

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

- Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the Quarterly Period Ended March 31, 2011
- 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: 001-32624

FieldPoint Petroleum Corporation

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

Colorado
(State or Other Jurisdiction of
Incorporation or Organization)

84-0811034
(I.R.S. Employer
Identification No.)

1703 Edelweiss Drive
Cedar Park, Texas 78613
(Address of Principal Executive Offices) (Zip Code)

(512) 250-8692
(Issuer's Telephone Number, Including Area Code)

(former name, address and fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the 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 _____

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 definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

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 X

As of May 13, 2011, the number of shares outstanding of the Registrant's \$.01 par value common stock was 8,013,175.

PART I

Item 1. Condensed Consolidated Financial Statements

FieldPoint Petroleum Corporation**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**

| | March 31, <u>2011</u> | December 31, <u>2010</u> |
|---|--------------------------|-----------------------------|
| <u>ASSETS</u> | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 1,552,448 | \$ 984,770 |
| Short-term investments | 44,422 | 44,422 |
| Accounts receivable: | | |
| Oil and natural gas sales | 760,851 | 723,218 |
| Joint interest billings, less allowance for doubtful accounts of \$99,192, each period | 267,661 | 246,655 |
| Deferred income tax asset – current | 36,000 | 99,000 |
| Prepaid income taxes | 119,000 | 206,000 |
| Prepaid drilling expense | 975,538 | 975,538 |
| Prepaid expenses and other current assets | <u>172,433</u> | <u>76,433</u> |
| Total current assets | 3,928,353 | 3,356,036 |
| PROPERTY AND EQUIPMENT: | | |
| Oil and natural gas properties (successful efforts method) | 23,868,170 | 24,434,664 |
| Other equipment | 89,248 | 89,248 |
| Less accumulated depletion and depreciation | <u>(9,019,010)</u> | <u>(9,318,340)</u> |
| Net property and equipment | <u>14,938,408</u> | <u>15,205,572</u> |
| Total assets | <u>\$ 18,866,761</u> | <u>\$ 18,561,608</u> |
| <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u> | | |
| CURRENT LIABILITIES: | | |
| Accounts payable and accrued expenses | \$ 432,031 | \$ 553,760 |
| Oil and gas revenues payable | <u>245,755</u> | <u>198,247</u> |
| Total current liabilities | 677,786 | 752,007 |
| LONG TERM DEBT | 6,740,000 | 6,740,000 |
| DEFERRED INCOME TAXES | 1,088,000 | 1,033,000 |
| ASSET RETIREMENT OBLIGATIONS | <u>1,426,002</u> | <u>1,405,002</u> |
| Total liabilities | 9,931,788 | 9,930,009 |
| STOCKHOLDERS' EQUITY: | | |
| Common stock, \$.01 par value, 75,000,000 shares authorized; 8,910,175 shares issued each period, and 8,060,175 and 8,077,175 outstanding, respectively | 89,101 | 89,101 |
| Additional paid-in capital | 4,573,580 | 4,573,580 |
| Retained earnings | 5,954,527 | 5,577,260 |
| Treasury stock, 850,000 and 833,000 shares, at cost | <u>(1,682,235)</u> | <u>(1,608,342)</u> |
| Total stockholders' equity | <u>8,934,973</u> | <u>8,631,599</u> |
| Total liabilities and stockholders' equity | <u>\$ 18,866,761</u> | <u>\$ 18,561,608</u> |

See accompanying notes to these unaudited condensed consolidated financial statements.

FieldPoint Petroleum Corporation

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

| | For the Three Months Ended March 31, | |
|---|---|-------------------|
| | 2011 | 2010 |
| REVENUE: | | |
| Oil and natural gas sales | \$ 1,697,545 | \$ 1,806,129 |
| Well operational and pumping fees | 17,066 | 17,066 |
| Disposal fees | <u>13,000</u> | <u>13,500</u> |
| Total revenue | 1,727,611 | 1,836,695 |
| COSTS AND EXPENSES: | | |
| Lease operating | 570,688 | 500,495 |
| Depletion and depreciation | 243,000 | 291,000 |
| Accretion of discount on asset retirement obligations | 21,000 | 20,000 |
| General and administrative | <u>251,645</u> | <u>232,220</u> |
| Total costs and expenses | <u>1,086,333</u> | <u>1,043,715</u> |
| OPERATING INCOME | 641,278 | 792,980 |
| OTHER INCOME (EXPENSE): | | |
| Interest income | 838 | 1,016 |
| Interest expense | <u>(59,849)</u> | <u>(63,295)</u> |
| Total other expense | <u>(59,011)</u> | <u>(62,279)</u> |
| INCOME BEFORE INCOME TAXES | 582,267 | 730,701 |
| Income tax provision – current | (87,000) | (168,000) |
| Income tax provision – deferred | <u>(118,000)</u> | <u>(84,000)</u> |
| Total income tax provision | <u>(205,000)</u> | <u>(252,000)</u> |
| NET INCOME | <u>\$ 377,267</u> | <u>\$ 478,701</u> |
| EARNINGS PER SHARE: | | |
| BASIC | <u>\$ 0.05</u> | <u>\$ 0.06</u> |
| DILUTED | <u>\$ 0.05</u> | <u>\$ 0.06</u> |
| WEIGHTED AVERAGE SHARES OUTSTANDING: | | |
| BASIC | 8,064,991 | 8,332,130 |
| DILUTED | 8,064,991 | 8,332,130 |

See accompanying notes to these unaudited condensed consolidated financial statements.

FieldPoint Petroleum Corporation

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASHFLOWS

| | For the Three Months Ended March 31, | |
|---|---|--------------|
| | 2011 | 2010 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income | \$ 377,267 | \$ 478,701 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depletion and depreciation | 243,000 | 291,000 |
| Deferred income taxes | 118,000 | 84,000 |
| Accretion of discount on asset retirement obligations | 21,000 | 20,000 |
| Changes in current assets and liabilities: | | |
| Accounts receivable | (58,639) | (66,624) |
| Prepaid expenses and other current assets | 70,000 | (38,416) |
| Accounts payable and accrued expenses | (121,729) | 64,237 |
| Oil and gas revenues payable | 47,508 | 30,102 |
| Other | - | (28) |
| Net cash provided by operating activities | 696,407 | 862,972 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Additions to oil and natural gas properties | (54,836) | (30,392) |
| Net cash used in investing activities | (54,836) | (30,392) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Purchase of treasury shares | (73,893) | (119,537) |
| Net cash used in financing activities | (73,893) | (119,537) |
| NET CHANGE IN CASH | 567,678 | 713,043 |
| CASH AND CASH EQUIVALENTS, beginning of the period | 984,770 | 657,942 |
| CASH AND CASH EQUIVALENTS, end of the period | \$ 1,552,448 | \$ 1,370,985 |
| SUPPLEMENTAL INFORMATION: | | |
| Interest paid | \$ 59,849 | \$ 63,295 |
| Income taxes paid | \$ - | \$ - |

See accompanying notes to these unaudited condensed consolidated financial statements.

FieldPoint Petroleum Corporation

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of Business, Organization and Basis of Preparation and Presentation

FieldPoint Petroleum Corporation (the “Company”, “our”, or “we”) is incorporated under the laws of the state of Colorado. The Company is engaged in the acquisition, operation and development of oil and natural gas properties, which are located in Louisiana, New Mexico, Oklahoma, Texas, and Wyoming.

The condensed consolidated financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. However, in the opinion of management, all adjustments (which consist only of normal recurring adjustments) necessary to present fairly the financial position and results of operations for the periods presented have been made. You should read these condensed consolidated financial statements in conjunction with the consolidated financial statements and the notes thereto included in the Company's Form 10-K filing for the year ended December 31, 2010.

2. Earnings Per Share

Basic earnings per share are computed based on the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share take common stock equivalents (such as options and warrants) into consideration. The Company had no dilutive or potentially dilutive common stock equivalents outstanding during the three months ended March 31, 2011 or 2010.

3. Income Taxes

For the three months ending March 31, 2011, and 2010, the tax provision is approximately 35% and 34%, respectively, of book income before tax which differed from the statutory federal and state rates due primarily to permanent differences in book and taxable income related to the domestic production activities deduction.

4. Treasury Stock Repurchase Program

We repurchased a total of 17,000 common shares with an aggregate cost of \$73,893 during the three months ended March 31, 2011. During the three months ended March 31, 2010 we repurchased a total of 50,000 common shares with an aggregate cost of \$119,537.

5. Related Party Transactions

The Company leases office space from its president. Rent expense for this month-to-month lease was \$7,500 for each of the three months ended March 31, 2011 and 2010. The Company also paid Roger Bryant, a director, \$2,500 in consulting fees during the three months ended March 31, 2010 and none in 2011.

6. Prepaid Drilling Expense

Prepaid drilling expense includes the amount paid related to a non-operated well expected to be drilled in 2011.

7. Sale of Property

We sold our Whistler property during the first quarter 2011 for approximately \$79,000 which approximated the net book value and did not result in a gain or loss on the sale. The proceeds are expected to be collected in the second quarter 2011 and are included in other current assets on the balance sheet.

8. Subsequent Events

On March 24, 2011, our Board of Directors authorized the Company to repurchase shares of common stock at an aggregate cost not to exceed \$250,000. Subsequent to March 31, 2011, we repurchased in market transactions a total of 47,000 shares of common stock totalling approximately \$198,000.

PART I

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

The following discussion should be read in conjunction with the Company's Condensed Consolidated Financial Statements, and respective notes thereto, included elsewhere herein. The information below should not be construed to imply that the results discussed herein will necessarily continue into the future or that any conclusion reached herein will necessarily be indicative of actual operating results in the future. Such discussion represents only the best present assessment of the management of FieldPoint Petroleum Corporation.

General

FieldPoint Petroleum Corporation derives its revenues from its operating activities including sales of oil and natural gas and operating oil and natural gas properties. The Company's capital for investment in producing oil and natural gas properties has been provided by cash flow from operating activities and from bank financing. The Company categorizes its operating expenses into the categories of production expenses and other expenses.

Results of Operations

Comparison of three months ended March 31, 2011 to the three months ended March 31, 2010

| | Quarter Ended March 31, | |
|---|-------------------------|---------------------|
| | 2011 | 2010 |
| Revenue: | | |
| Oil sales | \$ 1,559,198 | \$ 1,544,529 |
| Natural gas sales | 138,347 | 261,600 |
| Total oil and natural gas sales | <u>\$ 1,697,545</u> | <u>\$ 1,806,129</u> |
| Sales volumes: | | |
| Oil (Bbls) | 16,470 | 20,259 |
| Natural gas (Mcf) | 24,871 | 41,699 |
| Total (BOE) | <u>20,615</u> | <u>27,209</u> |
| Average sales prices | | |
| Oil (\$/Bbl) | \$ 94.67 | \$ 76.24 |
| Natural gas (\$/Mcf) | 5.56 | 6.27 |
| Total (\$/BOE) | <u>\$ 82.35</u> | <u>\$ 66.38</u> |
| Costs and expenses (\$/BOE) | | |
| Lease operating expense | \$ 27.68 | \$ 18.39 |
| Depletion and depreciation | 11.79 | 10.69 |
| Accretion of discount on asset retirement obligations | 1.02 | 0.74 |
| General and administrative | 12.21 | 8.53 |
| Total | <u>\$ 52.70</u> | <u>\$ 38.35</u> |

Oil and natural gas sales revenues decreased 6% or \$108,584 to \$1,697,545 for the three-month period ended March 31, 2011 from the comparable 2010 period. Lower sales volumes account for approximately \$394,000 of the decrease in revenues and was offset by increases in average oil sales prices of approximately \$285,000. Sales volumes decreased 24% on a BOE basis, primarily due to natural declines, wells waiting on repair, and downtime as a result inclement weather during the quarter. Average oil sales prices increased 24% to \$94.67

for the three-month period ended March 31, 2011 compared to \$76.24 for the period ended March 31, 2010. Average natural gas sales prices decreased 11% to \$5.56 for the three-month period ended March 31, 2011 compared to \$6.27 for the period ended March 31, 2010. We anticipate volumes to increase slightly in the coming quarters as additional remedial work is completed.

Lease operating expenses increased 14% or \$70,193 to \$570,688 for the three month period ended March 31, 2011 from the comparable 2010 period. This was primarily due to the cost associated with mature field production, with increases in workover expense and remedial repairs in 2011 as compared to 2010. Lifting costs per BOE increased 51% or \$9.29 to \$27.68 for the period. We anticipate lease operating expenses to increase over the following quarters due to the additional remedial repairs and workover expenses.

Depletion and depreciation decreased 16% or \$48,000 to \$243,000 for the three month period ended March 31, 2011 versus \$291,000 in the 2010 comparable period. This was primarily due to the decreased sales volumes during the current period.

General and administrative overhead cost increased 8% or \$19,425 to \$251,645 for the three-month period ended March 31, 2011 from the three-month period ended March 31, 2010. This was primarily attributable to an increase in professional services during the 2011 period. At this time, we anticipate general and administrative expenses to remain materially constant in the coming quarters.

Other expenses, net for the quarter ended March 31, 2011, were \$59,011 and remained consistent with other expenses, net of \$62,279 for 2010.

Liquidity and Capital Resources

Cash flow provided by operating activities was \$696,407 for the three-month period ended March 31, 2011, as compared to \$862,972 in the comparable 2010 period. The decrease in cash from operating activities was primarily due to the lower net income.

Cash flow used in investing activities was \$54,836 for the three-month period ended March 31, 2011 and \$30,392 in the comparable period due to the additions to oil and natural gas properties and equipment in each period.

Cash flow used in financing activities was used to repurchase 17,000 shares of common stock for a total of \$73,893 during the three-month period ended March 31, 2011 as compared to 50,000 shares of common stock for a total of \$119,537 during the three-month period ended March 31, 2010.

We may continue to raise financing through draws from our line of credit. We anticipate our operating cash flow and other capital resources, if needed, will adequately fund planned capital expenditures and other capital uses over the near term. Based on industry outlook for 2011, prices for oil and natural gas could remain higher than the prior year.

PART I

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We periodically enter into certain commodity price risk management transactions to manage our exposure to oil and natural gas price volatility. These transactions may take the form of futures contracts, swaps or options. Unrealized gains and losses related to the change in fair value of derivative contracts that qualify and are designated as cash flow hedges are recorded as other comprehensive income or loss and such amounts are reclassified to oil and natural gas sales revenues as the associated production occurs. Derivative contracts that do not qualify for hedge accounting treatment are recorded as derivative assets and liabilities at fair value in the consolidated balance sheet, and the associated unrealized gains and losses are recorded as current expense or income in the consolidated statement of operations. While such derivative contracts do not qualify for hedge accounting, management believes these contracts can be utilized as an effective component of commodity price risk management activities. At March 31, 2011 and March 31, 2010, there were no open positions. We did not have any derivative transactions during the three-month periods ending March 31, 2011 and 2010.

PART I

Item 4. CONTROLS AND PROCEDURES

a) *Disclosure Controls and Procedures*

The Company's Principal Executive Officer and Principal Financial Officer, Ray Reaves, has established and is currently maintaining disclosure controls and procedures for the Company. The disclosure controls and procedures have been designed to provide reasonable assurance that the information required to be disclosed by the Company in reports that it files under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and to ensure that information required to be disclosed by the Company is accumulated and communicated to the Company's management as appropriate to allow timely decisions regarding required disclosure.

The Principal Executive Officer and Principal Financial Officer conducted a review and evaluation of the effectiveness of the Company's disclosure controls and procedures and have concluded, based on his evaluation as of the end of the period covered by this Report, that our disclosure controls and procedures are effective to provide reasonable assurance that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and to ensure that information required to be disclosed by the Company is accumulated and communicated to management, including our principal executive officer and our principal financial officer, to allow timely decisions regarding required disclosure and we refer you to Exchange Act Rule 13a-15(e).

b) *Changes in Internal Control over Financial Reporting*

There has been no change in our internal control over financial reporting during the first quarter ended March 31, 2011 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

c) ***Limitations of Any Internal Control Design***

Our principal executive and financial officer do not expect that our disclosure controls or internal controls will prevent all error and all fraud. Although our disclosure controls and procedures were designed to provide reasonable assurance of achieving their objectives and our principal executive and financial officer have determined that our disclosure controls and procedures are effective at doing so, a control system, no matter how well conceived and operated, can provide only reasonable, not absolute assurance that the objectives of the system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented if there exists in an individual a desire to do so. There can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

PART II

OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

None.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no unregistered sales of equity during the period ended March 31, 2011

ISSUER PURCHASES OF EQUITY SECURITIES

| Period | (a) Total Number of shares (or Units) Purchased | (b) Average Price Paid per Share (or Unit) | (c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs | (d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs |
|-----------------------|---|--|---|---|
| January 1 – 31, 2011 | 12,000 | \$4.32 | 12,000 | \$ 74,170 |
| February 1 – 28, 2011 | 5,000 | \$4.40 | 5,000 | \$ 22,291 |
| | | | | |
| TOTAL | 17,000 | \$4.35 | 17,000 | \$ 277 |

Item 3. Default Upon Senior Securities

None.

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

None.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibits

- 31 Certification
- 32 Certification Pursuant to U.S.C. Section 1350

SIGNATURES

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

Date: May 13, 2011

By: /s/ Ray Reaves
Ray Reaves, President, Chief Executive
Officer, Treasurer and Chief Financial Officer