

BLUE DOLPHIN ENERGY CO  
Form 10-Q  
August 14, 2014

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

FORM 10-Q

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended: June 30, 2014

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 0-15905

BLUE DOLPHIN ENERGY COMPANY  
(Exact name of registrant as specified in its charter)

Delaware 73-1268729  
(State or other (I.R.S.  
jurisdiction of Employer  
incorporation Identification  
or No.)  
organization)

801 Travis Street, Suite 2100, Houston, Texas 77002  
(Address of principal executive offices)

(713) 568-4725  
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) filed all reports required 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 Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting

company” in Rule 12b-2 of the Exchange Act.

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

(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 Exchange Act). Yes  No

Number of shares of common stock, par value \$0.01 per share outstanding as of August 14, 2014: 10,446,218

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## PART I FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

Blue Dolphin Energy Company & Subsidiaries  
Consolidated Balance Sheets (Unaudited)

	June 30, 2014	December 31, 2013
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$1,441,199	\$434,717
Restricted cash	1,004,497	327,388
Accounts receivable	8,136,853	13,487,106
Prepaid expenses and other current assets	299,979	333,683
Deposits	861,713	1,219,660
Inventory	7,501,537	4,686,399
<b>Total current assets</b>	<b>19,245,778</b>	<b>20,488,953</b>
<b>Total property and equipment, net</b>	<b>36,237,745</b>	<b>36,388,666</b>
Surety bonds	850,000	-
Debt issue costs, net	481,636	498,536
Trade name	303,346	303,346
<b>TOTAL ASSETS</b>	<b>\$57,118,505</b>	<b>\$57,679,501</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$16,829,706	\$20,783,541
Accounts payable, related party	2,263,719	3,659,340
Notes payable	1,949,401	11,884
Asset retirement obligations, current portion	64,981	107,388
Accrued expenses and other current liabilities	2,138,781	1,600,444
Interest payable, current portion	50,348	40,272
Long-term debt, current portion	427,176	2,215,918
<b>Total current liabilities</b>	<b>23,724,112</b>	<b>28,418,787</b>
<b>Long-term liabilities:</b>		
Asset retirement obligations, net of current portion	1,893,764	1,490,273
Deferred revenues and expenses	777,966	-
Long-term debt, net of current portion	9,731,190	13,889,349
Long-term interest payable, net of current portion	1,169,931	1,767,381
<b>Total long-term liabilities</b>	<b>13,572,851</b>	<b>17,147,003</b>
<b>TOTAL LIABILITIES</b>	<b>37,296,963</b>	<b>45,565,790</b>
<b>STOCKHOLDERS' EQUITY</b>		

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Common stock (\$0.01 par value, 20,000,000 shares authorized; 10,596,218 and 10,580,973 shares issued at June 30, 2014 and December 31, 2013, respectively)	105,963	105,810
Additional paid-in capital	36,698,813	36,623,965
Accumulated deficit	(16,183,234)	(23,816,064)
Treasury stock, 150,000 shares at cost	(800,000 )	(800,000 )
Total stockholders' equity	19,821,542	12,113,711
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$57,118,505</b>	<b>\$57,679,501</b>

See accompanying notes to consolidated financial statements.

Blue Dolphin Energy Company & Subsidiaries  
Consolidated Statements of Operations (Unaudited)

Three Months Ended June 30,		Six Months Ended June 30,	
2014	2013	2014	2013

REVENUE FROM OPERATIONS