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PYR ENERGY CORP
Form 10QSB/A
July 16, 2001

U.S. Securities And Exchange Commission
Washington, D.C. 20549

FORM 10-QSB/A1

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

For the quarterly period ended February 28, 2001

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

For the transition period from _____ to _____

Commission File No. 0-20879

PYR ENERGY CORPORATION

(Exact name of small business issuer as specified in its charter)

| | |
|--|---|
| Delaware ----- (State or jurisdiction of incorporation or organization) | 95-4580642 ----- (I.R.S. Employer Identification No.) |
| 1675 Broadway, Suite 2450, Denver, CO ----- (Address of principal executive offices) | 80202 ----- (Zip Code) |

Issuer's telephone number, including area code (303) 825-3748

Check whether the issuer (1) filed all reports required to be filed by
Section 13 or 15(d) of the Securities Exchange Act of 1934 during the 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 X No___

(APPLICABLE ONLY TO CORPORATE REGISTRANTS)

The number of shares outstanding of each of the issuer's classes of common
equity as of April 16, 2001 is as follows:

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\$.001 Par Value Common Stock

23,633,857

This Form 10-QSB/A1 is filed only to append disclosure under Part II, Item 2 "Changes in Securities and Use of Proceeds; Recent Sales of Unregistered Securities." No changes have been made to the Financial Statements.

PYR ENERGY CORPORATION

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PART I

ITEM 1. FINANCIAL STATEMENTS

PYR ENERGY CORPORATION
(A Development Stage Company)
BALANCE SHEETS

| ASSETS | 8/31/00 | 2/28/01 (UNAUDITED) |
|--|---------------|------------------------|
| | ----- | ----- |
| CURRENT ASSETS | | |
| Cash | \$ 8,598,016 | \$ 3,078,030 |
| Oil and gas receivables | -- | 249,308 |
| Other Receivables | -- | 108,060 |
| Deposits and prepaid expenses | 20,835 | 41,847 |
| | ----- | ----- |
| Total Current Assets | 8,618,851 | 3,477,245 |
| | ----- | ----- |
| PROPERTY AND EQUIPMENT, at cost | | |
| Furniture and equipment, net | 29,650 | 34,232 |
| Oil and gas properties | 11,293,589 | 18,140,998 |
| | ----- | ----- |
| | 11,323,239 | 18,175,230 |
| | ----- | ----- |
| OTHER ASSETS | | |
| Deposits | -- | 3,278 |
| Deferred financing costs | -- | 110,440 |
| | ----- | ----- |
| | -- | 113,718 |
| | ----- | ----- |
| | \$ 19,942,090 | \$ 21,766,193 |
| | ===== | ===== |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| CURRENT LIABILITIES | | |
| Accounts payable and accrued liabilities | \$ 165,289 | \$ 525,013 |
| Current portion of capital lease obligation | 920 | -- |
| | ----- | ----- |
| Total Current Liabilities | 166,209 | 525,013 |
| | ----- | ----- |
| Total Liabilities | 166,209 | 525,013 |
| | ----- | ----- |
| COMMITMENTS AND CONTINGENCIES | | |
| STOCKHOLDERS' EQUITY | | |
| Preferred stock, \$.001 par value; Authorized 1,000,000 shares | | |
| Series A - Issued and outstanding - 14,263 | | |
| Shares at 8/31/00 - \$100 face value, 10% coupon | 14 | -- |
| Common stock, \$.001 par value | | |
| Authorized 50,000,000 shares | | |
| Issued and outstanding - 19,069,019 shares | | |

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| | | |
|---|----------------------|----------------------|
| at 8/31/00 and 22,183,857 shares at 2/28/01 | 19,069 | 22,184 |
| Capital in excess of par value | 22,048,384 | 23,702,963 |
| Retained earnings/(accumulated deficit) | (2,291,586) | (2,483,967) |
| | <u>19,775,881</u> | <u>21,241,180</u> |
| | <u>\$ 19,942,090</u> | <u>\$ 21,766,193</u> |

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PYR ENERGY CORPORATION
(A Development Stage Company)
STATEMENTS OF OPERATIONS
(UNAUDITED)

| | Three Months Ended 2/29/00 | Three Months Ended 2/28/01 | Six Months Ended 2/29/00 | |
|--|-------------------------------------|-------------------------------------|-----------------------------------|-----------|
| REVENUES | | | | |
| Oil and gas revenues | \$ -- | \$ 252,360 | \$ -- | \$ |
| Consulting fees | -- | -- | -- | |
| Interest | 27,447 | 57,206 | 84,289 | |
| | <u>27,447</u> | <u>309,566</u> | <u>84,289</u> | |
| OPERATING EXPENSES | | | | |
| Oil and gas operating expenses | -- | 3,052 | -- | |
| General and administrative | 263,993 | 320,781 | 481,838 | |
| Dry hole, impairment and abandonments | -- | -- | -- | |
| Interest | 55 | -- | 121 | |
| Depreciation, depletion and amortization | 4,699 | 20,878 | 9,257 | |
| | <u>268,747</u> | <u>344,711</u> | <u>491,216</u> | |
| OTHER INCOME | | | | |
| Gain on asset sale | -- | -- | -- | |
| | <u>(241,300)</u> | <u>(35,145)</u> | <u>(406,927)</u> | |
| INCOME APPLICABLE TO PREDECESSOR LLC | -- | -- | -- | |
| NET (LOSS) | (241,300) | (35,145) | (406,927) | |
| Less dividends on preferred stock | -- | (62,899) | -- | |
| NET (LOSS) COMMON STOCKHOLDERS | <u>\$ (241,300)</u> | <u>\$ (98,044)</u> | <u>\$ (406,927)</u> | <u>\$</u> |
| NET INCOME (LOSS) PER COMMON SHARE -BASIC AND DILUTED | <u>\$ (.015)</u> | <u>\$ (.002)</u> | <u>\$ (.027)</u> | <u>\$</u> |

WEIGHTED AVERAGE NUMBER OF

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| | | | | |
|---------------------------|------------|------------|------------|-------|
| COMMON SHARES OUTSTANDING | 15,850,710 | 22,067,791 | 15,193,540 | 20 |
| | ===== | ===== | ===== | ===== |

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PYR ENERGY CORPORATION
(A Development Stage Company)
STATEMENTS OF CASH FLOWS
(UNAUDITED)

| | Six Months Ended 2/29/00 | Six Months Ended 2/28/01 | from t |
|---|-----------------------------|-----------------------------|-----------|
| | ----- | ----- | ----- |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net (loss) | \$ (406,927) | \$ (192,381) | \$ (|
| Adjustments to reconcile net income (loss) to net cash provided by operating activities | | | |
| Depreciation, depletion and amortization | 9,257 | 24,981 | |
| Contributed services | (20,000) | -- | |
| Gain on sale of oil and gas prospects | -- | -- | |
| Dry hole, impairment and abandonments | -- | -- | |
| Common stock issued for interest on debt | -- | -- | |
| Common stock issue for consulting fees | -- | -- | |
| Amortization of financing costs | -- | -- | |
| Amortization of marketable securities | -- | -- | |
| Changes in assets and liabilities | | | |
| Decrease (increase) in accounts and other receivables | 1,425 | (356,806) | |
| (Increase) in prepaids | (24,153) | (135,296) | |
| (Decrease) increase in accounts payable | (68,776) | 359,725 | |
| Other | -- | 1,888 | |
| | ----- | ----- | ----- |
| Net cash (used) by operating activities | (509,174) | (297,889) | (|
| | ----- | ----- | ----- |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Cash paid for furniture and equipment | (4,200) | (15,382) | |
| Cash paid for undeveloped oil and gas properties | (2,528,254) | (6,863,475) | (1 |
| Proceeds from sale of oil and gas properties | -- | -- | |
| Cash paid for marketable securities | -- | -- | |
| Proceeds received from marketable securities | 3,188,970 | -- | |
| Cash paid for reimbursable property costs | (20,500) | -- | |
| | ----- | ----- | ----- |
| Net cash (used) in investing activities | 636,016 | (6,878,857) | (1 |
| | ----- | ----- | ----- |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Members capital contributions | -- | -- | |
| Distributions to members | -- | -- | |
| Cash from short-term borrowings | -- | -- | |
| Repayments of short-term borrowings | -- | -- | |
| Proceeds from sale of common stock | -- | -- | 1 |
| Proceeds from convertible debt | -- | -- | |
| Proceeds from exercise of warrants | 43,750 | 1,557,165 | |
| Proceeds from exercise of options | -- | 117,706 | |
| Cash paid for offering costs | -- | (17,191) | |

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| | | | |
|--|------------|--------------|-------|
| Cash received upon recapitalization and merger | -- | -- | |
| Payments on capital lease | (781) | (920) | |
| Preferred dividends paid | -- | -- | |
| | ----- | ----- | ----- |
| Net cash (used) provided by financing activities | 42,969 | 1,656,760 | 2 |
| | ----- | ----- | ----- |
| NET INCREASE/(DECREASE) IN CASH | 169,811 | (5,519,986) | |
| CASH, BEGINNING OF PERIODS | 117,905 | 8,598,016 | |
| | ----- | ----- | ----- |
| CASH, END OF PERIODS | \$ 287,716 | \$ 3,078,030 | \$ |
| | ===== | ===== | ===== |

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PYR ENERGY CORPORATION
 (A Development Stage Company)
 Notes to Financial Statements
 February 28, 2001

The accompanying interim financial statements of PYR Energy Corporation are unaudited. In the opinion of management, the interim data includes all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the results for the interim period.

We have prepared the financial statements included herein pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. We believe the disclosures made are adequate to make the information not misleading and recommend that these condensed financial statements be read in conjunction with the financial statements and notes included in our Form 10-KSB for the year ended August 31, 2000.

PYR Energy Corporation (formerly known as Mar Ventures Inc. ("Mar")) was incorporated under the laws of the State of Delaware on March 27, 1996. Mar was a public company with no significant operations as of July 31, 1997. On August 6, 1997, Mar acquired all the interests in PYR Energy LLC ("PYR LLC") (a Colorado limited liability company organized on May 31, 1996), a development stage company as defined by Statement of Financial Accounting Standards (SFAS) No. 7. PYR LLC, an independent oil and gas exploration company, was engaged in the acquisition of undeveloped oil and gas interests for exploration and exploitation in the Rocky Mountain region and California. As of August 6, 1997, PYR LLC had acquired only non-producing leases and acreage, and no exploration had commenced on the properties. Upon completion of the acquisition of PYR LLC by Mar, PYR LLC ceased to exist as a separate entity. Mar remained as the surviving legal entity and, effective November 12, 1997, Mar changed its name to PYR Energy Corporation.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

USE OF ESTIMATES - The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial

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statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CASH EQUIVALENTS - For purposes of reporting cash flows, we consider as cash equivalents all highly liquid investments with a maturity of three months or less at the time of purchase. At February 28, 2001, there were no cash equivalents.

PROPERTY AND EQUIPMENT - Furniture and equipment is recorded at cost. Depreciation is provided by use of the straight-line method over the estimated useful lives of the related assets of three to five years. Expenditures for replacements, renewals, and betterments are capitalized. Maintenance and repairs are charged to operations as incurred.

OIL AND GAS PROPERTIES - We follow the full cost method to account for our oil and gas exploration and development activities. Under the full cost method, all costs incurred which are directly related to oil and gas exploration and development are capitalized and subjected to depreciation and depletion. Depletable costs also include estimates of future development costs of proved reserves. Costs related to undeveloped oil and gas properties may be excluded from depletable costs until such properties are evaluated as either proved or unproved. The net capitalized costs are subject to a ceiling limitation. Gains or losses upon disposition of oil and gas properties are treated as adjustments to capitalized costs, unless the disposition represents a significant portion of the Company's proved reserves.

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Undeveloped oil and gas properties consists of ongoing exploratory drilling costs for which no results have been obtained and leases and acreage we acquire for our exploration and development activities. The cost of these non-producing leases is recorded at the lower of cost or fair market value.

At August 31, 2000 and February 28, 2001, our oil and gas properties consisted of the following:

| | August 31, 2000 | February 28, 2001 |
|--|-----------------|-------------------|
| Proved properties | \$ -- | \$ 6,867,361 |
| Undeveloped properties | 11,293,589 | 11,289,702 |
| | 11,293,589 | 18,157,063 |
| Total | 11,293,589 | 18,157,063 |
| Depreciation, depletion and amortization | -- | (16,065) |
| | 11,293,589 | 18,140,998 |
| Net oil and gas properties | \$ 11,293,589 | \$ 18,140,998 |

Depreciation, depletion and amortization expense in the three and six months ended February 28, 2001 is computed using reserve estimates we believe are reasonable and are based on the best information available. We have not yet prepared a reserve report and expect our first reserve report to be prepared in conjunction with our fiscal year ending August 31, 2001.

We have adopted SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed of", which requires that long-lived assets to be held and used be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. During the fiscal year ended August 31, 2000, we recorded an impairment loss of approximately \$200,000. No impairment losses have been

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recorded during the three months or six months ended February 28, 2001.

INCOME TAXES - We have adopted the provisions of SFAS No. 109, "Accounting for Income Taxes". SFAS 109 requires recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

We are an independent oil and gas exploration company with a strategic focus on exploring for and developing significant oil and gas reserves in deep, structurally complex formations. To date, the primary focus of our activity has been in the San Joaquin Basin of California. We are involved in a number of high potential exploration projects in this area, the most notable being our East Lost Hills project. We initiated this project in 1997 and brought in industry partners in 1998. We also are active in the Rocky Mountain region, where we continue to acquire acreage positions in exploration areas we have identified as having significant oil and gas production and reserve potential.

Our activities have been focused on prospect generation, the acquisition of acreage, geological and geophysical work, securing partners and drilling exploration wells. On February 6, 2001, we commenced our first production at East Lost Hills and we expect to prepare our first reserve report at the end of our August 31, 2001 fiscal year.

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Our future financial results continue to depend primarily on (1) our ability to discover commercial quantities of oil and gas; (2) the market price for oil and gas; (3) our ability to continue to generate potential projects; and (4) our ability to fully implement our exploration and development program. There can be no assurance that we will be successful in any of these respects or that the prices of oil and gas prevailing at the time of production will be at a level allowing for profitable production.

We paid approximately \$2,528,000 and \$6,863,000 during the six months ended February 29, 2000 and February 28, 2001, respectively, for drilling costs, delay rentals, acquisition of acreage, direct geological and geophysical costs, and other related direct costs with respect to our identified exploration and exploitation projects.

On February 6, 2001, the East Lost Hills #1 well began flowing gas and liquid hydrocarbons. Production from this well is being sold at prices indexed to the California spot market. For the month of February, the index price for natural gas sold was \$12.63 per mcf. We have recorded revenues and expenses associated with this production for the quarter and six months ended February 28, 2001.

We currently anticipate that we will participate in the drilling of from three to six exploration/development wells during the next 12 months, although the number of wells may increase as additional projects are added to our portfolio. However, there can be no assurance that any such wells will be drilled and if drilled that any of these wells will be successful.

It is anticipated that the future development of our business will require additional, and possibly substantial, capital expenditures. Depending upon the

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extent of success of our ability to sell additional prospects for cash, the level of industry participation in our exploration projects, the continuing results at East Lost Hills and the deep Temblor exploration program, we anticipate spending a minimum of approximately \$8 million for capital expenditures relating to exploration and development of our projects during calendar 2001. To limit additional capital expenditures, we intend to form industry alliances and exchange an appropriate portion of our interest for cash and/or a carried interest in our exploration projects. We may need to raise additional funds to cover capital expenditures. These funds may come from cash flow, equity or debt financing, or from sales of interests in our properties although there is no assurance continued funding will be available.

On March 9, 2001, we received an aggregate of \$11.6 million in gross proceeds through the issuance and sale of 1,450,000 shares of our common stock. The common stock was sold pursuant to a Shelf Registration Statement and Prospectus Supplement. We will net approximately \$11.45 million after expenses and fees. We expect to use these funds primarily to fund exploitation and development of our East Lost Hills discovery.

At February 28, 2001, we had a working capital amount of approximately \$2,952,000. We had no outstanding long-term debt at February 28, 2001 and had not entered into any commodity swap arrangements or hedging transactions. Although we have no current plans to do so, we may enter into commodity swap and/or hedging transactions in the future in conjunction with oil and gas production.

The following provides a summary update at our East Lost Hills project in the San Joaquin Basin of California.

On March 19, 2001, the previous operator, Berkley Petroleum Corporation was acquired by Anadarko Petroleum Corporation, and effective on that date, Anadarko became the operator of the East Lost Hills project.

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During the six months ended February 28, 2001, we purchased an additional 1.5433% working interest at East Lost Hills to bring our total working interest in the East Lost Hills project to 12.1193%.

On August 26, 1999, we and other working interest owners began drilling the ELH #1 well, approximately two miles northwest of the #1-17R well. On April 12, 2000, this well had drilled to a total depth of 19,724 feet. Production testing began on May 28, 2000, and on July 6, 2000, based on the results of the production testing and other analysis, we announced a natural gas discovery at the East Lost Hills field. The ELH #1 well is currently producing from a zone in the lower portion of the Temblor formation. After completion of production facilities and a connection pipeline, this well commenced first production on February 6, 2001. We have recorded revenues and expenses associated with this production for the quarter and six months ended February 28, 2001.

On July 11, 2000, the participants commenced drilling the ELH #2 well. This well is located approximately 1.5 miles northwest of the ELH #1 and was designed to drill to a zone in the upper portion of the Temblor formation on the same structural feature. This ELH #2 well has been drilled and cased to a measured depth of 18,011 feet. During the flow test portion of the production test, gas was flowed at approximately 3 mmcf/day. Analysis of the production and pressure build-up data from the flow test is still in progress, and final test results will be released upon completion of analysis of this data.

On June 19, 2000, the participants at East Lost Hills commenced drilling

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the ELH #3 exploration well in order to test a geologically separate feature located adjacent to the structure found productive in the ELH #1 well. This well continues drilling operations at approximately 21,200 feet. Total depth of this well is projected at 21,750 feet.

On November 26, 2000, the participants commenced drilling the ELH #4, located approximately four miles southeast of the ELH #1 well. This well is projected to drill to a total depth of 20,000 feet and targets the same structure and the same zone currently producing at the ELH #1 well. We are setting intermediate casing to 17,009 feet.

The participants may drill up to six additional wells in this prospect during calendar year 2001, although there is no assurance this will occur.

Results of Operations

The quarter ended February 28, 2001 compared with the quarter ended February 29, 2000.

Operations during the quarter ended February 28, 2001 resulted in a net loss of \$35,145 compared to a net loss of \$241,300 for the quarter ended February 29, 2000. The decrease in operating net loss is due largely to oil and gas operating revenues from production commencing at the East Lost Hills #1 well on February 6, 2001. In the prior year, we did not own any producing oil or gas properties, and accordingly, no oil or gas revenues were recognized.

Oil and Gas Revenues and Expenses. Production commenced at the East Lost Hills #1 well on February 6, 2001. We recorded \$235,618 from the sale of approximately 17,800 mcf of natural gas and \$16,742 from the sale of approximately 650 bbls of oil during the quarter ended February 28, 2001. Operating expenses during this period were \$3,052. We recorded no revenues or expenses from oil and gas operations for the quarter ended February 29, 2000. We did not own any producing oil or gas properties before February 6, 2001.

Interest Income. We recorded \$57,206 and \$27,447 in interest income for the quarters ended February 28, 2001 and February 29, 2000, respectively. The increase is attributable to remaining additional cash on hand during the quarter ending February 28, 2001 from the private placement completed in August of 2000.

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Depreciation, Depletion and Amortization. We recorded \$16,065 and \$0 in depreciation, depletion and amortization expense from oil and gas properties for the quarters ended February 28, 2001 and February 29, 2000, respectively. The increase is due to the start of production of the East Lost Hills #1 well on February 6, 2001. In the prior year, we did not own any producing oil or gas properties, therefore no DD&A expense was recognized. Depreciation, depletion and amortization expense in the three months ended February 28, 2001 is computed using reserve estimates we believe are reasonable and are based on the best information available. We have not yet prepared a reserve report and expect our first reserve report to be prepared in conjunction with our fiscal year ending August 31, 2001. We recorded \$4,813 and \$4,699 in depreciation expense associated with capitalized office furniture and equipment during the quarters ended February 28, 2001 and February 29, 2000, respectively.

General and Administrative Expense. We incurred \$320,781 and \$263,993 in general and administrative expenses during the quarters ended February 28, 2001 and February 29, 2000, respectively. The difference is primarily attributable to increases in investor relations and travel expenses incurred to expand the recognition of our company in the investment community, as well as an increase

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in accounting personnel and related salary expenses.

Interest Expense. We recorded no interest expense for the quarter ended February 28, 2001 and nominal interest expense for the quarter ended February 29, 2000.

The six months ended February 28, 2001 compared with the six months ended February 29, 2000.

Operations during the six months ended February 28, 2001 resulted in a net loss of \$192,381 compared to a net loss of \$406,927 for the six months ended February 29, 2000. The decrease in operating net loss is due largely to oil and gas operating revenues from production commencing at the East Lost Hills #1 well on February 6, 2001. Prior to February 6, 2001, we did not own any producing oil or gas properties, and accordingly, no oil or gas operating revenues were recognized.

Oil and Gas Revenues and Expenses. Production commenced at the East Lost Hills #1 well on February 6, 2001. We recorded \$235,618 from the sale of approximately 17,800 mcf of natural gas and \$16,742 from the sale of approximately 650 bbls of oil during the six months ended February 28, 2001. Operating expenses during this period were \$3,052. We recorded no revenues or expenses from oil and gas operating for the six months ended February 29, 2000. We have not owned any producing or proved oil and gas properties prior to February 6, 2001.

Interest Income. We recorded \$168,334 and \$84,289 in interest income for the six months ended February 28, 2001 and February 29, 2000, respectively. The increase is attributable to remaining additional cash on hand during the six months ended February 28, 2001 from the private placement completed in August of 2000.

Depreciation, Depletion and Amortization. We recorded \$16,065 and \$0 in depreciation, depletion and amortization expense from oil and gas properties for the six months ended February 28, 2001 and February 29, 2000, respectively. The increase is due to production starting at the East Lost Hills #1 well on February 6, 2001. Depreciation, depletion and amortization expense in the six months ended February 28, 2001 is computed using reserve estimates we believe are reasonable and are based on the best information available. In the prior year, we did not own any producing oil or gas properties, therefore no oil and gas expenses were recorded. We recorded \$8,911 and \$9,257 in depreciation expense associated with capitalized office furniture and equipment during the six months ended February 28, 2001 and February 29, 2000, respectively.

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General and Administrative Expense. We incurred \$585,047 and \$481,838 in general and administrative expenses during the six months ended February 28, 2001 and February 29, 2000, respectively. The difference is primarily due to increases in investor relations and travel expenses incurred to expand the recognition of our company in the investment community. Additional legal expense associated with restricted stock transactions and other general corporate purposes also contributed to the increase.

Interest Expense. We recorded no interest expense for the quarter ended February 28, 2001 and nominal interest expense for the quarter ended February 29, 2000.

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PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Not Applicable

Item 2. Changes in Securities and Use of Proceeds; Recent Sales Of Unregistered Securities

During January 2001, the market price for our common stock met certain share price requirements to enable us to give a 30 day notice of repurchase all remaining outstanding warrants issued in conjunction with a private placement that was completed in May 2000. During the quarter ended February 28, 2001, warrants held by ten persons were exercised to purchase a total of 22,000 shares of our common stock at a purchase price of \$4.25 per share. Total proceeds received from these warrant exercises were \$93,500. The issuance of the shares of common stock upon the exercise of the warrants was made pursuant to exemptions from registration in accordance with Rules 505 and/or 506 and/or Sections 3(b) and/or 4(2) of the Securities Act.

Also during the quarter ended February 28, 2001, warrants issued in conjunction with the August 2000 private placement had been exercised to purchase 30,000 shares of common stock at an exercise price of \$4.80 per share. This resulted in proceeds to us of \$144,000. The issuance of the shares of common stock upon the exercise of the warrants were made pursuant to exemptions from registration in accordance with Rules 505 and/or 506 and/or Sections 3(b) and/or 4(2) of the Securities Act.

On January 5, 2001, our "shelf" registration statement (SEC file number 333-51764) pertaining the sale from time to time of up to \$75 million of our securities was declared effective by the Securities and Exchange Commission. The securities that may be offered by the Company pursuant to this registration statement may include shares of common stock, shares of preferred stock, which may be issued in the form of depositary shares evidenced by depositary receipts, warrants to purchase common stock, preferred stock or any combination of those securities, or any combination of any of these securities.

On March 9, 2001, we received a total of \$11.6 million in gross proceeds from the sale of 1,450,000 shares of our common stock. The common stock was sold pursuant to a prospectus supplement with respect to the shelf registration statement. We incurred offering expenses of \$160,470 in this offering, so that we received net proceeds of \$11,439,530 from this sale of common stock. These expenses do not include any direct or indirect payments to directors, officers, persons owning 10% or more of any class of equity securities, or affiliates of the Company. Because these securities were sold directly by the Company in an offering that did not involve an underwriter, we did not pay any underwriting discounts or commissions, finder's fees or other expenses to or for underwriters.

The proceeds from this sale of common stock are to be used to fund our planned exploration and development activities, primarily in the San Joaquin Basin of California, to fund possible acquisitions, and for general corporate purposes. As of July 13, 2001, the net proceeds continued to be held for those purposes.

Item 3. Defaults Upon Senior Securities

None

Item 4. Submission of Matters to a Vote of Security Holders

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None

Item 5. Other Information

None

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Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

None

(b) During the Quarter ended February 28, 2001, we filed two reports on Form 8-K:

A Form 8-K was filed on January 17, 2001 reporting a news release dated January 16, 2001.

A Form 8-K was filed on February 7, 2001 reporting a news release dated February 7, 2001.

SIGNATURES

In accordance with the requirements of the Exchange Act, the Registrant has caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PYR ENERGY CORPORATION

| Signatures ----- | Title ----- | Date ---- |
|---|---|---------------|
| /s/ D. Scott Singdahlsen ----- D. Scott Singdahlsen | President, Chief Executive Officer and Chairman Of The Board | July 13, 2001 |
| /s/ Andrew P. Calerich ----- Andrew P. Calerich | Chief Financial Officer, Vice-President and Secretary | July 13, 2001 |

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