

Edgar Filing: TRI VALLEY CORP - Form 10-Q

TRI VALLEY CORP
Form 10-Q
November 13, 2003

2

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 September 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 September 30, 2003 was 19,825,348.

TRI-VALLEY CORPORATION

INDEX

	Page

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

Edgar Filing: TRI VALLEY CORP - Form 10-Q

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

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

PART I - FINANCIAL INFORMATION

ITEM 1. UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

TRI-VALLEY CORPORATION CONSOLIDATED BALANCE SHEETS

ASSETS

Sept 30, 2003. Dec. 31, 2002

	(Unaudited)	(Audited)
	-----	-----
Current Assets		
Cash	\$ 6,968,060	\$ 1,936,294
Accounts receivable, trade	153,103	151,618
Prepaid expenses	12,029	12,029
	-----	-----
Total Current Assets	7,133,192	2,099,941
	-----	-----
Property and Equipment, Net	1,511,298	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

Edgar Filing: TRI VALLEY CORP - Form 10-Q

	-----	-----
Total Other Assets.	560,432	560,432
	-----	-----
Total Assets.	\$ 9,204,922	\$ 4,634,874
	=====	=====

LIABILITIES AND SHAREHOLDERS' EQUITY

	Sept 30, 2003 (Unaudited)	Dec. 31, 2002 (Audited)
	-----	-----
CURRENT LIABILITIES		
Notes and contracts payable	\$ 2,234	\$ 13,792
Trade accounts payable & accrued expenses	1,999,086	640,240
Accounts payable to joint venture participants.	110,588	74,412
Advances from joint venture participants.	6,105,814	2,617,333
	-----	-----
Total Current Liabilities	8,217,722	3,345,777
	-----	-----
Long-term Portion of Notes and Contracts Payable	17,714	26,791
	-----	-----
Commitments		
Shareholders' Equity		
Common stock, \$.001 par value:		
100,000,000 shares authorized;		
19,825,348 and 19,726,348 issued and outstanding at Sept 30, 2003 and Dec. 31, 2002, respectively	19,839	19,726
Less: Common stock in treasury, at cost, 100,025 shares.	(13,369)	(13,370)
Common stock receivable	-0-	(2,250)
Capital in excess of par value.	8,985,561	8,879,724
Accumulated deficit	(8,022,545)	(7,621,524)
	-----	-----
Total Shareholders' Equity.	969,486	1,262,306
	-----	-----
Total Liabilities and		

Edgar Filing: TRI VALLEY CORP - Form 10-Q

Shareholders' Equity \$ 9,204,922 \$ 4,634,874
 =====

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

TRI-VALLEY CORPORATION
 CONSOLIDATED STATEMENTS OF OPERATIONS
 (Unaudited)

	For the Three Months		For the Nine Months	
	Ended Sept 30,		Ended Sept 30,	
	2003	2002	2003	2002
	----	----	----	----
Revenues				
Sale of oil and gas	\$ 215,041	\$ 178,218	\$ 685,096	\$ 533,614
Other income	15,857	19,293	36,930	59,291
Sale of oil & gas prospects	2,894,480	3,720,657	3,862,480	4,358,047
Interest income	11,684	5,707	19,707	12,898
	-----	-----	-----	-----
Total Revenues	3,137,062	3,923,875	4,604,213	4,963,850
	-----	-----	-----	-----
Cost and Expenses				
Oil and gas lease expense	49,563	23,572	139,184	161,260
Mining exploration expenses	177,071	33,538	239,958	76,355
Project geology, geophysics, land & administration	581,141	1,027,213	1,301,884	1,293,401
Cost of sale of oil & gas prospects	1,837,452	1,487,689	2,314,351	2,115,375
Depletion, depreciation and amortization	7,233	12,982	21,699	38,945
Interest	620	602	2,000	1,079
General administrative	311,412	266,726	986,157	830,281
	-----	-----	-----	-----
Total Cost and Expenses	2,964,492	2,852,322	5,005,233	4,516,696
	-----	-----	-----	-----
Net Income (Loss)	\$ 172,570	\$ 1,071,553	\$ (401,020)	\$ 447,154
	=====	=====	=====	=====
Basic & Diluted Earnings				
per Share	\$.00	\$.05	\$ (.02)	\$.02
	=====	=====	=====	=====
Weighted Average Number				
of Shares	19,821,348	19,707,248	19,803,681	19,707,248
	=====	=====	=====	=====

Edgar Filing: TRI VALLEY CORP - Form 10-Q

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

6

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

	For the Nine Months	

	Ended Sept	30,

	2003	2002

Cash Flows from Operating Activities		
Net profit/(loss)	\$ (401,020)	\$ 447,154
Adjustments to reconcile net income to net cash used from operating activities:		
Depreciation, depletion and amortization	21,699	38,945
Shares issued for officer compensation	-0-	11,700
Changes in operating capital:		
Accounts receivable-(increase)decrease	(1,485)	(5,642)
Trade accounts payable-increase(decrease)	1,338,211	767,137
Accounts payable to joint venture participants and related parties-increase(decrease)	36,176	(3,714)
Advances from joint venture Participants-increase(decrease)	3,488,481	313,945
	-----	-----
Net Cash provided/(Used) by Operating Activities	4,482,062	1,569,525
	-----	-----
Cash Flows from Investing Activities		
Capital expenditures	462,138	(117,959)
	-----	-----
Cash Flows from Financing Activities		
Principal payments on long-term debt	(20,635)	(135)
Proceeds from issuance of common stock	108,201	8,135
	-----	-----
Net Cash Provided/(Used) by Financing Activities	87,566	8,000
	-----	-----
Net Increase in Cash and Cash Equivalents	5,031,766	1,459,566
Cash and Cash Equivalents at Beginning Of Period	1,936,294	911,913
	-----	-----
Cash and Cash Equivalents at End of Period	\$ 6,968,060	\$ 2,371,479
	=====	=====
Supplemental Information:		
Cash paid for interest	\$ 2,000	\$ 1,079

Edgar Filing: TRI VALLEY CORP - Form 10-Q

Cash paid for taxes \$ 5,446 \$ 5,137

TRI-VALLEY CORPORATION
NOTES TO CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
SEPTEMBER 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 nine-month period ended September 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.

NOTE 3 - RECENT ACCOUNTING PRONOUNCEMENTS

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, we anticipate these results will be immaterial.

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.

Edgar Filing: TRI VALLEY CORP - Form 10-Q

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

BUSINESS REVIEW

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 artificially fractured (frac'd) the Sunrise-Mayel #2H-R well on July 7, 2003. The frac job did not result in commercial production. After consideration it was determined that performing an acid job should be done. This was done the last week in October and we are currently recovering the spent acid fluid and should soon have the results.

We began drilling the Oil Creek well on August 28, 2003. We reached total depth on October 5, 2003. We brought the necessary equipment on location and performed the first perforation in the bottom interval of the well on October 28. This is the first interval out of six in this well. We will come up hole and perform additional fracs, we anticipate this will be completed by November 12, 2003.

The Oil Lake prospect began drilling on October 31st. We are estimating it will reach total depth by November 15th.

Precious Metals -----

We began a two phase drilling program in July. The intent was to drill one phase of 42 well bores and a 2nd phase of 66 well bores. The goal was to determine if there is commercial grade placer gold at depth in creek valley. The well bores are 60 to 90 feet deep. Due to repeated equipment failures we were only able to drill the first phase of 42 well bores. This resulted in an insufficient number of test wells to make a conclusive determination.

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

September 30, 2002

In the quarter ended September 30 revenue was \$3,137,062 compared to \$3,923,875 for the same quarter in 2002. This decrease resulted from lower proceeds of sales of oil and gas prospects.

Costs and expenses increased \$112,170 for the period ending June 30, 2003, compared to the same period in 2002. Oil & gas lease expenses were \$25,991 more

Edgar Filing: TRI VALLEY CORP - Form 10-Q

for the quarter ended September 30, 2003, due to an increased amount of workovers over the same quarter in 2002. Mining expenses were \$143,533 more in this quarter than in 2002, due to the bore hole drilling program this summer. Project

ITEM 2. (CONTINUED)

geology, geophysics, land and administration expenses were \$446,072 lower for the quarter ended September 30, 2003, compared to the same quarter in 2002. This decrease is due to reduced activity in lease acquisitions. Cost of sale of oil and gas prospects were \$349,763 higher this quarter compared to the same quarter in 2002 because the prospects sold to our Opus I limited partnership drilling program cost more than in the prior period. General and administration costs were \$44,686 higher for the quarter ended September 30, 2003, compared to the same quarter in 2002. This was due to increased investor relations expense and preparing and mailing proxy statements for our annual shareholders' meeting.

For the quarter ended September 30, 2003, we had a profit of \$172,570 compared to a profit of \$1,071,553 for the quarter ended September 30, 2002. The \$112,170 decrease was due in part to reduced costs in project geology, geophysics, land & administration.

Nine Months Ended September 30, 2003 as compared to Nine Months ended September

30, 2002

Our revenue decreased \$359,637 over the same period last year. This decrease was from decreased income from the sale of oil and gas prospects.

Costs and expenses were \$488,537 more in the period ended September 30, 2003, than in the same period last year. Oil and gas lease expenses were \$22,076 less in 2003 due to a decreased amount of well workovers. Cost of sale of oil and gas prospects is 198,976 more this year compared to last year. General and administrative costs were \$155,876 more in the nine months ended September 30, 2003, compared to the same nine 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 \$401,020 for the nine months ended September 30, 2003, compared to a profit of \$447,154 for the same nine month period in 2002. This loss is because we had higher costs from the sale of prospects 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)

Current assets were \$7,133,192 at September 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. Property and equipment is \$463,203 less for the

Edgar Filing: TRI VALLEY CORP - Form 10-Q

period ended September 30 compared to year end due to the sale of prospect land and geology related to the limited liability drilling partnership.

Current liabilities were \$8,217,722 for the nine months ended September 30, 2003, compared to \$3,345,777 for the period ended December 31, 2002. This increase is due to accounts payable being \$1,358,846 higher at September 30, 2003 compared to December 31, 2002 and advances from joint venture participants of \$3,488,481 in our drilling programs for drilling activities in our limited liability drilling program.

OPERATING ACTIVITIES. We had a positive cash flow of \$4,482,062 for the nine months ended September 30, 2003 compared to a positive cash flow of \$1,569,525 for the same period in 2002. This change is due to an a loss from operating activity and 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 nine months of 2003 we had costs \$462,138 on capital expenditures compared to \$117,959 for the same period in 2002. These expenditures were the result of sale of asset costs related to the Oil Creek prospect.

FINANCING ACTIVITIES. Net cash used by financing activities was \$87,566 for the nine months ended September 30, 2003 compared to \$8,000 for the same period in 2002. This change was due to payments on long-term debt (\$20,635) and proceeds from the issuance of stock in private transactions, from award of stock for compensation to the outside directors and the exercise of stock options (\$108,201).

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 September 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 September 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 September 30, 2003.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None

ITEM 2. CHANGES IN SECURITIES

Edgar Filing: TRI VALLEY CORP - Form 10-Q

During the quarter ended September 30, 2003, we issued a total of 12,000 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 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.

We issued 6,000 shares in exchange for services. The price of these shares was \$3.20 per share on September 15, 2003, the date of the award.

ITEM 5. OTHER INFORMATION

Effective October 29, 2003 our common stock moved from the electronic over the counter bulletin board to the American Stock Exchange. The new ticker symbol is TIV.

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:

None

SIGNATURES

Edgar Filing: TRI VALLEY CORP - Form 10-Q

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

November 11, 2003 /s/ F. Lynn Blystone

F. Lynn Blystone
President and Chief Executive Officer

November 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

Edgar Filing: TRI VALLEY CORP - Form 10-Q

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: Nov. 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 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: Nov. 11, 2003

/s/Thomas J. Cunningham

Thomas J. Cunningham, Chief Financial Officer

Edgar Filing: TRI VALLEY CORP - Form 10-Q

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 Sept 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: Nov. 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, 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 Sept 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: Nov 11, 2003 /s/F. Lynn Blystone

F. Lynn Blystone, President and Chief Executive Officer
