MILLER PETROLEUM INC
Form 10KSB/A
November 21, 2001

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

FORM 10-KSB-A3

[X] ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended April 30, 2001

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

For the transition period from _________ to _________

Commission File No. 33-2249-FW

MILLER PETROLEUM, INC.
(Name of Small Business Issuer in its Charter)

TENNESSEE	62-1028629
State or Other Jurisdiction of incorporation or organization)	(I.R.S. Employer I.D. No.)

3651 Baker Highway
Huntsville, Tennessee 37756
(Address of Principal Executive Offices)

Issuer's Telephone Number: (423) 663-9457

N/A
(Former Name or Former Address, if changed since last Report)

Securities Registered under Section 12(b) of the Exchange Act: None.

Securities Registered under Section 12(g) of the Exchange Act: None.

Check whether the Issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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.

(1) Yes X No ___ (2) Yes X No ___

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. [ ]

State Issuer's revenues for its most recent fiscal year:

April 30, 2001 - $3,154,830.

State the aggregate market value of the common voting stock held by non-affiliates computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within the past 60 days.

June 29, 2001 - $4,815,341. There are approximately 3,566,919 shares of common voting stock of the Registrant held by non-affiliates. On June 29, 2001 the average bid and asked price was $1.35.

(ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS
DURING THE PAST FIVE YEARS)

Not Applicable.

(APPLICABLE ONLY TO CORPORATE REGISTRANTS)

State the number of shares outstanding of each of the Issuer's classes of common equity, as of the latest practicable date:

June 29, 2001

8,328,656

DOCUMENTS INCORPORATED BY REFERENCE

A description of "Documents Incorporated by Reference" is contained in Item 13 of this Report.

Transitional Small Business Issuer Format Yes X No

PART I

Item 1. Description of Business.

Business Development

The predecessor of Miller Petroleum, Inc. (the "Company") was founded in 1967 by Deloy Miller, as a sole proprietorship. On January 22, 1978, the Company was incorporated under the laws of the State of Tennessee. For the Company's early business development, see Form 10KSB for the fiscal year ended April 30, 2000, which was filed with the Securities and Exchange Commission on August 14, 2001, and subsequently amended. These filings are available on the Commission's web site: www.sec.gov.

During the past three years, the Company concentrated on oil and gas development, exploration and production. The Company has oil and/or gas production in six Tennessee counties: Campbell, Fentress, Hancock, Morgan, Overton and Scott.

Currently, the Company has more than 40,000 acres under lease in Tennessee and continues to seek the acquisition of additional strategic acreage. We also owned 40,000 acres in Kentucky, which we recently sold as discussed below. Although it engages in a minimum of contract drilling, it has kept drilling rigs, service rigs, trucks and bulldozers to drill, service and maintain its own wells. Miller continues to use the latest technology, utilizing computer graphics and analytical tools for geologic exploration, drilling and development.

Pursuant to a Purchase and Sale Agreement that we entered into with NAMI Resources Company, LLC, a Kentucky limited liability company, on August 31, 2000, we sold to NAMI resources our interest in certain oil and gas wells, leases covering about 40,000 acres in Kentucky, inventory and related equipment located in Kentucky. The sale closed on September 6, 2000. NAMI Resources Company, LLC paid the Company $2,000,000 and assumed a production payment to Cabot Oil and Gas, Inc. of $102,237 and received our interest in certain oil and gas wells, oil and gas leases, inventory and related equipment plus a production receivable from Southern Gas of $123,832. The net to the Company was $1,978,405.

We sold these assets because they were located approximately two to three hours from our present principal operations in East Tennessee. Our Board of Directors believed that the cost, expense and manpower involved in managing the assets at this distance was too high and interfered with our principal focus in East Tennessee.

We had previously sold to NAMI Resources gas that was produced from oil and gas wells that were among these assets. NAMI Resources had no other material relationship with us, and the NAMI Resources agreement was negotiated at "arms length."

We used about $1,780,000 of the purchase price to pay a note that we owed to BankOne. The remaining amount has been allocated to working capital.

The Company continues to focus on the development, drilling and production of natural gas in eastern Tennessee. Miller's exploration efforts will primarily be in the East Tennessee portion of the Eastern Overthrust Belt. Knox Dolomite wells in this field have reserves in excess of 2 Bcf per well. Swan Creek is also producing substantial amounts of oil from a separate shallow reservoir.

All officers and directors with the exception of John Bonar were reappointed for the fiscal year that began May 1, 2001 and continue to serve as of June 30, 2001.

Mr. Ernest F. Payne was appointed Vice President of Field Operations on May 21, 2001, which is subsequent to the period covered by this Report.

Business

The Company's operations include the operation of oil and gas wells, acquisition and development of oil and gas leases, rebuilding and sales of oil field equipment and the organization of joint venture drilling programs with industry partners.

The Company has acquired and operates the following properties:

(1) Koppers Lease or "ARCO/GULF Farmout".

The largest acreage block owned by the Company is in Campbell County, Tennessee. This acreage was acquired through a farmout agreement with ARCO/Gulf. The Company owns a 100% working interest of 27,000 acres, more or less. This lease provides for a landowner royalty of 12.5% and an overriding royalty interest of 7.5% with an 80% working interest. The lease is split into two parcels. An 8,000 acre northern parcel borders the Kentucky state line and a 19,000 acre parcel has its southern edge under the city of Lafollette, Tennessee. Currently, there are six producing oil wells on the southern tract of this lease. The sixth well (Tennessee Mining, Inc. #22B, drilled in August of 2000, has produced 8,039 barrels of oil through June 30, 2001. This lease is being held by production. Plans call to drill at least four more wells during fiscal 2002.

(2) Delta Producers, Inc. joint venture.

The Company continues its joint venture with Delta Producers, Inc. of Greenville, Mississippi ("Delta Producers"). Currently, the parties are jointly producing twelve gas wells in the Jellico, Tennessee area northwest of the Pine Mountain Thrust Fault. Miller Petroleum has a 25% working interest in the above gas wells. The twelve wells are located upon several oil and gas leases consisting of 2,000 acres more or less (collectively the "Delta leases") Each of these leases is subject to a 12.5% landowner's royalty.

We acquired a 50% working interest in the 8,000 acre Elk Valley Iron and Coal lease in Campbell and Scott counties, Tennessee from Delta Producers, Inc. In 1999, Miller agreed to provide the geology, engineering and its drilling expertise for its interest in the lease and to jointly develop the lease with Delta. This lease provides for a landowner's royalty of 12.5% and an overriding royalty interest of 6.25%. During November and December, 2000, two shallow wells were drilled on this lease. One of these wells, the Ketchen #16 well, tested more than 200 Mcf of natural gas open flow at a depth of about 1300 feet on the Pennsylvania Sands Formation. We are in the process of permitting three more wells on the Ketchen lease and drilling will begin in January or February of 2002.

Miller Petroleum and Delta Producers have committed to drill three wells on the 4,000 acre Lindsey Land Company lease in Campbell County near Caryville, Tennessee. This lease provides for a landowner's royalty of 12.5%. We have surveyed the well locations and permitted the wells with the Tennessee Oil and Gas Board. Currently, we have drilled and logged the first and second wells, the Lindsey Land Co. #9 and #10, and moving the drilling equipment to the third well, the Lindsey Land Co. #12. Both the Lindsey Land Co. #9 & #10 wells tested more than 200 Mcf of natural gas open flow from the Big Lime Formation, their shut-in pressure was approximately 780 psi. We have a 50% working interest in the Lindsey Land Company lease.

(3) Miscellaneous oil and gas leases and wells.

The Company has several small leases in Campbell, Fentress, Morgan and Overton Counties, Tennessee totaling approximately 2,500 acres. Each of these leases is subject to a 12.5% to 20% landowner's royalty. There are twelve producing oil wells and fifteen producing natural gas wells on these miscellaneous leases.

(4) Tengasco Farmout and nearby area.

The Company continues to develop the farmout it acquired from Tengasco, Inc. in September of 1999. The farmout locations are adjacent to or in the much-publicized Swan Creek field in Hancock County, Tennessee.

The Company has drilled four successful Knox Dolomite wells in the Swan Creek field proper. A fifth Knox well drilled on this farmout by Miller has resulted in a new field discovery on a separate structure from Swan Creek.

In August of 2000, Miller Petroleum, Inc. drilled its first oil well under the Tengasco Farmout. The Dewey Sutton #1 well currently is producing 12 barrels of oil per day from the Trenton Formation. Since the Dewey Sutton well was drilled, the Company has drilled and completed the Worlie Purkey #2 and the Cheryl Smith #1 wells which are producing oil from the Trenton Formation. The R.D. Helton #2 had a good show of oil in the Stones River

Formation and is scheduled to be completed as soon as possible.

As of June 29, 2001, the Company has drilled eleven wells in this area. Eight of the wells were drilled under the Tengasco Farmout and 3 on the 293-acre Worlie Purkey lease. Five successful Knox Dolomite gas wells and three producing oil wells. Two additional oil wells and one gas well are scheduled for completion. Miller Petroleum jointly with Tengasco has completed a gas well acquired from Chevron in the Knox formation.

One of the above oil wells scheduled for completion is the Rose #1 well. Although the Rose #1 well was not as successful as expected, we plan to drill the Rose #2 in late November, 2001, and to complete both wells by the end of 2001.

Tengasco completed its pipeline and began buying limited amounts of natural gas on March 8, 2001. Miller's first sales to Tengasco were from the Worlie Purkey #1 well in April of 2001. In May, the Worlie Purkey #3 began selling to Tengasco. During the latter part of June, we began selling from the Jeff Johnson #1 well.

For the month of July, 2001, Tengasco purchased approximately 60% of our net natural gas production, or 5,687 Mcf. Nami purchased 27% of our natural gas production, or 2,507 Mcf, and Delta and Citizens purchased 12% and 1% or 1,141 Mcf and 101 Mcf, respectively.

We continue to focus on the development, drilling and production on natural gas in eastern Tennessee. Our exploration efforts will primarily be in the East Tennessee portion of the Eastern Overthrust Belt. According to the reserve report prepared by Coburn Petroleum Engineering as of April 30, 2001, our interests in the Knox Dolomite wells in this field have reserves averaging about 1.3 billion cubic feet per well. This reserve report also estimates net production in 2001 of 11,543 barrels of oil for two wells in which we have interests. These wells are located in the Trenton Formation, a separate shallow reservoir.

Principal Products or Services and Markets

The Company drills, produces and markets natural gas and oil. The demand for these products continues to increase as population and industry conversions expand. Direct statewide purchasers of oil at the well site are by South Kentucky Purchasing Company, a refinery located in Somerset, Kentucky.

Natural gas has multiple markets throughout the eastern United States through gas transmission lines. Access to these markets is presently provided by four companies in north eastern Tennessee. Delta Natural Gas Company purchases the Company's natural gas that is produced from the "Delta Leases". CNR (formerly ALAMCO) has recently completed a new gas pipeline with connections to the major east-west gas transmission lines and markets. Local markets are served by Citizens Gas Utility District with surplus gas being placed in storage facilities or transported to East Tennessee Natural Gas serving Tennessee and Virginia. During the past year, the NAMI Resources Company, LLC began purchasing gas from the Company's wells in the Jellico Field. NAMI is sending this gas north through Delta Natural Gas and its KA-1 line.

Reserve Analysis

Coburn Petroleum Engineering of Tulsa, Oklahoma, performed a reserve analysis on our leases as of April 30, 2001. Based on the data and parameters provided, the wells evaluated should recover about 884,759 barrels of oil, or Bbls, and 27,746,871 thousand cubic feet, or Mcf, of natural gas. Of this gross production, the interests appraised will recover 379,337 Bbls of oil and 11,765,300 Mcf of natural gas. Of these latter amounts, a total of 71,334 Bbls of oil and 231,372 Mcf of natural gas were proved developed producing; 108,197 Bbls of oil and 6,800,451 Mcf of gas were proved developed shut-in; and 199,806 Bbls of oil and 4,733,480 Mcf of natural gas were proved but undeveloped.

The net reserves should yield an un-discounted future net income of $64,356,698 after royalties, operating costs, development costs and severance and ad valorem taxes, but before federal and state income taxes. The present value of this future net income is $37,195,877 when discounted at 10%. The reserves presented in this report were evaluated according to the standards recommended by the Securities and Exchange Commission. The report assumes constant oil and gas pricing and the use of a 10% discount factor to estimate present value of the future net income.

It is the opinion of Coburn that the above-described reserve and revenue estimates are in the aggregate reasonable and were prepared in accordance with generally accepted petroleum engineering and evaluation principles. Coburn does not own any direct or indirect financial interest in Miller Petroleum, Inc. and its oil and gas properties and interest. Coburn's fee is not contingent upon its work or report.

Distribution Methods of Products or Services.

Crude oil is contained in tanks at the well site until the purchaser retrieves it by truck. Natural gas is delivered to the purchaser via gathering lines into the main gas transmission line. Gas purchasers in the area include Tengasco, Inc.; Delta Natural Gas Company, Inc.; NAMI Resources Company, LLC; CNR and Citizens Gas Utility District. Crude oil is purchased by South Kentucky Purchasing Company of Somerset, Kentucky. Management anticipates that the Company's products will be sold to one of these companies, however, no assurance can be given that the Company will be able to make such sales or that if it does, it will be able to receive a price that is sufficient to make its operations profitable.

Status of Any Publicly Announced New Product or Service

The Company does not have any publicly announced new product or service; nor does it anticipate any in the foreseeable future.

Competitive Business Conditions, Competitive Position in the Industry and Methods of Competition

The Company's oil and gas exploration activities in the State of Tennessee will be undertaken in a highly competitive and speculative business. In seeking any other suitable oil and gas properties for acquisition, the Company will be competing with a number of other companies located in the State of Tennessee and elsewhere, including large oil and gas companies and other independent operators with greater financial resources.

At the local level, the Company has several competitors in the area of its acreage blocks in the State of Tennessee, three of which may be deemed to be significant. These are CNR, Champ Oil, John Henry Oil and Anderson Oil and Gas. Given the Company's relatively large acreage holdings in the area and the estimated proven undeveloped reserves, management believes that the Company could increase substantially the amount of hydrocarbons it sells in the immediate area; however, the Company's operations will be subject to numerous risk factors and no assurance of this can be given. See the caption "Risk Factors" of this Report.

Management does not foresee any difficulties in procuring logging, cementing and well treatment services in the area of its operations. The experience of management has been that, in most instances, logging equipment will be available with less than a one-day waiting period. Cementing services generally have the same waiting period. Well treatment services may have a waiting period of 7 to fourteen days. However, several factors, including increased competition in the area, may limit the availability of logging equipment, cementing and well treatment services; such an event may have a significant adverse impact on the profitability of the Company's operations.

The Company has its own drilling and service rigs with the employees necessary to do all other services required to drill and produce gas and oil wells.

The prices of the Company's products are controlled by the world oil market and the United States natural gas market; thus, competitive pricing behaviors in this regard are considered unlikely; however, competition in the oil and gas exploration industry exists in the form of competition to acquire the most promising acreage blocks and obtaining the most favorable prices for transporting the product. Management believes that the Company is well positioned in these areas because of the transmission lines that run through and adjacent to the properties that it leases and because it holds relatively large acreage blocks in what management believes are promising areas.

Sources and Availability of Raw Materials and Names of Principal Suppliers

The Company's operations are not dependent on the acquisition of any raw materials. See the caption "Competitive Business Conditions, Competitive Position in the Industry and Methods of Competition," above.

Dependence on One or a Few Major Customers

The Company will be dependent on local purchasers of hydrocarbons in the areas where its properties are located for sales of its products. The six purchasers in the areas of the Company's operations are Citizens Gas Utility District, Delta, CNR, NAMI Resources, Tengasco and South Kentucky. The loss of one or more purchasers with whom the Company may contract may have a substantial adverse impact on the Company's sales and on its ability to operate profitably.

We have agreements to sell all of our natural gas. In August, 2001, the weighted average price of our natural gas, after transportation costs, was $2.43 per MCF.

Currently, we are selling natural gas to the following purchasers:

(1) Citizens Gas Utility District is purchasing natural gas from Miller's wells in Scott County, Tennessee. Citizens is paying $4.00 per Mcf less transportation costs. Sales to Citizens are less than 1% of our total natural gas sales.

(2) NAMI Resources Company, LLC is purchasing our gas from the Jellico Field. The sales price is the Columbia Appalachian Monthly Contract Index less transportation and marketing costs. Sales to NAMI at the present time are approximately 70% of total natural gas sales.

(3) Tengasco, Inc. purchases natural gas from wells in the Swan Creek Field. Tengasco, Inc. is paying the New York Mercantile Exchange first of the month posting plus $0.10 less transportation charges. Sales to Tengasco are about 8 or 9 percent of total natural gas sales.

(4) Delta Natural Gas purchased the gas produced from the joint venture with

Delta Producers, Inc. The sales price is Inside F.E.R.C.'s Gas Market Report first of the month index for Tennessee Gas Pipeline Co. - La. & Offshore without adjustment for BTU level less transportation charges. Delta Natural purchases approximately 20% of total natural gas sales.

The Company sells all of its crude oil to South Kentucky Purchasing Company of Somerset, Kentucky. South Kentucky's purchase price is based on postings for the Illinois Basin.

Patents, Trademarks, Licenses, Franchises, Concessions, Royalty Agreements or Labor Contracts, including Duration

Royalty agreements relating to oil and gas production are standard in the industry. The amount of the Company's royalty payments varies from lease to lease. See the caption "Business," above. The amounts of the royalties on each of the Company's leases are listed on the attached Lease Schedules. See the Exhibit Index, Item 13 of this Report.

Need for Governmental Approval of Principal Products or Services

None of the principal products or services offered by the Company require governmental approval; however, permits are required for drilling oil or gas wells. See the caption "Effect of Existing or Probable Governmental Regulations on Business," below.

Effect of Existing or Probable Governmental Regulations on Business

Exploration and production activities relating to oil and gas leases are subject to numerous environmental laws, rules and regulations. The federal Clean Water Act requires the Company to construct a fresh water containment barrier between the surface of each drilling site and the underlying water table. This involves the insertion of a seven-inch diameter steel casing into each well, with cement on the outside of the casing. The cost of compliance with this environmental regulation is approximately $10,000 per well.

The State of Tennessee also requires oil and gas drillers to obtain a permit for their activities and to post with the Tennessee Gas and Oil Board bonds to ensure that each well is reclaimed and properly plugged when it is abandoned. The Reclamation Bonds cost $1,500 per well. Cost for the Plugging Bonds are $2,000 per well or $10,000 for ten wells. Currently, the Company has several of the $10,000 plugging bonds. For most of the reclamation bonds, the Company has deposited a $1,500 Certificate of Deposit with the Oil and Gas Board.

The Company's operations are also subject to laws and regulations requiring removal and cleanup of environmental damages under certain circumstances. Laws and regulations protecting the environment have generally become more stringent in recent years, and may in certain circumstances impose "strict liability," rendering a corporation liable for environmental damages without regard to negligence or fault on the part of such corporation. Such laws and regulations may expose the Company to liability for the conduct of operations or conditions caused by others, or for acts of the Company which were in compliance with all applicable laws at the time such acts were performed. The modification of existing laws or regulations or the adoption of new laws or regulations relating to environmental matters could have a material adverse effect on the Company's operations. In addition, the Company's existing and proposed operations could result in liability for fires, blowouts, oil spills, discharge of hazardous materials into surface and subsurface aquifers and other environmental damage, any one of which could result in personal injury, loss of life, property damage or destruction or suspension of operations.

The Company has in place an Emergency Action and Environmental Response Policy Program. This program details the appropriate response to any emergency that management believes to be possible in the Company's area of operations.

The Company believes it is presently in compliance with all applicable federal, state and local environmental laws, rules and regulations; however, continued compliance (or failure to comply) and future legislation may have an adverse impact on the Company's present and contemplated business operations.

The foregoing is only a brief summary of some of the existing environmental laws, rules and regulations to which the Company's business operations are subject, and there are many others, the effects of which could have an adverse impact on the Company. Future legislation in this area will no doubt be enacted and revisions will be made in current laws. No assurance can be given as to what effect these present and future laws, rules and regulations will have on the Company's current future operations.

Research and Development

With the exception of the payment to Coburn Petroleum Engineering for its engineering study, the Company has not expended any material amount in research and development activities during the last fiscal year. Research done in conjunction with its exploration activities consists primarily of conducting geological research. This work falls under the job description of the Company's geologist and will not cost anything more than his standard salary.

Cost and Effects of Compliance with Environmental Laws

See the caption "Effect of Existing or Probable Governmental Regulations on Business" of this Report.

Number of Total Employees and Number of Full-Time Employees

The Company presently has 18 full-time employees and 1 part-time employees. When it commences its full-scale drilling program as discussed under the heading "Management's Discussion and Analysis or Plan of Operation," the Company plans to have up to 24 full-time employees, including officers, and 1 part-time employee.

Risk Factors

Our present and intended business operations are highly speculative and involve substantial risks. Only investors who can bear the risk of losing their entire investment should consider buying our shares. You should consider and be aware of the following risks:

General Risks Related To Our Business.

It will be harder for us to develop oil and gas reserves if we do not raise additional money.

We will require about $2,500,000 in additional funding to realize our future goals of conducting the oil and gas exploration operations on properties under lease and acquiring additional oil and gas properties for development. We will need to continue to raise funding through equity or debt financing, which may be very difficult for our highly speculative enterprise. We can not assure you that any additional funding will be available to us, or if it is available, that the terms of the funding will be satisfactory to us. If we fail in these efforts, our business may also fail.

Our business may fail if we do not succeed in our efforts to develop and replace oil and gas reserves.

Management believes that our future success will depend upon our ability to find, acquire and develop additional economically recoverable oil and gas reserves. Our proved reserves will generally decline as they are produced, except to the extent that we conduct revitalization activities, or acquire properties containing proved reserves, or both. To increase reserves and production, we must continue our development drilling and re-completion programs, identify and produce previously overlooked or bypassed zones in shut-in wells, acquire additional properties or undertake other replacement activities. Our current strategy is to increase our reserve base, production and cash flow through the development of our existing oil and gas fields and selective acquisitions of other promising properties where we can use new, existing technology. Despite our efforts, our planned revitalization, development and acquisition activities may not result in significant additional reserves, and we may not be able to discover and produce reserves at economical exploration and development costs.

Our revenues may be less than expected if our oil and gas reserve estimates are inaccurate.

Oil and gas reserve estimates and the present values attributed to these estimates are based on many engineering, geological characteristics and operational assumptions that generally are derived from limited data. Common assumptions include such matters as the anticipated future production from existing and future wells, future development and production costs and the ultimate hydrocarbon recovery percentage. As a result, oil and gas reserve estimates and present value estimates are frequently revised to reflect production data obtained after the date of the original estimate. If reserve estimates are inaccurate, production rates may decline more rapidly than anticipated, and future production revenues may be less than estimated. In addition, significant downward revisions of reserve estimates may hinder our ability to borrow funds in the future, or may hinder other financing arrangements that we may consider.

In addition, any estimates of future net revenues and their present value are based on period ending prices and on cost assumptions that only represent our best estimate. If these estimates of quantities, prices and costs prove inaccurate and we are unsuccessful in expanding our oil and gas reserves base, or if oil and gas prices decline or become unstable, we may have to write down the capitalized costs associated with our oil and gas assets. We will also largely rely on reserve estimates when we acquire producing properties. If we overestimate the potential oil and gas reserves of a property to be acquired, or if our subsequent operations on the property are not successful, the acquisition of the property could result in substantial losses.

Our future success will depend on the price of oil and gas.

Our revenues come from the sale of oil and gas. If oil and gas prices go below our costs and expenses of operating our company, we will lose money. Sustained financial losses would probably force us to cease operations.

Oil and gas operations involve many physical hazards.

Natural hazards, such as excessive underground pressures, may cause costly and dangerous blowouts or make further operations on a particular well financially or physically impractical. Similarly, the testing and re-completion of oil and gas wells involves a high degree of risk arising from operational failures, such as blowouts, fires, pollution, collapsed casing, loss of equipment and numerous other mechanical and technical problems. Any of these hazards may result in substantial losses to us or liabilities to third parties. These could include claims for bodily injuries, reservoir damage, loss of reserves, environmental damage and other damages to people or property. Any successful claim against us would probably require us to spend large amounts on legal fees and any successful claim may make us liable for substantial damages.

Our dependence on outside equipment and service providers may hurt our profitability.

We need to obtain logging equipment and cementing and well treatment services in the area of our operations. Several factors, including increased competition in the area, may limit their availability. Longer waits and higher prices for equipment and services may reduce our profitability.

You will not be able to elect our directors or officers.

Deloy Miller, our President and CEO, currently owns about 53% of our outstanding common stock. He can effectively elect all of our directors, who in turn elect all of our executive officers, without regard to the votes of other stockholders. If the warrant holders exercise all of the outstanding warrants and retain voting control of the shares underlying these warrants, Mr. Miller would own about 47% of the then-outstanding shares. Although he would not have absolute voting control, he would still be in a position to exert substantial influence on the election of all directors, who in turn elect all of the officers. You will have little or no ability to influence the direction of Miller Petroleum.

The intense competition in our industry will make it harder for us to succeed.

Our oil and gas exploration activities are centered in a highly competitive industry. We will be competing in every facet of our intended business with other companies that may include multinational oil and gas companies and other large independent operators with much greater financial resources than we have. Management does not believe that our competitive position in the oil and gas industry will be significant.

If we lose the services of Deloy Miller or Lawrence L. LaRue, our operations may suffer.

We are substantially dependent upon the continued services of Deloy Miller, our President, CEO and a director, and Lawrence L. LaRue, our Secretary/Treasurer and a director. Messrs. Miller and LaRue have been with us since our inception. The relationships that these persons have formed in our industry and in the local area where our principal operations are conducted are invaluable, and could be lost to us without their services. Messrs. Miller and LaRue are in good health; however, their retirement, disability or death would seriously hurt on our business operations. If their services become unavailable, we will have to retain other qualified personnel. We may not be able to recruit and hire other qualified people on acceptable terms. We do not have employment contracts with Mr. Miller or Mr. LaRue.

Similarly, the oil and gas exploration industry requires the use of personnel with substantial technical expertise. If our current technical personnel become unavailable, we will need to hire qualified personnel to take their place. If we are not able to recruit and hire new people on mutually acceptable terms, our operations will suffer.

Compliance with governmental regulations can be costly and can limit our planned operations.

We face many state and federal laws, rules and regulations covering the safety of our operations, environmental conditions and other facets of our business. These laws, rules and regulations can be expensive and may seriously limit our ability to conduct our intended business operations. See the heading "Effect of Existing or Probable Governmental Regulations on Business" under the caption "Description of Business."

Risks Related To Our Common Stock.

The sale of already outstanding shares of our common stock could hurt our common stock market price.

All of our outstanding common stock is eligible for public sale under Rule 144 of the Securities Act of 1933. On January 17, 2001, the Company filed Form SB2 with the Securities and Exchange Commission, (subsequently amended on June 19, 2001) to register 2,761,152 previously issued common shares and shares underlying warrants. The selling stockholders may sale the shares of common stock being registered for resale under our prospectus. Any of these sales could significantly decrease the market price of our common stock. These sales could also severely limit our ability to obtain the necessary debt or equity funding for our current and intended business operations.

The limited trading volume in our common stock, and general market volatility, may depress our stock price.

The public market and trading volume for our common stock are limited and volatile. Where the volume is limited, any unusual increase in the volume is likely to decrease the market price of our common stock. The common stock that we are registering and that the selling stockholders will offer and sell under our prospectus will greatly increase the number of shares available for public trading. This alone could significantly decrease the current market price for our common stock.

In addition, the stock markets have had extreme price and volume fluctuations. These broad market fluctuations, as well as general economic and political conditions, may also reduce the market price of our common stock.

Indemnification of Directors, Officers, Employees and Agents. Section 48-18-502 of the Tennessee Business Corporation Act allows a corporation to indemnify any director in any civil or criminal proceeding (other than a proceeding by or in the right of the corporation in which the director was adjudged liable to the corporation or any other proceeding in which he or she was adjudged liable on the basis that he or she improperly received a personal benefit) by reason of service as a director if the person to be indemnified conducted himself or herself in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful. Section 48-18-507 extends certain indemnification rights to officers, employees and agents of a corporation as well. The foregoing is only a brief summary of the right of indemnification allowed a corporation under the Tennessee Business Corporation Act, and is modified in its entirety by this reference. The Board of Directors of the Company has adopted these provisions to indemnify its directors, executive officers and agents.

Item 2. Description of Property.

The Company owns an office and yard on 14 acres situated in Huntsville, Tennessee. An additional 1,600 square feet of office space was added during 1998.

For a description of the Company's oil and gas leases, see the section captioned "Business".

Item 3. Legal Proceedings.

On or about January 20, 2000, the Company filed a complaint against Blue Ridge Group, Inc. in the Chancery Court of Hawkins County at Rogersville, Tennessee, Case No. 13951, asserting that Blue Ridge had breached a Footage Drilling Contract with the Company. Miller asserted that Blue Ridge had breached the said contract by quitting the job without drilling to the required depth, failing to drill a straight hole, and by damaging the well bore by failing to conduct its operations in a good and workmanlike manner in accordance with good industry practice. The Company has asked that it be awarded its initial payment of $37,000.00 to Blue Ridge, damages occasioned by the improper deviation of the hole from the vertical plane; damages for the cost of re-drilling and/or re-working the hole, damages allowed by the parties contract, further and equitable relief to which it may be entitled, and to assess the costs of this cause, including Miller's discretionary costs, to Blue Ridge.

The Blue Ridge action is pending and the Company believes that its contract with the plaintiff was breached. However, a decision for the defendant would not have a material effect on the Company.

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

On July 23, 2001, a majority of the Company's security holders voted to retain the present directors for another year and to retain the present auditor, Charles M. Stivers CPA of Manchester, Kentucky.

PART II

Item 5. Market for Common Equity and Related Stockholder Matters.

Market Information

The Company's common stock is traded on the OTC Bulletin Board of the National Association of Securities Dealers, Inc. ("NASD"); however, the market for shares of the Company's common stock is extremely limited. No assurance can be given that the present market for the Company's common stock will continue or will be maintained, and the sale of the Company's unregistered" and "restricted" common stock pursuant to Rule 144 as outlined under the caption "Recent Sales of Unregistered Securities" of this Report may have a substantial adverse impact on any such public market. See the Risk Factor entitled "Future Sales of Common Stock," herein.

The Company's common stock is quoted on the OTC Bulletin Board. The high and low bid prices for these shares of common stock of the Company during the past three years are as follows:

	Bid	
Quarter ending:	High	Low
July 31, 1998	$3.25	$2.4375
October 31, 1998	$2.50	$1.50
January 31, 1999	$2.00	$1.03125
April 30, 1999	$2.00	$1.50
July 31, 1999	$2.00	$1.375
October 31, 1999	$1.4375	$0.875
January 31, 2000	$1.125	$0.75
April 30, 2000	$2.125	$0.625
July 31, 2000	$1.01	$0.625
October 31, 2000	$1.6875	$0.625
January 31, 2001	$1.8125	$0.8125
April 30, 2001	$2.25	$1.375

These bid prices were obtained from the National Quotation Bureau, Inc. ("NQB") and do not necessarily reflect actual transactions, retail markups, mark downs or commissions.

Holders

The number of record holders of the Company's common stock as of July 5, 2001, 1999, was 285; this number does not include an indeterminate number of stockholders whose shares are held by brokers in street name.

Dividends

There are no present material restrictions that limit the ability of the Company to pay dividends on common stock or that are likely to do so in the future. The Company has not paid any dividends with respect to its common stock, and does not intend to pay dividends in the foreseeable future.

Recent Sales of Unregistered Securities.

We have sold the following "restricted securities" since April 2, 1998:

Common Stock.

Name or Group	Number of Shares	Date	Aggregate Consideration
Herman Gettelfinger	36,364	4/2/98	Bonus for services valued at $1.10 per share
Herman Gettelfinger	29,037	4/2/98	Payoff of $43,555 note payable
W. Baxter Lee, III	100,000	8/4/98	$218,750
James D. Lackie Profit Sharing Plan	50,000	8/4/98	$109,375
Five accredited investors	60,500	10/19/98	$121,000
Target Market Development, Inc.	10,000	12/4/98	Services valued at $1.80 per share
Don R. Miller	10,000	12/14/98	Services valued at $1.80 per share
20 employees	2,000	12/14/98	Services valued at $1.80 per share
Six accredited investors	28,556	12/18/98	$ 51,400.80
Five employees	14,433	1/29/99	Services valued at $1.80 per share
M. E. Ratliff	25,000	6/11/99	$ 25,000
Charles E. Quin, Sr.	3,135	7/29/99	$ 5,000
M. E. Ratliff	150,000	9/14/99	$150,000
Charles Barker	1,000	9/14/99	Services valued at $1.00 per share
Lawrence LaRue	10,000	2/16/00	Services valued at $1.00 per share
Jeff Brockman	3,000	7/18/00	Services valued at $1.00 per share
Lori Ann Nunn	2,500	7/18/00	Services valued at $1.00 per share
Raymond D. Cohn	50,000	7/18/00	$ 45,000
13 investors	475,000	11/10/00	$475,000

Richard Belz	25,000	12/18/00	$ 25,000
Raymond D. Cohn	50,000	12/18/00	$ 50,000
Three accredited investors	525,000	12/18/00	$525,000
16 employees	3,200	12/21/00	Services valued at $1.00 per share
Terry Goff	23,000	3/7/01	One Energy Industries compressor package

(1) Issued on various dates during our fiscal year ended April 30, 1998.

(2) The Company issued warrants to purchase up to 953,400 shares of common stock, as partial consideration for a loan in the amount of $860,000. See the caption "Certain Relationships and Related Transactions."

(3) Issued on various dates during our fiscal year ended April 30, 1999.

(4) Our Board of Director's consent accepting subscriptions was signed December 12, 2000, but the Subscription Agreements were signed over a period of three months.

We issued all of these securities to persons who were either "accredited investors," or "sophisticated investors" who, by reason of relationship to us, education, business acumen, experience or other factors, were fully capable of evaluating the risks and merits of an investment in our company; and each had prior access to all material information about us. We believe that the offer and sale of these securities was exempt from the registration requirements of the Securities Act of 1933, pursuant to Sections 4(2) and 4(6) thereof, and Regulation D thereof and from various similar state exemptions.

We have taken the following factors into account in determining the valuations of these shares: (i) the fact that the shares are "restricted"; (ii) the limited market for our common stock on the OTC Bulletin Board of the NASD; (iii) the low book value per share ($0.3475 at April 30, 2001); and (iv) our history of financial losses ($936,193 and $483,295 during the fiscal years ended April 30, 1999, and 2000, respectively).

Warrants.

Wm. Baxter Lee III	953,400	12/16/96	(1)
Raymond Cohn	12,500	8/10/00	(2)
Daniel Page	1,000,000	10/11/00	(3)
Basic Investors, Inc.	100,000	12/08/00	(4)

Lawrence L. LaRue	12,500	12/15/00	(5)
Teresa Cotton	5,000	12/15/00	(5)
Gary Bible	6,000	1/09/01	(5)

(1) These warrants were granted to Mr. Lee as partial consideration for a subordinated loan of $860,000. These warrants are exercisable at a price of $1.25 per share, and expire on December 12, 2004. The number of shares that can be purchased is variable due to a provision in the Warrant Agreement that allows Mr. Lee to purchase up to 10.53 percent of the shares of common stock outstanding.

(2) These warrants were granted to Mr. Cohn as partial consideration for his purchase of 50,000 "unregistered" and "restricted" shares of our common stock, as discussed under the heading "Common Stock," above. These warrants are exercisable at a price of $1.00 per share, and expire on July 17, 2003. During the third year of the warrants, Miller Petroleum may call them at a price of $0.001 per warrant at any time that its common stock has traded at $2.00 for 30 consecutive days, with volume of not less than 5,000 shares per day.

(3) Granted to Mr. Page for his service as an investor relations consultant. The warrants are exercisable for a period of two years, commencing August 3, 2000. The first 250,000 warrants are exercisable at a price of $1.00 per share; the next 250,000 warrants are exercisable at $1.50 per share; and the two remaining 250,000 share tranches are exercisable for $2.00 per share and $2.50 per share, respectively. The warrants may be exercised in lots of 25,000 or more.

(4) Granted to Basic Investors for its service as a business consultant from December 8, 2000, until February 1, 2001. The warrants are exercisable for a period of three years, commencing December 8, 2000, at a price of $2.00 per share and may be called if Miller Petroleum's common stock trades at 150% of the exercise price for five consecutive days.

(5) Granted as bonuses to: Mr. LaRue, the Secretary/Treasurer and a director; Ms Cotton, an employee; and Mr. Bible, a Vice President. Each of these warrants is exercisable at a price of $1.00 per share. Mr. LaRue's and Ms. Cotton's warrants expire on December 15,2003, and Mr. Bible's warrants expire January 9, 2004. During the third year of the warrants, Miller Petroleum may call them at a price of $0.001 per warrant at any time that its common stock has traded at $2.00 for 30 consecutive days, with volume of not less than 5,000 shares per day.

We issued all of these securities to persons who were either "accredited investors," or "sophisticated investors" who, by reason of relationship to us, education, business acumen, experience or other factors, were fully capable of evaluating the risks and merits of an investment in our company; and each had prior access to all material information about us. We believe that the offer and sale of these securities was exempt from the registration requirements of the Securities Act of 1933, pursuant to Sections 4(2) and 4(6) thereof, and Regulation D of the Securities Exchange Act of 1934 and from various similar state exemptions.

Options.

Herman Gettelfinger	100,000	01/29/97	(1)
Roy Greenwood	50,000	01/29/97	(1)
Lawrence LaRue	100,000	01/29/97	(1)
Ronnie Lewis	40,000	01/29/97	(1)
Deloy Miller	100,000	01/29/97	(1)
Teresa Cotton	20,000	01/29/97	(1)
Herbert J. White	100,000	01/29/97	(1)
Gary Bible	40,000	09/15/97	(2)
Lawrence LaRue	20,177	07/30/97	(3)
Melvin Myers	2,000	02/06/98	(4)
Steve Letner	2,000	02/06/98	(4)
Steve Burchfield	4,000	02/06/98	(4)
M.E. Ratliff	150,000	04/10/01	(5)

(1) These options were granted pursuant to an Incentive Stock Option Plan for employees and directors with an effective date of January 29, 1997. These options are exercisable at a price of $0.575 per share, and expire on January 29, 2002.

(2) These options were granted to Dr. Gary G. Bible pursuant to an Employee Stock Option dated September 15, 1997. These options are exercisable at a price of $1.75 per share, and expire on September 15, 2005.

(3) These options were granted to Lawrence L. LaRue pursuant to an Employee Stock Option dated July 30, 1997. These options are exercisable at a price of $1.50 per share, and expire on July 30, 2005.

(4) These options were granted to three employees pursuant to an Employee Stock Option dated February 6, 1998. These options are exercisable at a price of $1.00 per share, and expire on February 6, 2006.

(5) These options were granted to Mr. Ratliff as partial consideration for a loan guarantee dated April 10, 2000. These options are exercisable at a price of $1.00 per share, and expire on August 15, 2001.

Item 6. Management's Discussion and Analysis or Plan of Operation.

Miller Petroleum has more than 40,000 acres held by production in Tennessee. This acreage is made up primarily of development drilling locations. It produces both gas and oil, mainly from the Mississippian age Big Lime Formation. The existing properties contain a minimum three-year inventory of conventional drilling locations. The company is also actively pursuing the acquisition of additional high potential acreage in eastern Tennessee. A recent "high volume" (Tennessee Mining, Inc. #22B, drilled in August of 2000, has produced 8,039 barrels of oil through June 30, 2001) development oil well drilled on one of these properties showed that the oil reservoir has not yet been pressure depleted. The company plans to drill an additional four to five oil wells on this lease, as well as begin the exploitation of its gas cap. Miller Petroleum is also in the process of leasing an additional 4,700-acre block of property that directly offsets this oil field. All 45,000 Tennessee acres are presently being evaluated for their CBM potential. A well drilled in June of 2001 by the company encountered 13 coal seams below 750 feet depth on a 5,000-acre lease that the company has recently acquired. These coal seams reach a maximum thickness of six feet and are presently being evaluated for their CBM potential. In addition, this well has made a conventional Big Lime gas discovery, and a second location of the lease has already been staked. The company has drilled two CBM test wells on another 8,000-acre block of company leases, which are strategically located near an existing pipeline. The second well has found an apparent commercial, conventional natural gas discovery. Three locations have been staked offsetting this well, and Miller Petroleum plans to begin a development-drilling program that will be able to quickly market the produced gas.

Miller Petroleum's exploration effort is being concentrated in the East Tennessee portion of the Eastern Overthrust Belt. Knox Dolomite wells in this field have reserves in excess of two Bcf gas per well. Swan Creek Field is already producing substantial amounts of oil from two separate shallower reservoirs.

Miller Petroleum has obtained a 20-well farmout from Tengasco, Inc. in the Swan Creek Field area. On this farmout and a Swan Creek lease, Miller has drilled four successful Knox Dolomite wells in Swan Creek Field proper, and development drilling is continuing. A fifth Knox well drilled by Miller has resulted in a new field discovery on a separate structure from Swan Creek. The Company is presently staking a second Knox test on this feature that will be located higher on structure. This well will also continue the evaluation of the Trenton oil discovery found on this structure.

The Dewey Sutton #1 was the first well that established oil production for Miller Petroleum on the Swan Creek farmout. This well was drilled in August of 2000 and is presently producing 12 BOPD. The initial offset to this well has been successfully stimulated and is currently awaiting production facilities. Four of the five Knox wells that the company has drilled in Swan Creek have encountered oil shows in the shallower Trenton and Stones River Formations indicating an oil field that extends over this structure, and Miller Petroleum plans to continue the development of its share of these reserves.

At this time Miller Petroleum management has identified 12 additional structures similar to Swan Creek Field in the Tennessee portion of the Eastern Overthrust Belt. The company is presently acquiring leases over two of these structures. Miller plans to test these structures as aggressively as possible while continuing to identify additional targets in the Eastern Overthrust Belt.

Results of Operations

Miller Petroleum increased its proved reserves from 294,188 barrels of oil and 8,197,450 Mcf of gas at the end of the fiscal year ended April 30, 2000, to 379,337 barrels of oil and 11,765,303 Mcf gas at the end of fiscal 2001. This is an increase of 29% in oil and 44% in gas. We were able to increase the proved reserves while selling all of our oil and gas properties in Kentucky.

During fiscal 2001, future cash flows discounted 10% after income taxes from proved reserves increased from $7,176,895 to $28,493,674. This is an increase of approximately 337%.

Our oil and gas revenue was $628,344 for fiscal 2001, down from $863,422 for fiscal 2000. Although oil and gas prices increased in fiscal 2001, we were not able to make up for lost production due to the sale of our oil and gas properties in Kentucky.

During fiscal 2001, service and drilling revenue was $2,274,364, up from $431,980 for fiscal 2000. These revenues stemmed from dramatic increases in service and drilling activity in fiscal 2001. Increased oil and gas prices caused the higher service and drilling activity.

Retail sales increased from $44,497 in fiscal 2000, to $91,848 in fiscal 2001. The principal reason for the increase was increased activity in oil and gas.

During fiscal 2001, other revenue was $160,274, down from $573,244 in fiscal 2000. During fiscal 2000, Miller Petroleum sold most of its excess operating equipment. In fiscal 2000, we also sold the Kentucky oil and gas properties and $36,370 in excess operating equipment.

Gross revenue for fiscal 2001 was $3,154,830, up from $1,913,143 for fiscal 2000, due to the reasons stated above.

Cost of sales increased from $785,553 in fiscal 2000 to $1,107,662 for fiscal 2001. A major increase in our drilling activity caused this increase.

Selling, general and administrative expenses were $570,006, up from $384,653 in fiscal 2000. These increases were also due to the increase in drilling activity.

Salaries and wages increased to $661,861 from $399,165 for fiscal 2000. This increase was brought about by the increase in drilling activity.

Depreciation, depletion and amortization decreased to $327,182 from $479,472 for fiscal 2000. The decrease was due to the sale of our Kentucky oil and gas properties.

Income from operations for fiscal 2001 was $488,119, up from a loss of $135,700 in fiscal 2000.

Interest expense decreased from $354,039 in fiscal 2000 to $235,900 in fiscal 2001. The primary reason for the decrease was the payoff of our loan from Bank One.

Net income was $254,402, up from a net loss of $483,295 in fiscal 2000. The direct reason for the increase was increased service and drilling revenue and the indirect reason was the increase in crude oil and natural gas prices.

During fiscal 2000, Miller Petroleum produced 226,372 million British Thermal Units of natural gas, with an average price of $2.39 per million BTU's. Production declined to 71,201 million BTU's in fiscal 2001, but the average price per million BTU's was $3.79. The production decline in fiscal 2001 was due the sale of our oil and gas properties in Kentucky. The following tables reflect our production figures for the fiscal years ended April 30, 1999, 2000 and 2001:

FISCAL YEAR	NETMBTU/GAS	AVERAGE SALES PRICE	NET BARRELS/OIL	AVERAGE PRICE OIL
1999	247,740	$1.92/MMBTU	8,647	$10.62
2000	226,372	$2.39/MMBTU	9,203	$20.27
2001	71,201	$3.79/MMBTU	12,342	$25.96

Average production cost for 1999 and 2000 was $4.75, decreasing to $4.60 per barrel of oil in 2001. The average production cost for 1999 and 2000 was $0.60 per MCF of gas. This figure increased to $0.65 per MCF in 2001.

	1999	2000	2001
Net Productive Wells	30.25	29.66	34.10
Developed Acreage	1,456	1,476	1,876
Undeveloped Acreage	78,900	82,600	44,124
Net Productive Exploratory Wells	0	0.8125	0
Net Dry Exploratory Wells	0	0.5	0.4375
Net Productive developmental Wells	1.7	0.5	4.435
Net Dry Developmental Wells	0.82	0	0

During fiscal 2001, we drilled 12 wells, with net productive development wells of 4.435 wells and net dry exploratory wells of 0.4375. Nine of the wells were in the Swan Creek Field area; one oil well was on our Koppers South tract; and two wells were on the Elk Valley Iron and Coal lease.

Liquidity.

During the fiscal years ended April 30, 2000, and 2001, our principal sources of liquidity were revenue from the production of oil and gas and the sale of approximately 50% of the working interests in the wells we drill. We have benefitted from the recent increases in natural gas prices. Private placements of our common stock have been our principal external sources of liquidity.

We also borrow funds to finance equipment purchases. On September 7, 2001, which is subsequent to the period covered by this Report, we executed two promissory notes, each for $250,000. The notes are in favor of Sherri Ann Parker Lee and William Parker Lee, respectively. The notes are due August 31, 2003, and bear interest at the rate of 10% during the first year and 7% during the second year. Each note is payable quarterly in arrears, beginning November 31, 2001. Any amounts not paid when due will bear interest after maturity at the lesser of 20% per annum or the maximum rate allowable under applicable law. The notes are secured by five gas wells in the Swan Creek field.

We estimate that we will be able to adequately fund our development and production plans, with the exception of the acquisition of additional properties, for the next 12 months. Sources of funds for us will be revenue from operations, in particular sales of working interests in wells that we drill; receipts from the private placement of our securities; and loans.

Cash and cash equivalents at April 30, 2001, increased by $184,994 from April 30, 2000, due primarily to the sale of 1,146,600 shares of common stock, increases in the price for crude oil and natural gas and the increase in our drilling activity.

We believe that our current cash flow will be sufficient to support our cash requirements of about $2,500,000 for development and production over the next 12 months.

Item 7. Financial Statements.

MILLER PETROLEUM, INC.

CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2001 and 2000

CONTENTS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Miller Petroleum, Inc.
Huntsville, Tennessee

We have audited the accompanying consolidated balance sheets of Miller Petroleum, Inc. and subsidiaries as of April 30, 2001 and 2000 the related consolidated statements of operations, stockholders' equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Miller Petroleum, Inc. and subsidiaries as of April 30, 2001 and 2000, and the results of their operations and their cash flows for the years then ended. In conformity with generally accepted accounting principles.

Charles M. Stivers
Certified Public Accountant
Manchester, Kentucky

July 16, 2001

MILLER PETROLEUM, INC.
Consolidated Balance Sheet

ASSETS

	April 30 2001	April 30 2000
CURRENT ASSETS		
Cash	$ 224,550	$ 39,556
Accounts receivable	1,143,300	781,311
Inventory (Note 1)	439,113	484,549
Prepaid expenses	74,011	27,988
Total Current Assets	1,880,974	1,333,404
FIXED ASSETS (Note 1)		
Machinery and equipment	1,249,511	1,343,962
Vehicles	438,851	326,916
Buildings	313,335	313,335
Office equipment	87,172	76,270
Less: accumulated depreciation	(881,690)	(833,519)
Total Fixed Assets	1,207,179	1,226,964
OIL AND GAS PROPERTIES (Notes 2 and 8)	1,050,687	2,311,825

(On the basis of successful effort's accounting)

PIPELINE FACILITIES (Note 2)	336,635	411,906
OTHER ASSETS		
Land	511,500	511,500
Investments	500	500
Organization Costs	119	178
Total Other Assets	512,119	512,178
TOTAL ASSETS	$ 4,987,594	$ 5,796,277

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

MILLER PETROLEUM, INC.
Consolidated Balance Sheet

LIABILITIES AND STOCKHOLDERS' EQUITY

	April 30 2001	April 30 2000
CURRENT LIABILITIES		
Accounts payable - trade	$ 134,275	$ 402,330
Accrued expenses	91,910	50,795
Notes payable - current portion (Note 4)	577,270	2,636,835
Total Current Liabilities	803,455	3,089,960
LONG-TERM LIABILITIES		
Notes payable - related (Notes 4 and 5)	89,968	35,633
Notes payable (Note 4)	1,207,530	1,142,898
Total Long-Term Liabilities	1,297,498	1,178,531
Total Liabilities	2,100,953	4,268,491
STOCKHOLDER'S EQUITY		
Common Stock: 500,000,000 shares authorized at $0.0001 par value, 8,218,656 and 7,100,691 shares issued and outstanding	822	711

Additional paid-in capital	3,566,480	2,462,138
Retained earnings	(680,661)	(935,063)
Total Stockholder's Equity	2,886,641	1,527,786
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	$ 4,987,594	$ 5,796,277

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

MILLER PETROLEUM, INC.
Consolidated Statements of Operations

	For the Years Ended April 30, 2001	2000
REVENUES		
Oil and gas revenue	$ 628,344	$ 863,422
Service and drilling revenue	2,274,364	431,980
Retail sales	91,848	44,497
Other revenue	160,274	573,244
Total Revenue	3,154,830	1,913,143
COSTS AND EXPENSES		
Cost of oil and gas sales	1,107,662	785,553
Selling, general and administrative	570,006	384,653
Salaries and wages	661,861	399,165
Depreciation, depletion and amortization	327,182	479,472
Total Costs and Expenses	2,666,711	2,048,843
INCOME (LOSS) FROM OPERATIONS	488,119	(135,700)
OTHER INCOME (EXPENSE)		
Interest income	2,183	6,444
Interest expense	(235,900)	(354,039)

Total Other Income (Expense)	(233,717)	(347,595)
INCOME TAXES (Note 1)	-	-
NET INCOME (Loss)	$ 254,402	$ (483,295)
NET INCOME (Loss) PER SHARE	$ 0.03	$ (0.06)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	7,566,248	7,012,110

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

MILLER PETROLEUM, INC.
Consolidated Statements of Stockholders' Equity

	Common Shares		Additional Paid-in
	Shares	Amount	Capital
Balance, April 30, 1999	6,921,556	$ 692	$ 2,271,157
Common stock issued for cash at $1.00 per share	185,000	19	184,981
Common stock issued for cash at $1.59 per share	3,135	-	5,000
Common stock issued for cash at $1.00 per share	1,000	-	1,000
Net loss for the year ended April 30, 2000	-	-	-
Balance, April 30, 2000	7,110,691	$ 711	$ 2,462,138

MILLER PETROLEUM, INC.
Consolidated Statements of Stockholders' Equity
(Continued)

	Retained Earnings	Note Receivable From Stockholder	Total
Balance, April 30, 1999	$(451,768)	-	$ 1,820,081

Common Stock issued for cash at $1.0 per share	-	-	185,000
Common stock issued for cash at $1.59 per share	-	-	5,000
Common stock issued for cash at $1.00 per share	-	-	1,000
Net loss for the year ended April 30, 2000	$ (483,295)	-	$ (483,295)
Balance, April 30, 2000	$ (935,063)	-	$1,527,786

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

MILLER PETROLEUM, INC.
Consolidated Statement of Stockholders' Equity

	Common Shares	Shares Amount	Additional Paid-in Capital
Balance April 30, 2000	7,110,691	$ 711	$ 2,462,138
Common stock issued for cash at at $1.00 per share	1,077,600	108	1,077,492
Common stock issued for cash at $.90 per share	50,000	5	44,995
Common stock issued for services at $1.00 per share	5,500	1	5,499
Common stock issued for equipment at $1.00 per share	23,000	2	22,998
Common stock repurchased for $2.00 per share	(45,000)	(5)	(89,995)
Common stock repurchased for $1.60 per share	(3,135)	-	(5,000)

Warrants (1,123,500) issued for services			48,353
Net income for the year ended April 30, 2001	-	-	-
Balance, April 30,2001	8,218,656	$ 822	$ 3,566,480

MILLER PETROLEUM, INC.
Consolidated Statement of Stockholder's Equity
(Continued)

	Retained Earnings	Note Receivable From Stockholder	Total
Balance, April 30, 2000	$ (935,063)	-	$ 1,527,786
Common Stock issued for cash at $1.00 per share	-	-	1,077,600
Common stock issued for cash at $.90 per share	-	-	45,000
Common stock issued for services at $1.00 per share	-	-	5,500
Common stock issued for equipment at $1.00 per share	-	-	23,000
Common stock repurchased for $2.00 per share	-	-	(90,000)
Common stock repurchased for $1.60 per share	-	-	(5,000)
Warrants (1,123,500) issued for services	-	-	48,353
Net income for the year ended April 30, 2001	254,402	-	254,402
Balance, April 30, 2001	$ (680,661)	$ -	$ 2,886,641

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

MILLER PETROLEUM, INC.
Consolidated Statements of Cash Flows

	For the Years Ended April 30, 2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (Loss)	$ 254,402	$ (483,295)
Adjustments to Reconcile		
Net Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation, depletion and amortization	327,182	479,472
Allowance for bad debt	0	20,533
Common stock and warrants Issued for services	53,853	1,000
Gain on sale of Equipment and Oil and Gas Property	(123,904)	0
Changes in Operating Assets and Liabilities:		
Decrease (increase) in accounts receivable	(361,989)	(484,441)
Decrease (increase) in inventory	45,436	(11,963)
Decrease (increase) in organization costs	59	0
Decrease (increase) in Prepaid expenses	(46,023)	0
Increase (decrease) in accounts payable	(268,055)	67,123
Increase (decrease) in accrued expenses	41,115	2,755
Net Cash Provided (Used) by Operating Activities	(77,924)	(408,816)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Equipment	(230,137)	(11,013)
Sale of oil and gas properties	1,874,423	0

Purchase of oil and gas properties	(595,351)	(47,792)
Sale of Equipment	103,982	224,076
Purchase of pipeline	0	(2,239)
Net Cash Provided (Used) by Investing Activities	1,152,917	163,032
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on Notes Payables	(2,110,665)	(384,812)
Sale of common stock	1,151,100	190,000
Repurchase of common stock	(95,000)	0
Proceeds from borrowings	164,566	417,714
Net Cash Provided (Used) by Financing Activities	$ (889,999)	$ 222,902

The accompanying notes are an integral part of these consolidated financial statements

MILLER PETROLEUM, INC.
Consolidated Statements of Cash Flows

	For the Years Ended April 30, 2001	2000
NET INCREASE (DECREASE) IN CASH	$ 184,994	$ (22,882)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	39,556	62,438
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 224,550	$ 39,556
CASH PAID FOR:		
Interest	$ (235,900)	$(354,039)
Income Taxes	$ -	$ -
NON-CASH FINANCING ACTIVITIES:		
Common stock issued for services	$ 5,500	$ 1,000

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

MILLER PETROLEUM, INC.
Notes to the Consolidated Financial Statements
April 30, 2001 and 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Organization

The financial statements presented are those of Miller Petroleum, Inc. (formerly Triple Chip Systems, Inc.) (the Company). The Company was incorporated in the State of Delaware on November 12, 1985 for the purpose of searching out a business acquisition. On January 10, 1997, Triple Chip Systems, Inc. changed its name to Miller Petroleum, Inc. in conjunction with the merger with Miller Petroleum, Inc. The Company is no longer considered a development stage company as defined by SFAS No. 7.

The Subsidiaries

Miller Petroleum, Inc. (pre-merger) (Miller) was incorporated under the laws of the State of Tennessee on January 24, 1978, for the purpose of acquiring gas and oil contracts.

Miller Services, Inc. (Services) was incorporated under the laws of the State of Tennessee on October 16, 1987, for the purpose of drilling and servicing oil and gas wells.

Energy Cell, Inc. (Cell) was incorporated under the laws of the State of Tennessee on October 20, 1987, for the purpose of searching out and acquiring or participating in a business or business opportunity.

On May 1, 1996, Services and Cell were merged into Miller in a business combination accounted for as a pooling of interests.

On January 10, 1997, Triple Chip Systems, Inc. and Miller Petroleum completed an Agreement and Plan of Reorganization whereby the Company issued 5,582,535 shares of its common stock in exchange for all of the outstanding common stock of Miller.

Immediately prior to the Agreement and Plan of Reorganization, the Company had 167,465 shares of common stock issued and outstanding.

The acquisition was accounted for as a recapitalization of Miller because the shareholders of Miller controlled the Company after the acquisition. Therefore, Miller is treated as the acquiring entity. There was no adjustments to the carrying value of the assets or liabilities of Miller in the exchange. The Company is the acquiring entity for legal purposes and Miller is the surviving entity for accounting purposes. On May 6, 1996, the shareholders of the Company authorized a reverse stock split of 1 for 200. All references to shares of common stock have been retroactively restated.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

b. Accounting Method

The Company's financial statements are prepared using the accrual method of accounting. The successful efforts method of accounting is used for oil and gas property acquisitions, exploration and production activities as defined by the Securities and Exchange Commission, whereby all costs incurred in connection with the properties, productive or nonproductive, are capitalized. Capitalized costs related to proved properties and estimated future costs to be incurred in the development of proved reserves are amortized using the unit-of-production method. Capitalized costs are tested whenever events or changes in circumstances indicate the carrying amount may not be recoverable by comparison to the present value of future net revenues from proved reserves. Any capitalized costs in excess of the present value of future net revenues from proved reserves, adjusted for the cost of certain unproved properties, are expensed in the year in which such an excess occurs. The Company has elected an April 30 year end.

c. Impairment of Long-Lived Assets and Long-Lived Assets to be disposed of.

Management believes that none of its long-lived assets are impaired, and the accompanying financial statements reflect no charges or allowances for impairment.

d. Income per Share of Common Stock

The income per share of common stock is based on the weighted average number of shares issued and outstanding during the year.

e. Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

f. Principles of Consolidation

The consolidated financial statements include the accounts of the Company, and its wholly-owned subsidiaries, Miller Petroleum, Inc., Miller Services, Inc., Energy Cell, Inc., and MPC, Inc. All significant intercompany transactions have been eliminated.

MILLER PETROLEUM, INC.
Notes to the Consolidated Financial Statements
April 30, 2001 and 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

g. Fixed Assets

Fixed assets are stated at cost. Depreciation and amortization are computed using the straight-line method for financial reporting purposes and accelerated methods for income tax purposes.

The estimated useful lives are as follows:

Class	Lives (Years)
Building	40
Machinery and equipment	5-10
Vehicles	5-7
Office equipment	5

Depreciation expense for the years ended April 30, 2001 and 2000 was $227,725 and $240,857 respectively.

h. Revenue Recognition

Revenues are recognized when the gas products are delivered to customers. In the movement of natural gas, it is common for differences to arise between volumes of gas contracted or nominated, and volume of gas actually received or delivered.

These solutions are the result of certain attributes of the natural gas commodity and the industry itself. Consequently, the credit given to the Company by a pipeline for volumes received from producers may be different than volumes actually delivered by a pipeline. When all necessary information, such as the final pipeline statement for receipts and deliveries are available, these differences are resolved by the Company.

The Company records imbalances based on amounts received and classifies the imbalances as adjustments to the trade accounts receivable or trade accounts payable, as appropriate.

MILLER PETROLEUM, INC.
Notes to the Consolidated Financial Statements
April 30, 2001 and 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i. Inventory

Inventory consists of crude oil and used equipment. Used equipment is purchased by the Company for resale. When used equipment purchases are made by the Company the cost is applied only to the marketable portion of the equipment. The inventory balance was $439,113 at April 30, 2001.

j. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liability at the date of the financial statements and the amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

k. Reclassification

Certain April 30, 2000 balances have been reclassified to conform with the April 30, 2001 financial statement presentation.

l. New Accounting Pronouncements

SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" As amended by SFAS No. 137 and 138, is effective for all fiscal years beginning after June 15, 2000. This statement requires recognition of all derivative contracts as either assets or liabilities in the balance sheet and the measurement of them at fair value. If certain conditions are met, a derivative may be specifically designated as a hedge, the objective of which is to match the timing of any gains or losses on the hedge with the recognition of (i) the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk or (ii) the earnings effect of the hedged forecasted transaction. For a derivative not designated as a hedging forecasted transaction. For a derivative not designated as a hedging instrument, the gain or loss is recognized in income in the period of change. Historically, the Company has not entered into any material derivative contracts either to hedge existing risks or for speculative purposes.

In December 1999, the SEC issued Staff Accounting Bulletin ("SAB") No. 101 "Revenue Recognition in Financial Statements" which outlines the basic criteria that must be met to recognize revenue and provides guidance for presentation of revenue and for disclosure related to revenue recognition policies in financial statements filed with the SEC. Adoption of SAB No. 101 did not have a material impact on the Company's financial position or its results or operations.

m. Major Customers

Miller Petroleum Inc. depends upon local purchasers of hydrocarbon in the areas where their properties are located. They have three major customers. The loss of one or more purchasers may substantially reduce their sales and ability to operate profitably. These major customers are:

Citizens Gas Utility District

Citizens accounted for $345,252 of Miller's total revenue which is 10.9436% of Miller's total revenue. Citizens purchased most of Miller's gas last year. This year, however, Miller's does not anticipate Citizens to purchase the same amount as last year and expects Citizens to purchase a lesser amount.

Tengasco, Inc.

Tengasco accounted for $589,182 of Miller's total revenue which was 18.6756% of Miller's total revenue. Additionally, Tengasco purchased a 50% working interest in most of Miller's wells. Tengasco is anticipated to account for a greater percentage of Miller's total revenues this year.

South Kentucky Purchasing Co.

South Kentucky accounted for $354,696 of Miller's total revenue which was 11.2430% of Miller's total revenue. South Kentucky purchases all of Miller's crude oil.

MILLER PETROLEUM, INC.
Notes to the Consolidated Financial Statements
April 30, 2001 and 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

n. Income taxes

No provision for taxes has been made, due to current operating losses carryforwards.

NOTE 2 - OIL AND GAS PROPERTIES - PIPELINE FACILITIES

The Company uses the successful efforts method of accounting for oil and gas producing activities. Costs to acquire mineral interests in oil and gas properties, to drill and equip exploratory wells that find proved reserves, and to drill and equip development wells are capitalized. Costs to drill exploratory wells that do not find proved reserves, geological and geophysical costs, and costs carrying and retaining unproved properties are expensed. The Company amortizes the oil and gas Properties using the unit-of-production method. The Company capitalized $595,351 of oil and gas properties for the year ended April 30, 2001 and recorded $99,457 and $238,615 of amortization expense for the years ended April 30, 2001 and 2000, respectively.

NOTE 3 - COMMON STOCK REPURCHASES

Common stock repurchases were made pursuant to an Agreement that the Company would buy the shares back if the average market price for Miller Petroleum, Inc.'s common shares did no average $2.00 or more for the month of December, 1999. The average market price was less that $2.00 for the state period.

MILLER PETROLEUM, INC.
Notes to the Consolidated Financial Statements
April 30, 2001 and 2000

NOTE 4 - LONG-TERM DEBT

The Company had the following debt obligations at April 30, 2001:

	April 30, 2001
Note payable to Home Federal Bank secured by Equipment bearing interest at 9.75% due in Monthly payments with final payment due In August 2005.	49,033
Note payable to Individual unsecured at 7.00% with payments due yearly with the principle due May of 2002.	89,968
Note payable to First National Bank of Oneida secured by equipment bearing interest at 9.00% due on June 30, 2001.	222,567
Note payable to First National Bank of Oneida secured by stock at 9.50% due on June 30, 2001.	225,000
Note payable to Individual bearing interest at 8.00% and requiring interest payments quarterly with principle due in January 2006.	860,000
Note payable to Individual bearing interest at 8.00% with principle due in December 2005.	180,000
Note payable to Talisman Energy for repurchase of stock with payments of $10,000 due monthly with final payment due August 2001.	40,000
Balance Forward	$ 1,666,568

MILLER PETROLEUM, INC.

Notes to the Consolidated Financial Statements
April 30, 2001 and 2000

NOTE 4 - LONG-TERM DEBT

The Company had the following debt obligations at April 30, 2001 (Continued):

	April 30, 2001
Balance Forward	$ 1,666,568
Line of credit payable to First National Bank of the Cumberlands secured by equipment and inventory bearing interest at 10.50% due on demand on October 10, 2002.	85,461
Note payable to Community Trust Bank secured by real property bearing interest at 8.50% requiring monthly principle and interest payments of $1,389 due in April 2004.	122,739
Total notes payable	1,874,768
Less current maturities	(577,270)
Notes payable - long-term	$ 1,297,498

Maturities of long-term debt are as follows:

Year Ending April 30,	Amount
2001	$ 577,270
2002	125,492
2003	24,807
2004	24,807
2005 and thereafter	1,122,392
Total	$ 1,874,768

MILLER PETROLEUM, INC.
Notes to the Consolidated Financial Statements
April 30, 2001 and 2000

NOTE 5 - RELATED PARTY TRANSACTIONS

The Company has a note payable to Sharon Miller (Deloy Miller's wife a majority stockholder), for $89,968 at April 30, 2001. The note is payable with principle payments of $89,968 due in May 2002.

The note is for the purchase of property located in Huntsville, Tennessee and currently houses the principal executive offices, shop and equipment yard. The appraisal of the property was $550,000. The company paid $82,470 cash, assumed a $39,906 note payable with the First National Bank of Oneida, and issued a note payable to Mrs. Miller for $377,624.

The Company issued a note receivable of $860,000 on March 16, 1998 at 8% with a eight year term to Baxter Lee, III, of Knoxville, Tennessee. This note receivable was issued to raise working capital.

NOTE 6 - WARRANTS

Miller Petroleum issued 953,400 warrants to Baxter Lee III. The warrants were issued along with the note receivable dated March 16, 1998 and can be exercised for $1.25 per share, and expire on December 12, 2004. The number of shares that can be purchased is based on a provision in the Warrant Agreement that allows him to purchase up to 10.53% of common stock outstanding

On August 10, 2000, Miller Petroleum issued 12,500 warrants to Raymond R. Cohn, a stockholder. The warrants are exercisable for 12,500 shares of common stock at $1.00, and expire on July 17, 2003.

The warrants are callable during the third year at a price of $0.001 per warrant, traded at $2.00 for 30 consecutive days at no less than 5,000 shares per day.

On August 3, 2000 Miller Petroleum issued 1,000,000 warrants to Daniel Page for services as a consultant. The warrants are exercisable for a period of two years, commencing August 3, 2000. The first 250,000 warrants are exercisable at a price of $1.00 per share; the next 250,000 warrants are exercisable at $1.50 per share; and the two remaining 250,000 shares are exercisable for $2.00 and $2.50 per share, respectively. These warrants were issued for services valued at $43,750. They will be reflected on the financial statements as an amortization expense over a two year period.

On December 8, 2000, Miller Petroleum issued 100,000 warrants to Basic Investors, Inc. for services as a business consultant. The warrants are exercisable for a period of three years, commencing December 8, 2000, at a price of $2.00 per share and may be called if Miller Petroleum's common stock trades at 150% of the exercisable price for five consecutive days. These warrants were issued for services valued at $3,500. They will be reflected on the financial statements an an amortization expense over a three year period.

On December 15, 2000, Miller Petroleum issued 12,500 and 5,000 warrants to Lawrence L. Larue, CFO and Secretary/Treasurer and Teresa Cotton employee respectively. These warrants are exercisable at a price of $1.00 per share and expire on December 15, 2003. During the third year of the warrants Miller Petroleum may call them at a price of $0.001 per warrant at any time that its common stock has traded at $2.00 for 30 consecutive days. These warrants were issued with a value of $788 and were shown as an expense on the current year financial statements.

On January 9, 2001, Miller Petroleum issued 6,000 warrants to Gary Bible a vice-president. These warrants are exercisable at $1.00 per share and expire on January 9, 2004. These warrants were issued with a value of $315 and were shown as an expense on the current year financial statements.

All warrants must be adjusted in the event of any forward or reverse split of outstanding common stock. The warrants have no voting rights or liquidation preferences, and unless exercised in accordance with the particular warrant.

NOTE 7 - SIGNIFICANT EVENTS

The company entered into a Sale Agreement with Nami Resources Company, LLC, a Kentucky limited liability company on August 31, 2000. The company sold to Nami Resources their interests in certain oil and gas wells, leases covering about 40,000 acres in Kentucky, inventory and related equipment located in Kentucky. The sale closed on September 6, 2000. Nami Resources Company, LLC. Paid the company $2,000,000 and assumed a production payment to Cobat Oil and Gas, Inc. of $102,237 and received Miller Petroleum, Inc.

interest in certain oil and gas wells, oil and gas leases, inventory and related equipment plus a production receivable form Southern Gas of $123,832. The net sales price to the Company was $1,978,405.

NOTE 8 - S.F.A.S. 69 SUPPLEMENTAL DISCLOSURES (Unaudited)

(1) Capitalized Costs Relating to Oil and Gas Producing Activities

	April 30, 2001	April 30, 2000
Proved oil and gas properties and related lease equipment:		
Developed	$1,630,867	$2,988,426
Non-developed	31,053	31,053
	1,661,920	3,019,479
Accumulated depreciation and depletion	(611,233)	(707,654)
Net Capitalized Costs	$1,050,687	$2,311,825

MILLER PETROLEUM, INC.
Notes to the Consolidated Financial Statements
April 30, 2001 and 2000

(2) Costs Incurred in Oil and Gas Property Acquisition, Exploration, and Development Activities

	April 30, 2001	April 30, 2000
Acquisition of Properties Proved and Unproved	$ 0	$ 0
Exploration Costs	-	-
Development Costs	595,351	47,792
Total	$ 595,351	$ 47,792

Note 8 - S.F.A.S. 69 SUPPLEMENTAL DISCLOSURES (Unaudited)

(3) Results of Operations for Producing Activities

	April 30, 2001	April 30, 2000
Production revenues	$2,902,708	$1,295,402
Production costs	1,107,662	785,553
Depreciation and depletion	99,457	186,346
Results of operations for producing activities (excluding corporate overhead and interest costs)	$1,695,589	$ 323,503

MILLER PETROLEUM, INC.
Notes to the Consolidated Financial Statements
April 30, 2001 and 2000

(4) Reserve Quantity Information

The following table summarizes proved reserves as reported by Coburn Petroleum Engineering:

Net Values Oil-Gas

Category	Oil-Bbls	Gas-Mcf	Undiscounted Future Net Income	Discounted Future Net Income @ 10%
Pvd. Devl. Prod.	71,334	231,372	$ 2,235,075	$ 1,493,786
Pvd. Devl. Shut In	108,197	6,800,451	$32,790,030	$20,166,544
Pvd. Undeveloped	199,806	4,733,480	$24,293,269	$15,535,547
Total	379,337	11,765,303	$59,318,374	$37,195,877

The following schedule estimates of proved oil and natural gas reserves attributable to the Company. Proved reserves are estimated quantities of oil and natural gas which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions. Proved - developed reserves are those which are expected to be recovered through existing wells with existing equipment and operating methods. Reserves are stated in barrels of oil (Bbls) and thousands of cubic feet of natural gas (Mcf). Geological and engineering estimates of proved oil and natural gas reserves at one point in time are highly interpretive, inherently imprecise and subject to ongoing revisions that may be substantial in amount. Although every reasonable effort is made to ensure that the reserve estimates reported represent the most accurate assessments possible, these estimates are by their nature generally less precise that other estimates presented in connection with financial statement disclosures.

NOTE 8 - S.F.A.S. SUPPLEMENTAL DISCLOSURES (Unaudited)

	Oil (bbls)	Gas (Mcf)
Proved reserves		
Balance, April 30, 1999	120,151	9,443,127
Discoveries and extensions	173,648	855,614
Revisions of previous estimates	10,839	(1,877,873)
Productions	(10,450)	(223,418)
Balance, April 30, 2000	294,188	8,197,450
Discoveries and extensions	52,100	773,000
Sales of previous reserves	(69,760)	(1,724,450)
Revisions of previous estimates	115,151	4,590,504
Production	(12,342)	(71,201)

Balance, April 30, 2001	379,337	11,765,303
Proved developed producing reserves at April 30, 2001	71,334	231,372
Proved developed producing reserves at April 30, 2000	120,540	2,034,416

MILLER PETROLEUM, INC.
Notes to the Consolidated Financial Statements
April 30, 2001 and 2000

NOTE 8 - S.F.A.S. 69 SUPPLEMENTAL DISCLOSURES (Unaudited)

The reserve and engineering reports performed for the Company by Coburn Petroleum Engineering of Tulsa, Oklahoma, an independent engineering consulting firm reported the discounted net present value of the reserves which is future cash flows less future production costs, severance taxes, and development costs discounted at 10% before federal income taxes. The term Standardized Measure of Discounted Future Net Cash Flow is a measure of discounted net present value of the reserves less federal income taxes.

The following schedule presents the standardized measure of estimated discounted future net cash flows from the Company's proved developed reserves for the years ended April 30, 2001 and 2000. Estimated future cash flows were based on independent reserves evaluation from Coburn Petroleum Engineering. Because the standardized measure of future net cash flows was prepared using the prevailing economic conditions existing at April 30, 2001 and 2000, it should be emphasized that such conditions continually change. Accordingly, such information should not serve as a basis in making any judgement on the potential value of the Company's recoverable reserves or in estimating future results to operations.

MILLER PETROLEUM, INC.
Notes to the Consolidated Financial Statements
April 30, 2001 and 2000

NOTE 8 - S.F.A.S. 69 SUPPLEMENTAL DISCLOSURES (Unaudited)

Standardized measures of discounted future net cash flows:

	April 30,	
	2001	2000
Future cash flows	$ 69,227,195	$ 26,552,579
Future production costs and taxes	(8,547,321)	(2,992,328)
Future development costs	(1,361,500)	(890,000)
Future income tax expense	(18,478,757)	(2,587,009)
Future cash flows before income taxes	40,839,617	20,083,242
Discount at 10% for timing		

of cash flows	(14,576,646)	(12,906,347)
Discounted future net cash flows from proved reserves	$ 26,262,971	$ 7,176,895

Of the Company's total proved reserves as of April 30, 2001 and 2000, approximately 48% and 26%, respectively, were classified as proved developed producing, 11% and 1%, respectively, were classified as proved developed non-producing and 41% and 73%, respectively, were classified as proved undeveloped. All of the Company's reserves are located in the continental United States.

The following table sets forth the changes in the standardized measure of discounted future net cash flows from proved reserves for April 30, 2001 and 2000.

	April 30, 2001	2000
Balance, beginning of year	$ 7,176,895	$ 4,100,452
Sales, Net of production costs and taxes	(6,240)	(5,098)
Discoveries and extensions	1,820	2,340
Changes in prices and production costs	42,157,947	8,391,758
Revisions of quantity estimates	(3,496,730)	(7,083,044)
Development costs incurred	595,351	47,792
Net changes in income taxes	(17,461,269)	(837,378)
Changes in future development costs	(471,500)	2,566,000
Changes in production rates and other	(2,600)	(5,927)
Balances, end of year	$28,493,674	$ 7,176,895

MILLER PETROLEUM, INC.
Notes to the Consolidated Financial Statements
April 30, 2001 and 2000

Estimated future net cash flows represent and estimate of future net revenues from the production of proved reserves using current sales prices, along with estimates of the operating costs, production taxes and future development and abandonment costs (less salvage value) necessary to produce such reserves. The average prices used at April 30, 2001 and 2000 were $24.00 and $21.75 per barrel of oil and $5.10 and $2.28 per mcf gas, respectively. No deduction has been made for depreciation, depletion or any indirect costs such as general corporate overhead or interest expense.

Operating costs and production taxes are estimated based on current costs with respect to producing gas properties. Future development costs are based on the best estimate of such costs assuming current economic and operating conditions.

Income tax expense is computed based on applying the appropriate statutory tax rate to the excess of future cash inflows less future production and development costs over the current tax basis of the properties involved, less applicable carry forwards, for both regular and alternative minimum tax.

The future net revenue information assumes no escalation of costs or prices, except for gas sales made under terms of contracts which include fixed and determinable escalation. Future costs and prices could significantly vary from current amounts and, accordingly, revisions in the future could be significant.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

Charles M. Stivers, Certified Public Accountant, of Manchester, Kentucky, was engaged on or about March 19, 1998, by the Board of Directors of the Company to audit the financial statements of the Company. He continues as the auditor for the Company and audited the financial statements that accompany this Report.

PART III

Item 9. Directors, Executive Officers, Promoters and Control Persons; Compliance with Section 16(a) of the Exchange Act.

Identification of Directors and Executive Officers

The following table sets forth the names of all current directors and executive officers of the Company. These persons will serve until the next annual meeting of stockholders (to be held at such time as the Board of Directors shall determine) or until their successors are elected or appointed and qualified, or their prior resignation or termination.

Name	Positions Held	Date of Election or Designation	Date of Termination or Designation
Deloy Miller	Director,	12/96	*
815 Southlake Drive	President	12/99	*
Oneida, TN 37841	CEO	12/97	*
Lawrence L. LaRue	Secretary/	12/96	*
432 Brewstertown Road	Treasurer	12/96	*
Sunbright, TN 37872	Director	4/97	*
	CFO	4/01	*
Herbert J. White	Director and	4/97	*
P.O. Box 1868	Vice President	4/97	*
Fairfield Glade, TN 38557			

Herman Gettelfinger 641 Atlantic Ave. Knoxville, TN 37917	Director	4/97	*
John N. Bonar 50 Rivers Run Way Oak Ridge, TN 37830	Vice President	11/97	09/00
Gary G. Bible 232 West Seneca Circle Oneida, TN 37841	Vice President	9/97	*
Ernest F. Payne 446 Southlake Drive Oneida, TN 37841	Vice President	5/01	*

* These persons presently serve in the capacities indicated opposite their respective names.

Term of Office

The term of office of the current directors shall continue until the annual meeting of stockholders, which is to be held at such time as the Board of Directors shall determine. The annual meeting of the Board of Directors immediately follows the annual meeting of stockholders, at which officers for the coming year are elected.

Business Experience

Deloy Miller Mr. Miller is 54 years of age. Mr. Miller, Chairman and CEO, is a seasoned gas and oil professional with more than 30 years of experience in the drilling and production business in the Appalachian basin. During his years as a drilling contractor, he acquired extensive geological knowledge of Tennessee and Kentucky and received training in the reading of well logs. A native Tennessean, Miller is credited with being the leader in converting the Appalachian Basin from cable tool drilling to air drilling, using the Ingersoll-Rand T3 Drillmaster rigs. The introduction of air drilling sparked the 1969 drilling boom and Miller soon became a successful drilling contractor in the southern Appalachian basin. He served two terms as president of the Tennessee Oil & Gas Association and in 1978 the organization named Miller the Tennessee Oil Man of the Year. He continues to serve on the board of that organization. Mr. Miller was appointed by the Governor of Tennessee to be the petroleum industry's representative on the Tennessee Oil & Gas Board, the state agency that regulates gas and oil operations in the state.

Lawrence L. LaRue. Mr. LaRue is 61 years of age. Mr. LaRue joined the Miller organization in March of 1983 as an accountant. During his 18 years with the Company, he has acquired an extensive knowledge of all aspects of oil and gas accounting and tax law. He was appointed Secretary/Treasurer in 1985 and CFO in April of 2001. His duties include the supervision of the office, all clerical functions, and the preparation of corporate and partnership income tax returns. Mr. LaRue obtained his BS Degree in Business Administration with honors from Tennessee Technological University. As a Certified Public Accountant licensed to practice in the State of Tennessee, his current civic duties include consultation to the Morgan County, Tennessee E-911 Board.

Herbert J. White. Mr. White, age 75, is Development Engineer for the company has 44 years of petroleum related experience. After earning his BS degree from North Texas University, he became an engineer with Halliburton, handling Louisiana Gulf Coast and offshore operations and serving in Australia. In 1975 he joined Petroleum Development Corporation, a West Virginia-based public company, supervising engineering and operations in Southern Appalachian basin. He also has experience in Devonian Shale production, enhanced recovery and coal degasification. Miller Petroleum and its predecessor corporation have employed Mr. White as a Petroleum Engineer since July of 1985. In April, 1997, he became a director and Vice President of Development Engineering for Miller Petroleum.

Herman Gettelfinger. Mr. Gettelfinger, age 68, is member of our Board of Directors, Herman Gettelfinger is a co-owner of Kelso Oil Company, Knoxville Tennessee and has been the President of Kelso since 1960. Kelso is one of eastern Tennessee's largest distributors of motor oils, fuels and lubricants to the industrial and commercial market. Mr. Gettelfinger has been active in the gas and oil drilling and exploration business for more than 35 years and has been associated with Miller Petroleum for more than 25 years.

Dr. Gary Bible was appointed Vice President of Geology on September 15, 1997. Dr. Bible is 51 years of age. Dr. Bible came from Alamco, where he had served since May of 1991 as Manager of Geology and Senior Geologist. Dr. Bible earned his BS Degree in Geology from Kent State University and his MSc. and PhD. Degrees in Geology from Iowa State University. He is a proven hydrocarbon finder who drilled his first successful wildcat as a Trainee Geologist. Dr. Bible brings to the Company 20 years experience as a Petroleum Geologist. In addition, Dr. Bible has spent more than 10 years in the Appalachian Basin in the exploration and development of reserves in the Big Lime, Devonian Shale and in deeper horizons. He is credited with managing a drilling program at Alamco that kept its finding cost the lowest in the nation.

Ernest F. Payne. Mr. Payne, age 54, was appointed Vice President of Field Operations on May 21, 2001. Mr. Payne rejoined the Miller Team after serving as Project Manager and Superintendent for Youngquist Brothers of Fort Myers, Florida from early 1994 through May of 2001. Mr. Payne has 20 years experience in oil and gas well design and stimulations as well as supervising the operation of drilling and workover rigs. He earned a B.S. in engineering at Tennessee Technological University. He originally joined Miller in the early 70's and was the general manager for 17 years. He directed the operation of 18 drilling and workover rigs. In the mid 1980's he formed his own company and managed large drilling jobs in Florida and Puerto Rico until joining Youngquist.

Committees

There are no established committees.

Family Relationships

There are no family relationships between any director or executive officer of the Company or any person nominated to become such.

Involvement in Certain Legal Proceedings

Except as indicated below and to the knowledge of management, during the past five years, no present or former director, person nominated to become a director, executive officer, promoter or control person of the Company:

(1) Was a general partner or executive officer of any business by or against which any bankruptcy petition was filed, whether at the time of such filing or two years prior thereto;

(2) Was convicted in a criminal proceeding or named the subject of a pending criminal proceeding (excluding traffic violations and other minor offenses);

(3) Was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from or otherwise limiting, the following activities:

(i) Acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, associated person of any of the foregoing, or as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or engaging in or continuing any conduct or practice in connection with such activity;

(ii) Engaging in any type of business practice; or

(iii) Engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of federal or state securities laws or federal commodities laws;

(4) Was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any federal or state authority barring, suspending or otherwise limiting for more than 60 days the right of such person to engage in any activity described above under this Item, or to be associated with persons engaged in any such activity;

(5) Was found by a court of competent jurisdiction in a civil action or by the Securities and Exchange Commission to have violated any federal or state securities law, and the judgment in such civil action or finding by the Securities and Exchange Commission has not been subsequently reversed, suspended, or vacated; or

(6) Was found by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading Commission to have violated any federal commodities law, and the judgment in such civil action or finding by the Commodity Futures Trading Commission has not been subsequently reversed, suspended or vacated.

Compliance with Section 16(a) of the Exchange Act

The Company has no securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"); it files reports under Section 15(d) thereof. Accordingly, the Company's directors, executive officers and 10% stockholders are not required to file statements of beneficial ownership of securities under Section 16(a) of the Exchange Act.

Item 10. Executive Compensation.

Cash Compensation

Deloy Miller is to be paid an annual salary of $120,000 as compensation for service as CEO and Director of the Company.

Lawrence LaRue is to be paid an annual salary of $60,000 for his service as Secretary/Treasurer and director of the Company.

Herbert J. White is to be paid an annual salary of $6,100 for his services as Vice President and Director of the Company. Mr. White is considered part-time and is paid $150 per day for his services.

Gary G. Bible is to be paid an annual salary of $78,100 for his services as Vice President of Geology.

The following table sets forth the aggregate cash compensation paid by the Company for services rendered during the periods indicated to its directors and executive officers:

SUMMARY COMPENSATION TABLE

					Long Term Compensation			
		Annual Compensation			Awards		Payouts	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Name and Principal Position	Year Ended April 30	Salary ($)	Bonus ($)	Other Annual Compen-	Rest- ricted Stock	Secur- ities Under- lying Options	LTIP Pay- outs	All Other Comp- ensat'n
Deloy Miller President, Director, CEO	1999	122,307	0	0	100	0	0	0
	2000	119,999	0	0	0	0	0	0
	2001	120,499	0	0	200	0	0	0
Lawrence LaRue CFO/ Secretary/ Treasurer, Director	1999	61,154	0	0	5,100	0	0	0
	2000	60,000	0	0	10,000	0	0	0
	2001	60,500	0	0	200	0	0	12,500 (*)
Herbert J. White, VP, Director	1999	9,700	0	0	100	0	0	0
	2000	3,500	0	0	0	0	0	0
	2001	6,100	0	0	200	0	0	0
Herman Gettelfinger Director	1999	0	0	500	0	0	0	0
	2000	0	0	0	0	0	0	0
	2001	0	0	500	0	0	0	0
Gary G. Bible, VP	1999	72,366	0	0	100	0	0	0
	2000	71,000	0	0	0	0	0	0
	2001	71,000	0	0	200	0	0	6,000 (*)

John Bonar	1999	73,894	0	0	100	0	0	0
VP	2000	72,500	0	0	0	0	0	0
	2001	33,462	0	0	0	0	0	0

(*) Warrants were granted as a bonus.

Compensation of Directors

The Board of Directors has resolved to compensate the members of the Board of Directors for attendance at meetings at the rate of $500 per day. We do not reimburse our directors for travel expenses that they incur to attend meetings. During the fiscal year ended April 30, 2000, we did not have any formal meetings of our Board of Directors. We obtained written consents of the Board of Directors for all matters requiring Board action. During the fiscal year ended April 30, 2001, we held only one formal Board meeting, on April 25, 2001.

Herbert J. White, our Vice President of Development Engineering, is paid by the day for his engineering services. During the fiscal year ended April 30, 2000, we paid Mr. White $100 per day, plus expenses. His total fees during that period were $3,500. In September, 2000, we increased Mr. White's daily compensation to $150 per day worked. During the fiscal year ended April 30, 2001, Mr. White's total fees were $6,100.

Employment Contracts

There are presently no employment contracts relating to any member of management; however, depending upon the Company's operations and requirements, the Company may offer long term contracts to directors, executive officers or key employees in the future.

Termination of Employment and Change of Control Arrangement

John Bonar was terminated in September of 2000.

Item 11. Security Ownership of Certain Beneficial Owners and Management.

Security Ownership of Certain Beneficial Owners

The following tables set forth the share holdings of the Company's directors and executive officers and those persons who own more than 5% of the Company's common stock as of the date hereof, with these computations being based upon 8,328,656 shares of common stock being outstanding.

Directors and Executive Officers

Name and Address(1)	Title	Number of Shares Beneficially Owned	Percent of Class
Deloy Miller 815 South Lake Drive Oneida, TN 37841	Director, and CEO	4,419,343 (1)	53%

Lawrence L. LaRue 432 Brewstertown Road Sunbright, TN 37872	CFO, Secretary/ Treasurer Director	98,677 (2)	1%
Herbert J. White P.O. Box 1868 Fairfield Glade, TN 38557	Vice President/Director	300 (3)	-0-
Herman Gettelfinger 641 Atlantic Ave. Knoxville, TN 37917	Director	236,901 (4)	3%
Gary Bible 323 Seneca Circle Oneida, TN 37841	Vice President	6,516 (5)	-0-
All executive officers and directors as a group		4,761,737	57%

(1) Does not include options for 100,000 shares.

(2) Does not include options for 120,177 shares and warrants for 12,500 shares.

(3) Does not include options for 100,000 shares.

(4) Does not include options for 100,000 shares.

(5) Does not include options for 40,000 shares and warrants for 6,000 shares.

Each of these persons presently serves in the capacities indicated.

Five Percent Stockholders

Name and Address	Title	Number of Shares Beneficially Owned	Percent of Class
Deloy Miller 815 South Lake Drive Oneida, TN 37841	Director and CEO	4,419,343 (1)	53%
Daniel Page P.O. Box 689 Crossville, TN 38557		484,900 (2)	5.82%

(1) Does not include options for 100,000 shares.

(2) Does not include warrants for 1,000,000 shares.

Changes in Control

Except as indicated below, to the knowledge of the Company's management, there are no present arrangements or pledges of the Company's securities which may result in a change in control of the Company. See the foregoing tables regarding "Directors and Executive Officers" and "Five Percent Stockholders."

Item 12. Certain Relationships and Related Transactions.

Transactions with Management and Others

The Company has a note payable to Sharon Miller (Deloy Miller's wife a majority stockholder), for $89,968 at April 30, 2001. The note is payable with principle payments of $89,968 due in May 2002.

The note is for the purchase of property located in Huntsville, Tennessee and currently houses the principal executive offices, shop and equipment yard. The appraisal of the property was $550,000. The company paid $82,470 cash, assumed a $39,906 note payable with the First National Bank of Oneida, and issued a note payable to Mrs. Miller for $377,624.

The Company issued a note receivable of $860,000 on March 16, 1998 at 8% with a eight year term to Baxter Lee, III, of Knoxville, Tennessee. This note receivable was issued to raise working capital.

Certain Business Relationships

Other than the transactions disclosed in the previous section, there have been no material transactions, series of similar transactions or currently proposed transactions, to which the Company or any of its subsidiaries was or is to be a party, in which the amount involved exceeds $60,000 and in which any director or executive officer or any security holder who is known to the Company to own of record or beneficially more than 5% of the Company's common stock, or any member of the immediate family of any of the foregoing persons, had a material interest.

Indebtedness of Management

Other than the transactions disclosed in the previous section, there have been no material transactions, series of similar transactions or currently proposed transactions, to which the Company or any of its subsidiaries was or is to be a party, in which the amount involved exceeds $60,000 and in which any director or executive officer or any security holder who is known to the Company to own of record or beneficially more than 5%of the Company's common stock, or any member of the immediate family of any of the foregoing persons, had a material interest.

Parents of the Issuer

Except to the extent that Deloy Miller may be deemed to be a parent of the Company by virtue of his ownership of a majority of its issued and outstanding shares, the Company has no parents.

Transactions with Promoters

Other than the Note, there have been no material transactions, series of similar transactions, currently proposed transactions, or series of similar transactions, to which the Company or any of its subsidiaries was or is to be a party, in which the amount involved exceeds $60,000 and in which any promoter or founder or any member of the immediate family of any of the foregoing persons, had a material interest.

Item 13. Exhibits and Reports on Form 8-K.

Reports on Form 8-K*

Current Report on Form 8-K, filed February 24, 1997

Current Report on Form 8-K-A1, filed March 19, 1998

*These documents and related exhibits have previously been filed with the Securities and Exchange Commission and are incorporated herein by this reference.

Exhibits*	Exhibit Number
(i)	
Subsidiaries of the Company	**
Financial Data Schedule	**
Koppers Lease Schedule	**
Delta Leases Schedule	**

(ii)	Where Incorporated In This Report
None.	

*A summary of any Exhibit is modified in its entirety by reference to the actual Exhibit.

**These documents and related exhibits have previously been filed with the Securities and Exchange Commission and are incorporated herein by this reference.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

MILLER PETROLEUM, INC.

Date: 11/21/2001

By /s/ Deloy Miller
Deloy Miller, CEO and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

MILLER PETROLEUM, INC.

Date: 11/21/2001

By /s/ Deloy Miller

Deloy Miller, CEO and Director

Date: 11/21/2001

By /s/ Lawrence LaRue

Lawrence LaRue, CFO, Secretary/ Treasurer and Director

Date: 11/21/2001

By /s/ Herman Gettelfinger

Herman Gettelfinger, Director