

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 June 30, 2008

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 No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

As of August 12, 2008, the number of shares outstanding of the Registrant's \$.01 par value Common Stock was 8,910,175.

PART I
Item 1 Condensed Consolidated Financial Statements

FieldPoint Petroleum Corporation
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)

	June 30, <u>2008</u>	December 31, <u>2007</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,505,910	\$ 1,484,469
Short-term investments	694,632	801,533
Accounts receivable:		
Oil and natural gas sales	656,976	521,430
Joint interest billings, less allowance for doubtful accounts of \$99,192, each period	173,820	140,604
Income tax receivable	-	117,600
Prepaid expenses and other current assets	<u>55,244</u>	<u>31,870</u>
Total current assets	3,086,582	3,097,506
PROPERTY AND EQUIPMENT:		
Oil and natural gas properties (successful efforts method):	16,930,817	15,425,289
Other equipment	89,248	89,248
Less accumulated depletion and depreciation	<u>(4,965,101)</u>	<u>(4,420,226)</u>
Net property and equipment	12,054,964	11,094,311
LONG-TERM JOINT INTEREST BILLING RECEIVABLE,		
Less allowance for doubtful accounts of \$44,624	<u>-</u>	<u>68,368</u>
Total assets	<u>\$ 15,141,546</u>	<u>\$ 14,260,185</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 419,337	\$ 587,911
Oil and gas revenues payable	159,082	136,437
Deferred income taxes-current	<u>-</u>	<u>14,200</u>
Total current liabilities	578,419	738,548
LONG TERM DEBT	3,489,125	3,489,125
DEFERRED INCOME TAXES	788,400	739,500
ASSET RETIREMENT OBLIGATION	728,761	676,344
STOCKHOLDERS' EQUITY:		
Common stock, \$.01 par value, 75,000,000 shares authorized; 8,910,175 shares issued and outstanding, both periods	89,101	89,101
Additional paid-in capital	4,573,580	4,571,809
Treasury stock, 295,000 shares, at cost	(242,406)	(242,406)
Retained earnings	<u>5,136,566</u>	<u>4,198,164</u>
Total stockholders' equity	<u>9,556,841</u>	<u>8,616,668</u>
Total liabilities and stockholders' equity	<u>\$ 15,141,546</u>	<u>\$ 14,260,185</u>

See accompanying notes to these condensed consolidated financial statements

FieldPoint Petroleum Corporation

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2008	2007	2008	2007
REVENUE:				
Oil and natural gas sales	\$ 1,963,198	\$ 952,976	\$ 3,434,884	\$ 1,810,406
Well operational and pumping fees	25,994	30,085	53,430	60,167
Disposal fees	11,000	12,000	21,000	26,000
Total revenue	<u>2,000,192</u>	<u>995,061</u>	<u>3,509,314</u>	<u>1,896,573</u>
COSTS AND EXPENSES:				
Production expense	615,656	374,875	1,041,299	681,501
Depletion and depreciation	280,000	209,000	545,000	429,000
Accretion of discount on asset retirement obligations	13,000	8,384	28,000	16,768
General and administrative	<u>127,603</u>	<u>165,258</u>	<u>289,858</u>	<u>310,182</u>
Total costs and expenses	<u>1,036,259</u>	<u>757,517</u>	<u>1,904,157</u>	<u>1,437,451</u>
OPERATING INCOME	963,933	237,544	1,605,157	459,122
OTHER INCOME (EXPENSE):				
Interest income	6,312	2,558	8,370	4,324
Interest expense	(42,596)	(17,548)	(95,224)	(38,000)
Unrealized holding gain (loss) on investments	<u>(40,096)</u>	<u>53,627</u>	<u>(106,901)</u>	<u>62,961</u>
Total other income (expense)	<u>(76,380)</u>	<u>38,637</u>	<u>(193,755)</u>	<u>29,285</u>
INCOME BEFORE INCOME TAXES	887,553	276,181	1,411,402	488,407
INCOME TAX PROVISION - CURRENT	(264,000)	(88,000)	(432,000)	(158,000)
INCOME TAX PROVISION - DEFERRED	<u>(35,000)</u>	<u>(11,000)</u>	<u>(41,000)</u>	<u>(19,000)</u>
TOTAL INCOME TAX PROVISION	<u>(299,000)</u>	<u>(99,000)</u>	<u>(473,000)</u>	<u>(177,000)</u>
NET INCOME	<u>\$ 588,553</u>	<u>\$ 177,181</u>	<u>\$ 938,402</u>	<u>\$ 311,407</u>
NET INCOME PER SHARE:				
BASIC	<u>\$ 0.07</u>	<u>\$ 0.02</u>	<u>\$ 0.11</u>	<u>\$ 0.04</u>
DILUTED	<u>\$ 0.07</u>	<u>\$ 0.02</u>	<u>\$ 0.11</u>	<u>\$ 0.04</u>
WEIGHTED AVERAGE SHARES OUTSTANDING:				
BASIC	<u>8,910,175</u>	<u>8,798,318</u>	<u>8,910,175</u>	<u>8,781,026</u>
DILUTED	<u>8,910,175</u>	<u>8,852,023</u>	<u>8,910,175</u>	<u>8,846,609</u>

See accompanying notes to these condensed consolidated financial statements.

FieldPoint Petroleum Corporation

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	For the Six Months Ended	
	June 30,	
	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 938,402	\$ 311,407
Adjustments to reconcile net income to net cash provided by operating activities:		
Unrealized holding loss (gain) on short-term investments	106,901	(62,961)
Depletion and depreciation	545,000	429,000
Deferred income taxes	41,000	19,000
Accretion of discount on asset retirement obligation	28,000	16,768
Share-based compensation	1,771	12,313
Changes in current assets and liabilities:		
Accounts receivable	17,206	46,440
Prepaid expenses and other current assets	(23,374)	(1,181)
Accounts payable and accrued expenses	(174,874)	12,839
Oil and natural gas revenues payable	22,645	12,750
Net cash provided by operating activities	1,502,677	796,375
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to oil and natural gas properties	(1,481,236)	(55,828)
Net cash used in investing activities	(1,481,236)	(55,828)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from exercise of stock options	-	86,450
Income tax benefit from exercise of stock options	-	61,000
Net cash provided by financing activities	-	147,450
NET INCREASE IN CASH	21,441	887,997
CASH AND CASH EQUIVALENTS, beginning of the period	1,484,469	603,614
CASH AND CASH EQUIVALENTS, end of the period	\$ 1,505,910	\$ 1,491,611

See accompanying notes to these condensed consolidated financial statements.

FieldPoint Petroleum Corporation
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

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

FieldPoint Petroleum Corporation (the "Company") 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-KSB filing for the year ended December 31, 2007.

Recently Issued Pronouncements

In September 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No.157, *Fair Value Measurements* ("SFAS 157"). SFAS 157 defines fair value to be the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and emphasizes that fair value is a market-based measurement, not an entity-specific measurement. It establishes a fair value hierarchy and expands disclosures about fair value measurements in both interim and annual periods. SFAS 157 is effective for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. The Company adopted SFAS 157 on January 1, 2008 which did not have a material impact on its consolidated financial position and results of operations.

The financial assets of the Company measured at fair value on a recurring basis are short-term investments. Our short-term investments are generally classified within level 1 or level 2 of the fair value hierarchy because they are valued using quoted market prices, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency.

The types of instruments valued based on quoted market prices in active markets include most U.S. government and agency securities and most money market securities. Such instruments are generally classified within level 1 of the fair value hierarchy.

The types of instruments valued based on quoted prices in markets that are not active, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency include most investment-grade corporate bonds, and state, municipal and provincial obligations. Such instruments are generally classified within level 2 of the fair value hierarchy.

Our short-term investments are measured at fair value on a recurring basis by level 1, within the fair value hierarchy. As required by SFAS No. 157, these are classified based on the lowest level of input that is significant to the fair value measurement.

In February 2007, the FASB issued Statement of Financial Accounting Standards (“SFAS”) No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities-Including an Amendment of FASB Statement No. 115* (“SFAS 159”). SFAS 159 permits entities to measure eligible assets and liabilities at fair value. Unrealized gains and losses on items for which the fair value option has been elected are reported in earnings. SFAS 159 is effective for fiscal years beginning after November 15, 2007. The Company adopted SFAS 159 on January 1, 2008 and did not elect the fair value option which did not have a material impact on its consolidated financial position and results of operations.

In December 2007, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 141R, *Business Combinations*, and Statement of Financial Accounting Standards No. 160, *Noncontrolling Interests in Consolidated Financial Statements, an amendment of ARB No. 51*. These new standards significantly change the accounting for and reporting of business combination transactions and noncontrolling interests (previously referred to as minority interests) in consolidated financial statements. Both standards are effective for fiscal years beginning on or after December 15, 2008, with early adoption prohibited. These Statements are effective for the Company beginning on January 1, 2009. The Company is currently evaluating the provisions of FAS 141(R) and FAS 160.

In March 2008, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 161, *Disclosures About Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133*. This new standard enhances the disclosure requirements related to derivative instruments and hedging activities required by *FASB Statement No. 133*. This standard is effective for fiscal years and interim periods beginning after November 15, 2008, with early adoption encouraged. The Company adopted the required provisions of SFAS 161 on January 1, 2008 and the adoption did not have a significant impact on its consolidated financial position and results of operations.

2. Share-Based Compensation

During 2006, the Company issued 10,000 restricted shares of common stock to a director in lieu of compensation. 2,500 shares vested in August 2006 and 2,500 shares vested in February 2007. The remaining 5,000 shares will vest in August 2008. The Company recognized \$1,771 during the six months ended June 30, 2008 for restricted shares vesting during the period.

3. Earnings Per Share

Basic earnings per share is computed based on the weighted average number of shares of common stock outstanding during the year. Diluted earnings per share takes common stock equivalents (such as options and warrants) into consideration. The following table sets forth the computation of basic and diluted earnings per share:

	<u>Three Months Ended</u>		<u>Six Months ended</u>	
	<u>2008</u>	<u>June 30,</u> <u>2007</u>	<u>2008</u>	<u>June 30,</u> <u>2007</u>
Numerator:				
Net income	<u>\$ 588,553</u>	<u>\$ 177,181</u>	<u>\$ 938,402</u>	<u>\$ 311,407</u>
Numerator for basic and diluted earnings per share	588,553	177,181	938,402	311,407
Denominator:				
Denominator for basic earnings per share – weighted average shares outstanding	8,910,175	8,798,318	8,910,175	8,781,026
Effect of dilutive securities:				
Stock options	-	53,705	-	65,583
Denominator for diluted earnings per share – adjusted weighted average shares	<u>8,910,175</u>	<u>8,852,023</u>	<u>8,910,175</u>	<u>8,846,609</u>
Basic earnings per share	<u>\$ 0.07</u>	<u>\$ 0.02</u>	<u>\$ 0.11</u>	<u>\$ 0.04</u>
Diluted earnings per share	<u>\$ 0.07</u>	<u>\$ 0.02</u>	<u>\$ 0.11</u>	<u>\$ 0.04</u>

4. Income Taxes

For the period ending June 30, 2008, the tax provision is approximately 33% of book income before tax which is lower than the statutory rate due to permanent tax differences such as depletion in excess of basis and domestic production activities deduction.

5. Related Party Transactions

The Company leases office space from its President. Rent expense for this month –to-month lease was \$15,000 for each of the six months ended June 30, 2008 and 2007, respectively. The Company also paid Roger Bryant, a director, \$8,000 in consulting fees for services rendered for the six months ended June 30, 2008.

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 bank financing. The Company categorizes its operating expenses into the categories of production expenses and other expenses.

Comparison of Three Months Ended June 30, 2008 to the Three Months Ended June 30, 2007

Results of Operations

Total revenues increased 101% or \$1,005,131 to \$2,000,192 for the three month period ended June 30, 2008 from the comparable 2007 period. This was due primarily to the overall increase in oil and natural gas sales pricing. Production volumes increased 9% on a BOE basis. Average oil sales prices increased 82% to \$120.01 for the three-month period ended June 30, 2008 compared to \$65.89 for the three-month period ended June 30, 2007. Average natural gas sales prices increased 64% to \$8.88 for the three month period ended June 30, 2008 compared to \$5.42 for the three month period ended June 30, 2007.

	Quarter Ended June 30,	
	<u>2008</u>	<u>2007</u>
Oil Production	14,009	11,277
Average Sales Price Per Bbl (\$/Bbl)	\$ 120.01	\$ 65.89
Natural Gas Production	31,754	38,765
Average Sales Price Per Mcf (\$/Mcf)	\$ 8.88	\$ 5.42
Lifting cost per BOE	\$ 31.90	\$ 21.60

Production expenses increased 64% or \$240,781 to \$615,656 for the three month period ended June 30, 2008 from the comparable 2007 period. This was primarily due to the increase in new wells acquired and costs associated with mature field production, with additional workovers expense and remedial repairs in the 2008 period. Depletion and depreciation increased 34% or \$71,000 to \$280,000 for the three month period ended June 30, 2008 versus the comparable 2007 period. This was primarily due to additional properties we acquired in the December 2007 period. As a result of additional wells lifting costs per BOE increased 48% or \$10.30 to \$31.90 for the three months ended June 30, 2008. General and administrative overhead cost decreased 23% or \$37,655 to \$127,603 for the three month period ended June 30, 2008 from the three month period ended June 30 2007. This was primarily due to the collection of a reserved joint interest billing receivable and reversal of the associated allowance of \$44,624 offset slightly by an overall increase in administrative expenses and salaries in the 2008 period.

Interest expense increased \$25,048 to \$42,596 for the three month period ended June 30, 2008 from \$17,548 for the comparable 2007 period due to \$3,489,125 in total bank financing outstanding in the 2008 period as compared to \$1,000,000 in total bank financing outstanding in the 2007 period.

Comparison of Six Months Ended June 30, 2008 to the Six Months Ended June 30, 2007

Results of Operations

Total revenues increased 85% or \$1,612,741 to \$3,509,314 for the six month period ended June 30, 2008 from \$1,896,573 for the comparable 2007 period due to the overall increase in oil and natural gas prices. Production volumes increased 8% on a BOE basis. Average oil sales prices increased 74% to \$106.65 for the six month period ended June 30, 2008 compared to \$61.19 for the six month period ended June 30, 2007. Average natural gas sales prices increased 43% to \$7.90 for the six month period ended June 30, 2008 compared to \$5.51 for the six month period ended June 30, 2007.

	Six Months Ended June 30,	
	<u>2008</u>	<u>2007</u>
Oil Production	27,382	22,797
Average Sales Price Per Bbl (\$/Bbl)	\$ 106.65	\$ 61.19
Natural Gas Production	65,125	75,449
Average Sales Price Per Mcf (\$/Mcf)	\$ 7.90	\$ 5.51
Lifting cost per BOE	\$ 27.23	\$ 19.74

Production expenses increased 53% or \$359,798 to \$1,041,299 for the six month period ended June 30, 2008 from the comparable 2007 period. This was primarily due to the increase in new wells acquired and costs associated with workovers and remedial repairs for the period ended June 30, 2008. Depletion and depreciation expense increased 27% to \$545,000, compared to \$429,000 for the comparable 2007 period. This was primarily due to the addition of the Sulimar property we acquired in December 2007. As a result of additional wells lifting costs per BOE increased 38% or \$7.49 to \$27.23 for the six months ended June 30, 2008. General and administrative overhead cost decreased 7% or \$20,324 to \$289,858 for the six month period ended June 30, 2008 from the six month period ended June 30, 2007. This was attributable primarily due to the collection of a reserved joint interest billing receivable and reversal of the associated allowance of \$44,624 offset slightly by an overall increase in administrative expenses and salaries in the 2008 period.

Interest expense increased \$57,224 to \$95,224 for the six month period ended June 30, 2008 from \$38,000 for the comparable 2007 period due to the additional bank financing obtained in the second half of 2007.

Liquidity and Capital Resources

Cash flow provided by operating activities was \$1,502,677 for the six month period ended June 30, 2008, as compared to cash flow provided by operating activities of \$796,375 in the comparable 2007 period. The increase in cash flows from operating activities was primarily due to an increase in net income.

Cash flow used in investing activities was \$1,481,236 for the six month period ended June 30, 2008 as compared to \$55,828 used in investing activities for the comparable period ended June 30, 2007. This was primarily due to the acquisition of oil and natural gas properties in 2008.

Cash flow provided by financing activities for the six months ended June 30, 2007, resulted primarily from the exercise of stock options and the related income tax effects. There were no financing activities during the six months ended June 30, 2008, as we had no outstanding exercisable stock options during the period, nor did we require additional borrowings under our revolving credit arrangement.

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. All data relating to our derivative positions is presented in accordance with requirements of SFAS No. 133, which we adopted on January 1, 2001. Accordingly, unrealized gains and losses related to the change in fair market 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 market 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 June 30, 2008 and June 30, 2007, there were no open positions. We did not have any derivative transactions during the three or six-month periods ending June 30, 2008 and 2007.

PART I

Item 4

CONTROLS AND PROCEDURES

- a) 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 Commission's rules and forms and to ensure that the 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.

- b) There has been no change in our internal control over financial reporting during the three or six months ended June 30, 2008 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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

None.

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: August 14, 2008

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