976.96
Rem.	<u>49.03</u>	<u>0.00</u>	<u>40.86</u>	<u>0.00</u>	<u>90.81</u>	<u>0.00</u>	<u>3,710.07</u>	<u>0.00</u>	<u>2,888.16</u>	<u>263.75</u>	<u>0.00</u>	<u>558.16</u>	<u>109.62</u>
Total	22.2 <u>291.71</u>	0.00 <u>0.00</u>	243.09 <u>0.00</u>	0.00 <u>0.00</u>	90.81 <u>0.00</u>	0.00 <u>0.00</u>	22,075.43 <u>0.00</u>	0.00 <u>0.00</u>	8,698.21 <u>1,569.33</u>	1,569.33 <u>2,616.00</u>	2,616.00 <u>9,191.89</u>	9,191.89 <u>5,086.59</u>	

Ult. 291.71 0.00

Eco. Indicators

Return on Investment (disc) :	3.253	Present Worth Profile (M\$)			
		5.00%		20.00%	
Return on Investment (undisc) :	4.514	PW	6,691.70	PW	3,209.10
			8.00%		30.00%
Years to Payout :	2.31	PW	5,651.60	PW	2,183.73
			10.00%		40.00%
Internal Rate of Return (%) :	201.41	PW	5,086.59	PW	1,558.23
			12.00%		50.00%
		PW	4,601.33	PW	1,147.85
			15.00%		60.00%
		PW	3,991.92	PW	864.56



Consultant



Kurt Mire, P.E.

Senior Consultant – Reservoir Engineering/Project Management

Summary

Mr. Mire is a senior reservoir and production engineer with thirty (30) years of experience in E&P. This experience has been gained at major and independent oil companies and by projects done for Tier I consulting firms Ryder Scott Company and Netherland, Sewell & Associates. Domestic experience includes Louisiana, Texas, Gulf of Mexico, Mid-Continent, and Rocky Mountains. International experience includes Mexico, South America, Iraq, Trinidad, and Asia. He has proven skills in reservoir and production engineering, operations, reserves estimation, Monte Carlo simulation, nodal analysis, field studies, and property evaluations.

Experience- 30 years

Mire & Associates, Inc., Houston	2004 – present
BP America, Houston	2001 – 2003
Independent Consultant, Lafayette, LA	1999 – 2001
Subsurface Consultants, Lafayette, LA	1993 – 1998
Black Gold Production Co., Hammond, LA	1991 – 1993
Independent Consultant Morgan City, LA	1988 – 1991
Texaco, Inc., Morgan City, LA	1983 – 1987

Education

B.S., Petroleum Engineering
University of Louisiana at Lafayette, 1982

