

Edgar Filing: TRI VALLEY CORP - Form 10-Q

TRI VALLEY CORP
Form 10-Q
August 13, 2003

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

FORM 10-Q

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

For the quarterly period ended June 30, 2003 Commission File No. 0-6119

TRI-VALLEY CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE 84-0617433
(State or other jurisdiction of (I.R.S. Employer Identification No.)
incorporation or organization)

5555 BUSINESS PARK SOUTH, SUITE 200, BAKERSFIELD, CALIFORNIA 93309
(Address of principal executive offices)

(661) 864-0500
(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has 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 []

The number of shares of Registrant's common stock outstanding at June 30, 2003 was 19,812,348.

TRI-VALLEY CORPORATION

INDEX

	Page

PART I - FINANCIAL INFORMATION.	3
Item 1. Consolidated Financial Statements.	3
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	9
Item 3. Quantitative and Qualitative Disclosures About Market Risk	11

Edgar Filing: TRI VALLEY CORP - Form 10-Q

Item 4. Controls and Procedures.	11
 PART II - OTHER INFORMATION	 12
Item 1. Legal Proceedings.	12
Item 2. Changes in Securities.	12
Item 6. Exhibits and Reports on Form 8-K	12
SIGNATURES.	13

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

3

PART I - FINANCIAL INFORMATION

ITEM 1. UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

 TRI-VALLEY CORPORATION
 CONSOLIDATED BALANCE SHEETS

ASSETS

	June 30, 2003	Dec. 31, 2002
	(Unaudited)	(Audited)
	-----	-----
Current Assets		
Cash.	\$ 5,425,996	\$ 1,936,294
Accounts receivable, trade.	142,541	151,618
Prepaid expenses.	12,029	12,029
	-----	-----
Total Current Assets.	5,580,566	2,099,941
	-----	-----
Property and Equipment, Net	2,110,301	1,974,501
	-----	-----
Other Assets		
Deposits.	316,705	316,705
Investments in partnerships	17,400	17,400
Other	13,913	13,913
Goodwill (net of accumulated amortization of \$221,439 at December 31, 2002)	212,414	212,414
	-----	-----
Total Other Assets.	560,432	560,432
	-----	-----

Edgar Filing: TRI VALLEY CORP - Form 10-Q

Total Assets. \$ 8,251,299 \$ 4,634,874
 =====

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

4

LIABILITIES AND SHAREHOLDERS' EQUITY

	June 30, 2003	Dec. 31, 2002
	(Unaudited)	(Audited)
	-----	-----
CURRENT LIABILITIES		
Notes and contracts payable	\$ 2,234	\$ 13,792
Trade accounts payable & accrued expenses	791,216	640,240
Accounts payable to joint venture participants	72,563	74,412
Advances from joint venture participants	6,572,327	2,617,333
	-----	-----
Total Current Liabilities	7,438,340	3,345,777
	-----	-----
Long-term Portion of Notes and Contracts Payable	20,043	26,791
	-----	-----
Commitments		
Shareholders' Equity		
Common stock, \$.001 par value:		
100,000,000 shares authorized;		
19,812,348 and 19,726,348 issued and outstanding at June 30, 2003 and Dec. 31, 2002, respectively	19,831	19,726
Less: Common stock in treasury, at cost, 100,025 shares	(13,370)	(13,370)
Common stock receivable	-0-	(2,250)
Capital in excess of par value	8,981,569	8,879,724
Accumulated deficit	(8,195,114)	(7,621,524)
	-----	-----
Total Shareholders' Equity	792,916	1,262,306

Edgar Filing: TRI VALLEY CORP - Form 10-Q

Total Liabilities and Shareholders' Equity.	\$ 8,251,299	\$ 4,634,874
	=====	=====
June 30, 2003	Dec. 31, 2002	

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

5

TRI-VALLEY CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

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

6

TRI-VALLEY CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Six Months	
	Ended June 30,	
	2003	2002
	----	----
Cash Flows from Operating Activities		
Net loss	\$ (573,590)	\$ (264,399)
Adjustments to reconcile net income to net cash used from operating activities:		
Depreciation, depletion and amortization	14,466	25,963
Shares issued for officer compensation	-0-	11,700
Changes in operating capital:		
Accounts receivable-(increase)decrease	(9,077)	(7,274)
Trade accounts payable-increase(decrease)	139,418	42,700
Accounts payable to joint venture participants and related parties -increase(decrease)	(1,849)	2,633
Advances from joint venture Participants-increase(decrease)	3,954,994	1,656,884
	-----	-----
Net Cash Provided by Operating Activities	3,542,516	1,108,207
	-----	-----

Edgar Filing: TRI VALLEY CORP - Form 10-Q

Cash Flows from Investing Activities		
Capital expenditures	(138,708)	(1,586)
	-----	-----
Cash Flows from Financing Activities		
Principal payments on long-term debt	(18,306)	(894)
Proceeds from issuance of common stock	104,200	2,000
	-----	-----
Net Cash Provided by Financing Activities	85,894	1,106
	-----	-----
Net Increase in Cash and Cash Equivalents	3,489,702	1,107,727
Cash and Cash Equivalents at Beginning		
Of Period	1,936,294	911,913
	-----	-----
Cash and Cash Equivalents at		
End of Period	\$ 5,425,996	\$ 2,019,640
	=====	=====

Supplemental Information:

Cash paid for interest	\$ 1,380	\$ 477
Cash paid for taxes	\$ 5,446	\$ 5,137

8

TRI-VALLEY CORPORATION
 NOTES TO CONDENSED FINANCIAL STATEMENTS
 FOR THE THREE MONTHS ENDED
 JUNE 30, 2003 AND 2002
 (Unaudited)

NOTE 1 - BASIS OF PRESENTATION

The financial information included herein is unaudited; however, such information reflects all adjustments (consisting solely of normal recurring adjustments), which are, in the opinion of management, necessary for a fair statement of results for the interim periods. The results of operations for the six-month period ended June 30, 2003, are not necessarily indicative of the results to be expected for the full year.

The accompanying consolidated financial statements do not include footnotes and certain financial presentations normally required under generally accepted accounting principles; and, therefore, should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2002.

NOTE 2 - PER SHARE COMPUTATIONS

Per share computations are based upon the weighted average number of common shares outstanding during each year. Common stock equivalents are not included in the computations since their effect would be anti-dilutive.

Edgar Filing: TRI VALLEY CORP - Form 10-Q

NOTE 3 - RECENT ACCOUNTING PRONOUNCEMENTS

On January 1, 2002, we adopted Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards (SFAS) No. 142, "Goodwill and Other Intangible Assets" (SFAS 142). Under SFAS 142, goodwill is a nonamortizable asset, and is subject to an annual review for impairment, and an interim review when certain events or circumstances occur that indicate the carrying value may not be recoverable. Under SFAS 142, we had a transitional period of six months from the date of adoption to complete our goodwill impairment testing. We evaluated the recoverability of the recorded amount of goodwill based on certain operating and financial factors. Such impairment testing included discounted cash flow tests which require broad assumptions and significant judgment to be exercised by management. As a result of this analysis, no impairment of goodwill was identified.

On January 1, 2002, we adopted SFAS No. 144, "Accounting for Impairment or Disposal of Long-Lived Assets" (SFAS 144). Under SFAS 144, long-lived assets to be disposed of are measured at the lower of carrying amount or fair value less costs to sell, whether reported in continuing operations or in discontinued operations. Discontinued operations will no longer be measured at net realizable value or include amounts for operating losses that have not yet occurred. A long-lived asset must be tested for impairment whenever events or changes in circumstances indicate that its carrying amount may be impaired. The implementation of this standard had no effect on results of operations.

In July 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations" (SFAS 143). Under SFAS 143, the fair value of a liability for an asset retirement obligation should be recorded in the period in which it is incurred. Upon settlement of the liability, an entity either settles the obligation for its recorded amount or incurs a gain or loss if the settled amount differs from the liability recorded. SFAS 143 is effective for fiscal years beginning after June 15, 2002. We are currently evaluating this guidance and have not determined the impact on our financial position, results of operations, or net cash flows, however, such impact could be material.

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities" (SFAS 146). SFAS 146 addresses the financial accounting and reporting for costs associated with exit or disposal activities. SFAS 146 states that a liability for a cost associated with an exit or disposal activity shall be recognized and measured initially at its fair value in the period when the liability is incurred. A liability is established only when present obligations to others are determined. SFAS 146 does not apply to costs associated with the retirement of long-lived assets covered in SFAS 143 (see above). It applies to costs associated with an exit activity that does not involve an entity newly acquired in a business combination or with a disposal activity covered by SFAS 144 (see above). We will apply SFAS 146 for exit or disposal activities initiated after December 31, 2002. We are evaluating this guidance and do not believe that it will have a material impact on our financial position, results of operations, or net cash flows.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS ----- OF OPERATIONS -----

BUSINESS REVIEW

Edgar Filing: TRI VALLEY CORP - Form 10-Q

Notice Regarding Forward-Looking Statements

This report contains forward-looking statements. The words, "anticipate," "believe," "expect," "plan," "intend," "estimate," "project," "could," "may," "foresee," and similar expressions are intended to identify forward-looking statements. These statements include information regarding expected development of the Company's business, lending activities, relationship with customers, and development in the oil and gas industry. Should one or more of these risks or uncertainties occur, or should underlying assumptions prove incorrect, actual results may vary materially and adversely from those anticipated, believed, estimated or otherwise indicated.

Petroleum Activities

We began drilling the Sunrise-Mayel #2H-R on May 8, 2003. We successfully reached total depth on May 21, 2003, at which time we suspended operation while waiting on the equipment to artificially fracture (frac) the targeted formation. We did frac the well on July 7, 2003, and are currently waiting on the recovery of the frac fluid to determine the results of this downhole formation. We are estimating this to take at least 30 days before we will know if this operation is successful.

We were notified the day before we frac'd Sunrise-Mayel #2H-R that a well we had been working over was blowing natural gas into the atmosphere. A piece of equipment failed and was allowing the natural gas to escape, however there was no fire. We enlisted the aid of a team from Boots and Coots to come to the location and assist. These individuals are a team who specialize in uncontrolled wells. We were able to get the blow out under control and the well is back on production.

We have been permitted by the Division of Oil, Gas and Geothermal Resources to drill the next prospect on our schedule; the name of the prospect is Oil Creek. We expect to begin making location in August 2003.

Precious Metals

We had no activity in Alaska on our gold mining claims in the six months ended June 30, 2003. However, in early July we began mobilization of equipment to begin the drilling of 108 drill holes to further define our mining claims potential. We expect to complete this activity in mid to late August 2003.

Three Months Ended June 30, 2003 as compared with Three Months ended June 30,

2002

In the quarter ended June 30 revenue was \$1,190,371 compared to \$857,241 for the same quarter in 2002. This increase was from the sale of partnership interests in our drilling program.

ITEM 2. (CONTINUED)

Costs and expenses increased \$125,030 for the period ending June 30, 2003, compared to the same period in 2002. Oil & gas lease expenses were \$54,669 less for the quarter ended June 30, 2003, due to a decreased amount of workovers for the same quarter in 2002. Mining expenses were \$20,887 more in this quarter than in 2002, due to repair work on the Richardson roadhouse. The roadhouse is a facility we use as a base for our exploration activities in Alaska. It was broken into and all of the fixtures and appliances were stolen and the building was damaged. Project geology, geophysics, land and administration expenses were

Edgar Filing: TRI VALLEY CORP - Form 10-Q

\$256,689 higher for the quarter ended June 30, 2003, compared to the same quarter in 2002. This increase is due to increased activity to better define our projects and develop new ones. General and administration costs were \$369,665 higher for the quarter ended June 30, 2003, compared to the same quarter in 2002. This was due to increased investor relation costs and state income taxes.

For the quarter ended June 30, 2003, we had a loss of \$152,183 compared to a loss of \$360,283 for the quarter ended June 30, 2002. The smaller loss was due to the increased revenue from the sale of partnership interests in our drilling program.

Six Months Ended June 30, 2003 as compared to Six Months ended June 30, 2002

Our revenue increased \$427,206 over the same six-month period last year. This increase was from increased income from oil and gas sales due to increased natural gas prices. Another area that improved was the \$330,610 increase in sales of partnership interests in our drilling program.

Costs and expenses were \$367,367 more in the period ended June 30, 2003, than in the same period last year. Oil and gas lease expenses were \$48,067 less in 2003 due to a decreased amount of well workovers. Project geology, geophysics, land & administration costs were \$454,555 higher in this period compared to 2002 due to increased activity in our OPUS-I partnership project. General and administrative costs were \$111,190 more in the six months ended June 30, 2003, compared to the same six month period in 2002. G & A expenses were higher in 2003 because we recorded \$69,000 in directors fees/expenses, an increase of \$14,000 in office supplies and a \$25,000 expense for a bonus paid to the president of the Company pursuant to his employment contract.

We had a loss of \$573,590 for the six months ended June 30, 2003, compared to \$624,399 for the same six months period in 2002. This \$50,809 difference is because we realized higher income from the sale of partnership interests in 2003.

Capital Resources and Liquidity

We have funded our oil and gas exploration activities primarily with proceeds raised through privately placed drilling programs. We make decisions on the amount of capital expenditures for drilling as funds become available for that purpose. We do not, as a rule, rely on borrowings to fund drilling operations or other activities.

ITEM 2. (CONTINUED)

We began a gold exploration program on its Alaska properties in July 2003. The expected cost of the program is \$600,000 for the next 12 months, which we expect to fund from our internal resources.

Current assets were \$5,580,566 at June 30, 2003, compared to \$2,099,941 as of December 31, 2002. This is due to an increase of cash related to investments in our OPUS-I drilling program.

Current liabilities were \$7,438,340 for the six months ended June 30, 2003, compared to \$3,345,777 for the period ended December 31, 2002. This increase is due to advances from joint venture participants in our drilling programs. We also had an increase in accounts payable of \$150,976 for the current six-month period over the same period in 2002. This increase is related to drilling activities in the second quarter of 2003.

Edgar Filing: TRI VALLEY CORP - Form 10-Q

OPERATING ACTIVITIES. We had a positive cash flow of \$3,542,516 for the six months ended June 30, 2003 compared to a positive cash flow of \$1,108,207 for the same period in 2002. This change is due to an increase in advances from joint venture partners. Our primary source of funds is comprised of selling prospects and oil and gas sales.

INVESTING ACTIVITIES. In the first six months of 2003 we spent \$138,708 on capital expenditures compared to \$1,586 for the same period in 2002. These expenditures were the result of leasing activities to acquire leases for our drilling program. We expect to recoup these amounts as the drilling prospects are sold to the drilling program.

FINANCING ACTIVITIES. Net cash used by financing activities was \$85,894 for the six months ended June 30, 2003 compared to \$1,106 for the same period in 2002. This change was due to payments on long-term debt (\$18,306) and proceeds from the issuance of stock in private transactions and the exercise of stock options (\$104,200).

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Tri-Valley Corporation does not engage in hedging activities and does not use commodity futures or forward contracts in its cash management functions.

ITEM 4. CONTROLS AND PROCEDURES

As of June 30, 2003, an evaluation was performed under the supervision and with the participation of the Company's management, including the Company's CEO and CFO, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on that evaluation, the Company's management, including the CEO and CFO, concluded that the Company's disclosure controls and procedures were effective as of June 30, 2003. There have been no significant changes in the Company's internal controls or in other factors that could significantly affect internal controls subsequent to June 30, 2003.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None

ITEM 2. CHANGES IN SECURITIES

During the quarter ended June 30, 2003, we issued a total of 64,000 shares of our common stock in a private transaction pursuant to the exemption contained in Section 4(2) of the Securities Act of 1933. These shares are restricted securities, which bear a legend restricting transfer of the shares unless registered or sold under exemption from registration requirements under the Securities Act. A summary of these share issuances follows:

We issued 50,000 shares to the outside directors of the Company for service as directors. The price of these shares was \$1.36 per share on May 1, 2003, the date of the award.

Edgar Filing: TRI VALLEY CORP - Form 10-Q

We issued 3,000 shares in exchange for services. The price of these shares was \$1.35 per share on May 1, 2003, the date of the award.

We issued 5,000 shares for aggregate consideration of \$2,500.00. These shares were issued on exercise of options by non-affiliated third party who acquired the options from an ex-employee. The exercise price for these shares was \$.50 each.

We issued 6,000 shares for aggregate consideration of \$3,000.00. These shares were issued on exercise of options by an ex-employee. The exercise price of these shares was \$.50 each.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

- 31.1 Rule 13a-14(a)/15d-14(a) Certification
- 31.2 Rule 13a-14(a)/15d-14(a) Certification
- 32.1 18 U.S.C. 1350 Certification
- 32.2 18 U.S.C. 1350 Certification

(b) Reports on form 8-K:

On May 29, 2003 we filed an 8-K to announce that we had received the log interpretation on Sunrise-Mayel No. 2HR gas well.

SIGNATURES

Pursuant to the requirement of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TRI-VALLEY CORPORATION

August 11, 2003 /s/ F. Lynn Blystone

F. Lynn Blystone
President and Chief Executive Officer

Edgar Filing: TRI VALLEY CORP - Form 10-Q

August 11, 2003 /s/ Thomas J. Cunningham

Thomas J. Cunningham
Secretary, Treasurer, Chief Financial Officer

EXHIBIT 31.1

I, F. Lynn Blystone, President and Chief Executive Officer of Tri-Valley Corporation, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Tri-Valley 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(e) and 15d-15) 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 caused 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 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 officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of 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 a significant role in the registrant's internal control over financial reporting.

Date: August 11, 2003

/s/F. Lynn Blystone
F. Lynn Blystone,
President and Chief Executive Officer

EXHIBIT 31.1

I, Thomas J. Cunningham, Chief Financial Officer of Tri-Valley Corporation, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Tri-Valley Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a

Edgar Filing: TRI VALLEY CORP - Form 10-Q

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(e) and 15d-15) 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 caused 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 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 officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of 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 a significant role in the registrant's internal control over financial reporting.

Date: August 11, 2003

/s/Thomas J. Cunningham
Thomas J. Cunningham,
Chief Financial Officer

EXHIBIT 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. 1350

The undersigned, Thomas J. Cunningham, Chief Financial Officer of Tri-Valley Corporation, a Delaware corporation (the "Company"), pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002, hereby certifies that:

(1) the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003 (the "Report") fully complies with the requirements of Section 13(a) 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 operations of the Company.

Date: August 11, 2003

/s/Thomas J. Cunningham

Edgar Filing: TRI VALLEY CORP - Form 10-Q

Thomas J. Cunningham,
Chief Financial Officer

EXHIBIT 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. 1350

The undersigned, F. Lynn Blystone, President and Chief Executive Officer of Tri-Valley Corporation, a Delaware corporation (the "Company"), pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002, hereby certifies that:

(1) the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003 (the "Report") fully complies with the requirements of Section 13(a) 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 operations of the Company.

Date: August 11, 2003

/s/F. Lynn Blystone

F. Lynn Blystone,
President and Chief Executive Officer
