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AMEN PROPERTIES INC
Form 10QSB/A
May 23, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-QSB

Quarterly Report Pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934 For the Period Ended June 30, 2007

or

Transition Report Pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934 For the Transition Period From _____ to _____.

Commission file number 000-22847

AMEN Properties, Inc.
(Exact Name of Small Business Issuer as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of
Incorporation or Organization)

54-1831588

(I.R.S. Employer
Identification No.)

303 W. Wall Street, Suite 2300
Midland, TX 79701

(Address of Principal Executive Offices)

(432-684-3821)

(Issuer's Telephone Number, Including Area Code)

(Former Name, Former Address and Former Fiscal Year,
if Changed Since Last Report)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter periods that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes | | No | |

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes | | No | |

Applicable Only to Issuers Involved in Bankruptcy
Proceedings During the Preceding Five Years

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Check whether the registrant filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court.

Yes | | No | |

Applicable Only to Corporate Issuers

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practical date: Common Stock, \$.01 Par Value: 2,290,589 shares outstanding as of August 4, 2007.

Transitional Small Business Disclosure Format (check one):

Yes | X | No | |

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32.1 Certification of Chief Executive Officer Pursuant to 18 USC ss. 1350.

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AMEN Properties, Inc. and Subsidiaries
CONSOLIDATED BALANCE SHEET
June 30, 2007
(Unaudited)

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents (notes A3 and E)	\$ 3,385,335
Accounts Receivable, net of Allowance of \$8,153 (note A6)	1,633,511
Other Current Assets	300,878

Total Current Assets		\$ 5,319,
----------------------	--	-----------

RESTRICTED CASH EQUIVALENTS (note E)	2,197,
--------------------------------------	--------

PROPERTY and EQUIPMENT (note F)	168,
---------------------------------	------

INVESTMENT IN REAL ESTATE (notes C and G)	2,281,
---	--------

ROYALTY INTERESTS, at cost net of Accumulated Depletion (note H)	127,
---	------

LONG-TERM INVESTMENTS (note I)	2,688,
--------------------------------	--------

OTHER ASSETS

Goodwill (see Note B)	2,916,085
Deposits and Other Assets	94,989

Total Other Assets		3,011,
--------------------	--	--------

TOTAL ASSETS		\$ 15,794,
--------------	--	------------

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts Payable	\$ 835,033
Investment Margin Account Payable (note I)	1,279,847
Accrued Liabilities (note J)	888,540
Current Portion of Non-Related Party Long-Term Obligations (note L)	111,031
Current Portion of Related Party Long-Term Obligations (note L)	246,462
Accrued Interest Payable	
Deferred Revenue (note A13)	218,686

Total Current Liabilities		\$ 3,579,
---------------------------	--	-----------

LONG-TERM OBLIGATIONS

Non-Related Party (note L)	789,340
Related Parties (notes L and M)	1,752,138

Total Long-Term Obligations		2,541,
-----------------------------	--	--------

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MINORITY INTEREST (note A15)		22,
COMMITMENTS and CONTINGENCIES (note N)		
STOCKHOLDERS' EQUITY (note O)		
Convertible Preferred Stock - \$0.001 Par Value - 5,000,000 shares authorized		
80,000 Series "A" Shares Issued and Outstanding, convertible into a total of 616,447 shares of common stock (note A16)	80	
80,000 Series "B" Shares Issued and Outstanding, convertible into a total of 233,317 shares of common stock (note A16)	80	
125,000 Series "C" Shares Issued and Outstanding, convertible into a total of 500,000 shares of common stock (note A16)	125	
Common Stock - \$0.01 Par Value - 20,000,000 shares authorized		
2,290,589 Shares Issued and Outstanding	22,907	
Additional Paid-In Capital	44,970,100	
Accumulated Deficit	(35,341,403)	
Accumulated Other Comprehensive Income (Loss)	(1,297)	

Total Stockholders' Equity		9,650,

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		\$ 15,794,
		=====

The accompanying summary of accounting policies and footnotes are an integral part of these consolidated financial statements.

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AMEN Properties, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2007	2006	2007	2006
	-----	-----	-----	-----
Operating Revenue (note A15):				
Rental Revenue (note C)	\$ --	\$ 832,969	\$ --	\$1,584,5
Energy Management Fees (note B)	1,040,080	676,806	1,851,244	676,8
Retail Electricity Revenue	2,652,774	3,391,948	4,974,230	6,560,6
	-----	-----	-----	-----
Total Operating Revenue	3,692,854	4,901,723	6,825,474	8,822,0
	-----	-----	-----	-----
Operating Expenses:				
Cost of Goods and Services	2,396,932	3,063,743	4,224,038	5,884,1
Rental Property Operations	--	542,797	--	1,021,1
General and Administrative	776,923	497,041	1,546,368	733,7
Depreciation, Amortization and Depletion	15,411	105,059	29,520	207,3
Corporate Tithing	62,092	--	121,383	
	-----	-----	-----	-----
Total Operating Expenses	3,251,358	4,208,640	5,921,309	7,846,4
	-----	-----	-----	-----

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Income from Operations	441,496	693,083	904,165	975,6
Other (Expense) Income				
Interest Income	77,794	59,115	141,167	108,8
Interest Expense	(68,044)	(206,205)	(131,430)	(346,8
Equity Income From Real Estate Investment	39,558	--	72,719	
Other Income	17,627	(112,997)	29,833	(90,0
Total Other (Expense) Income	66,935	(260,087)	112,289	(328,1
Income Before Income Taxes and Minority Interest	508,431	432,996	1,016,454	647,5
Income Taxes (note A12)	--	--	--	
Minority Interest	--	(34,839)	900	(56,7
NET INCOME	\$ 508,431	\$ 398,157	\$1,017,354	\$ 590,8
Net Income Per Common Share - Basic	\$.22	\$.18	\$.44	\$.
Net Income per Common Share - Diluted	\$.14	\$.11	\$.27	\$.
Weighted Average Number of Common Shares Outstanding - Basic	2,290,589	2,246,084	2,290,589	2,226,2
Weighted Average Number of Common Shares Outstanding - Diluted	3,728,547	3,667,016	3,728,547	3,647,1
Other Comprehensive Income:				
Net Income	\$ 508,431	\$ 398,157	\$1,017,354	\$ 590,8
Unrealized Gain / (Loss) on Investment	10,861	--	(1,298)	
Comprehensive Income	\$ 519,292	\$ 398,157	\$1,016,056	\$ 590,8

The accompanying summary of accounting policies and footnotes are an integral part of these consolidated financial statements.

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AMEN Properties, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six Months Ended June 30,
(Unaudited)

	2007	2006
	-----	-----
Cash Flows from Operating Activities		
Net Income	\$ 1,017,354	\$ 590,8

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Adjustments to Reconcile Net Income to Net Cash Provided By		
Operating Activities:		
Depreciation, Amortization and Depletion	29,520	207,3
Equity Income from Real Estate Investment	(72,719)	
Minority Interest	(900)	56,7
Changes in Operating Assets and Liabilities:		
Accounts Receivable	(229,567)	282,7
Allowance for Doubtful Accounts	(30,588)	10,7
Other Receivables	(275,252)	
Deposits and Other Assets	(33,932)	(144,3
Deferred Costs	--	10,8
Accounts Payable	239,744	101,5
Accrued and Other Liabilities	223,565	(351,6
Deferred Revenue	187,901	(7,1
	-----	-----
Net Cash Provided By Operating Activities	1,055,126	757,6
	-----	-----
Cash Flows from Investing Activities:		
Purchase of Property and Equipment	(50,405)	(55,7
Investment in Real Estate	(478,491)	283,1
Increase in Restricted Cash Equivalents	--	(600,7
Increase in Long Term Investments	(1,347,425)	
Repayments of Notes Receivable	--	50,0
	-----	-----
Net Cash Used in Investing Activities	(1,876,321)	(323,3
	-----	-----
Cash Flows from Financing Activities:		
Repayments of Long-Term Obligations	(250,678)	(127,8
Net Proceeds from Exercised Warrants	--	337,4
Minority Interest Distributions	--	(36,5
	-----	-----
Net Cash (Used In) Provided By Financing Activities	(250,678)	173,1
	-----	-----
Net (Decrease) / Increase in Cash and Cash Equivalents	(1,071,873)	607,4
	-----	-----
Cash and Cash Equivalents at Beginning of Period	4,457,208	2,104,4
	-----	-----
Cash and Cash Equivalents at End of Period	\$ 3,385,335	\$ 2,711,8
	=====	=====
Non-Cash Investing and Financing Activities:		
Unrealized Loss on Marketable Securities	\$ (1,298)	
Effective April 1, 2006 the Company acquired 100% of Priority Power Management and assumed a note payable to sellers	--	\$ 3,230,0
Long Term Investment Financed with Margin Account	1,279,847	

The accompanying summary of accounting policies and footnotes are an integral part of these consolidated financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

June 30, 2007

NOTE A - DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Organization

Effective October 2002, AMEN formed NEMA Properties, LLC ("NEMA"), a Nevada limited liability company; AMEN Minerals, LP ("Minerals"), a Delaware limited partnership; and AMEN Delaware, LP ("Delaware"), a Delaware limited partnership, to pursue acquisitions as authorized by stockholders on September 19, 2002. AMEN Properties, Inc. and Subsidiaries is a self-administered and self-managed Delaware corporation. Effective July 2004, AMEN Properties, Inc. and Subsidiaries and affiliates (collectively referred to as the "Company") formed W Power and Light, LP ("W Power"), a Delaware limited partnership to enter into the retail electricity market in Texas. Effective April 1, 2006, AMEN Properties acquired 100% of Priority Power Management, Ltd. a Texas limited partnership, and Priority Power Management, Dallas, Ltd. a Texas limited partnership, (collectively referred to as "Priority Power"). Priority Power is primarily involved in providing energy management services and the Company believes that Priority Power's business is complimentary to the retail electricity provider business conducted by the Company's subsidiary W Power.

The Company's business purpose is to acquire strong cash-flowing businesses or assets in energy-related industries. As of March 31, 2007, the Company, through Delaware's investment in a real estate joint venture, has a commercial real estate portfolio consisting of an ownership of approximately 18% in two office properties located in Midland, Texas comprising an aggregate of approximately 428,560 square feet of gross leasable area. Through its investment in Minerals, AMEN has acquired an investment interest in an oil and gas royalty trust and other oil and gas royalties. Through the Company's investment in W Power, Amen entered the retail electricity market in the state of Texas. On April 1, 2006, the Company, through its investment in Priority Power, began aggregating electric consumers and negotiating power prices on their behalf with retail electric providers. The real estate operations of the Company are primarily conducted through Delaware of which AMEN is the sole general partner; the retail electricity operations are primarily conducted through W Power of which Amen is the sole general partner; the aggregation of electric consumers is primarily conducted through Priority Power of which Amen is the sole general partner.

2. Basis of Presentation

The consolidated financial statements include the accounts of the Company and its majority-owned/controlled subsidiaries and affiliates. Inter-company balances and transactions have been eliminated.

Management uses estimates and assumptions in preparing the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets, liabilities, revenues and expenses in the consolidated financial statements, and the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

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(Unaudited)

3. Cash Equivalents

The Company considers cash on hand, cash on deposit in banks, money market mutual funds and highly liquid debt instruments purchased with a maturity of three months or less to be a cash equivalent.

4. Investments

The Company invests in U.S. government bonds and treasury notes, municipal bonds, certificates of deposit, corporate bonds and other securities. Investments with original maturities greater than three months but less than twelve months from the balance sheet date are short-term investments. Those investments with original maturities greater than twelve months from the balance sheet date are long-term investments.

The Company's marketable securities are classified as available-for-sale as of the balance sheet date, and are reported at fair value with unrealized gains and losses, net of tax, recorded in stockholders' equity. Realized gains or losses and permanent declines in value, if any, on available-for-sale investments are reported in other income or expense as incurred.

5. Fair Value of Financial Instruments

The carrying value of cash and cash equivalents, investments, accounts receivable, notes receivable, and accounts payable approximate fair value because of the relatively short maturity of these instruments. The fair value of the fixed rate debt, based upon current interest rates for similar debt instruments with similar payment terms and expected payoff dates, would be approximately \$2,855,283 as of June 30, 2007. Disclosure about fair value of financial instruments is based on pertinent information available to management as of June 30, 2007.

6. Accounts Receivable

Management regularly reviews accounts receivable and estimates the necessary amounts to be recorded as an allowance for doubtful accounts.

W Power's unbilled revenue is accrued based on the estimated amount of unbilled power delivered to customers using the average customer billing rates. Unbilled revenue also includes accruals for estimated Transmission and Distribution Service Provider ("TDSP") charges and monthly service charges applicable to the estimated usage for the period.

The Company estimated the allowance for doubtful accounts related to W Power's billed accounts receivable to be approximately .2% of W Power's retail electricity billed revenue. Due to the limited historical data, the Company regularly reviews the accounts receivable and accordingly makes adjustments in estimating the allowance for doubtful accounts.

Priority Power trade accounts receivable arise from aggregation fees and other management services. An allowance for doubtful accounts is provided, when considered necessary by management, for estimated amounts not expected to be collectible. No allowance was provided or deemed necessary at June 30, 2007.

At June 30, 2007, accounts receivable consisted of the following:

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Billed electricity receivables	\$	404,603
Unbilled electricity receivables		793,464
Billed Aggregation fees		339,711
Unbilled Aggregation fees		103,886
Allowance for doubtful accounts		(8,153)

Accounts receivable, net	\$	1,633,511
		=====

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AMEN Properties, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
June 30, 2007
(Unaudited)

7. Depreciation, Amortization and Depletion

Property and equipment are stated at cost. Depreciation is determined using the straight-line method over the estimated useful lives ranging from three to 36.5 years. Royalty acquisitions are stated at cost. Depletion is determined using the units-of-production method based on the estimated oil and gas reserves.

8. Impairment of Long-Lived Assets

The Company periodically evaluates the recoverability of the carrying value of its long-lived assets and identifiable intangibles by monitoring and evaluating changes in circumstances that may indicate that the carrying amount of the asset may not be recoverable. Examples of events or changes in circumstances that indicate that the recoverability of the carrying amount of an asset should be assessed include but are not limited to the following: a significant decrease in the market value of an asset, a significant change in the extent or manner in which an asset is used or a significant physical change in an asset, a significant adverse change in legal factors or in the business climate that could affect the value of an asset or an adverse action or assessment by a regulator, an accumulation of costs significantly in excess of the amount originally expected to acquire or construct an asset, and/or a current period operating or cash flow loss combined with a history of operating or cash flow losses or a projection or forecast that demonstrates continuing losses associated with an asset used for the purpose of producing revenue.

The Company considers historical performance and anticipated future results in its evaluation of potential impairment. Accordingly, when indicators or impairments are present, the Company evaluates the carrying value of these assets in reaction to the operating performance of the business and future discounted and nondiscounted cash flows expected to result from the use of these assets. Impairment losses are recognized when the sum of expected future cash flows are less than the assets' carrying value.

9. Investment in Real Estate

As discussed in Note C to the consolidated financial statements, in September 2006 the Company sold a significant interest in certain real estate and contributed its retained 18.017% undivided ownership interest in the real estate to a joint venture in which the Company has significant continuing involvement.

The Company's investment in real estate joint venture is recorded at its remaining net cost, adjusted for its 18.017% joint venture share of

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earnings (loss) using the equity method of accounting, and joint venture cash contributions and distributions.

As discussed in Note G, on March 19, 2007 the Company exchanged its 18.017% joint venture interest for a 17.8% interest in a real estate limited partnership. The Company will continue to use the equity method of accounting for its 17.8% limited partnership interest.

10. Goodwill

The Company follows the provisions of Statement of Financial Accounting Standards (SFAS) No. 142, "Goodwill and Other Intangible Assets". SFAS No. 142 requires that goodwill and other intangible assets with investment lives no longer be amortized. The intangible assets are tested for impairment annually. If there is impairment, the amount will be expensed and the intangible assets will be written down accordingly.

11. Stock-Based Compensation

On January 1, 2006 the Company adopted Statement of Financial Accounting Standards (SFAS) No. 123(R), Accounting for Stock-Based Compensation, to account for its stock-based compensation. In December 2004, the Financial Accounting Standards Board issued SFAS 123(R) effective for small business issuers after December 15, 2005. The new Statement requires mandatory reporting of all stock-based compensation awards on a fair value basis of accounting. Generally, companies are required to calculate the fair value of all stock awards and amortize that fair value as compensation expense over the vesting period of the awards.

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AMEN Properties, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
June 30, 2007
(Unaudited)

12. Income Taxes

The Company accounts for income taxes in accordance with SFAS No. 109, "Accounting for Income Taxes". Under this method, deferred tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets and liabilities, and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. For the period ended June 30, 2007, no income tax expense has been incurred due to the utilization of the Company's net operating losses.

13. Deferred Revenue

Deferred revenue consists of prepaid aggregation fees. Deferred revenue is amortized over the life of the aggregation contract for prepaid aggregation fees.

14. Corporate Tithing

The Company shall, to the extent permitted by law, expend from the revenues of the Company such sums as are deemed prudent by the Board of Directors to support, encourage, or sustain persons or entities which in the judgment of the Board of Directors are expected to make significant efforts to propagate the Gospel of Jesus Christ in any manner not in conflict with the

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Statement of Faith. Such expenditures may be made without regard to the tax status or nonprofit status of the recipient. It is expected that the expenditures paid out under the provisions of this policy shall approximate ten percent (10%) of the amount that would otherwise be the net profits of the Company for the accounting period.

15. Minority Interest

Minority interest represents the interest of unit holders of TCTB Partners, Ltd. ("TCTB"), other than the Company, in the net earnings and net equity of TCTB. The unit holder minority interest is adjusted at the end of each period to reflect the ownership at that time. The unit holder minority interest in TCTB was approximately 28.7% at June 30, 2007 and 2006.

16. Contingently Convertible Securities

The Company has outstanding Series A Preferred Stock ("Series A"), Series B Preferred Stock ("Series B") and Series C Preferred Stock ("Series C") whose terms enable the holder, under certain conditions, to convert such securities into 1,349,764 shares of the Company's Common Stock as shown in the following table.

Series	Number of Shares	Purchase Price	Conversion Rate	Number of Common Shares
A	80,000	\$ 2,000,000	\$ 3.2444	616,447
B	50,000	500,000	3.2444	154,111
B	10,000	100,000	3.424	29,206
B	20,000	200,000	4.000	50,000
C	125,000	2,000,000	4.000	500,000

Conversion of Series A, Series B and Series C is at the option of the holder thereof, at any time and from time to time, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the original Series A, Series B and Series C issue price by the conversion price in effect at the time of conversion. The contingently convertible securities have not been included in the calculation of diluted earnings per share for any periods in which their effect is antidilutive.

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AMEN Properties, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
June 30, 2007
(Unaudited)

17. Revenue Recognition

The Company records electricity sales under the accrual method and these revenues are recognized upon delivery of electricity to the customers' meters. Electric services not billed by month-end are accrued based upon estimated deliveries to customers as tracked and recorded by the Electric Reliability Council of Texas ("ERCOT") multiplied by the Company's average billing rate per kilowatt hour ("kwh") in effect at the time ("the flow technique").

The flow technique of revenue calculation relies upon ERCOT settlement statements to determine the estimated revenue for a given month. Supply delivered to our customers for the month, measured on a daily basis, provides the basis for revenues. ERCOT provides net electricity delivered data in three phases. Initial daily settlements become available

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approximately 17 days after the settlement date. Approximately 45 days after the settlement date, a resettlement is provided to adjust the initial settlement to the actual supply delivered based on subsequent comparison of prior forecasts to actual meter reads processed. A final resettlement is provided approximately 180 days after power is delivered, marking the last routine settlement adjustment to the power deliveries for that day.

Sales represent the total proceeds from energy sales, including pass through charges from the TDSPs billed to the customer at cost. Cost of goods and services ("COGS") include electric power purchased, sales commissions, and pass through charges from the TDSPs in the areas serviced by the Company. TDSP charges are costs for metering services and maintenance of the electric grid. TDSP charges are determined by regulated tariffs established by the Public Utility Commission of Texas ("PUCT").

Bilateral wholesale costs are incurred through contractual arrangements with wholesale power suppliers for firm delivery of power at a fixed volume and fixed price. The Company is typically invoiced for these wholesale volumes at the end of each calendar month for the volumes purchased for delivery during the month, with payment due 10 to 20 days after the end of the month.

Balancing/ancillary costs are based on the aggregate customer load and are determined by ERCOT through a multiple step settlement process. Balancing costs/revenues are related to the differential between supply provided by the Company through its bilateral wholesale supply and the supply required to serve the Company's customer load. The Company endeavors to minimize the amount of balancing/ancillary costs through its load forecasting and forward purchasing programs.

The Company's gross revenues for aggregation and other services to our customers are recognized upon delivery and include estimated aggregation fees and other services delivered but not billed by the end of the period.

As of June 30, 2007, the Company recorded unbilled revenue of \$103,886 for aggregation fees. Accrued unbilled revenues are based on our estimates of customer usage since the date of the last meter reading provided by the independent system operators or electric distribution companies. Volume estimates are based on average daily volumes, estimated customer usage and applicable customer aggregation rates. Unbilled revenues are calculated by multiplying volume estimates by our estimated rates by customer. Estimated amounts are adjusted when actual usage and rates are known and billed.

18. Advertising Expense

All advertising costs are expensed when incurred. Advertising expenses were approximately \$89,619 and \$11,007 for the six months ended June 30, 2007 and 2006, respectively.

19. Income Per Share

Income per share is computed based on the weighted average common shares and common stock equivalents outstanding during each period. The Series A, Series B and Series C Convertible Preferred Stock are not included in the computation of diluted earnings per share for any periods in which their effect is antidilutive.

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(Unaudited)

20. Environmental

The Company is subject to extensive federal, state and local environmental laws and regulations. These laws regulate asbestos in buildings that require the Company to remove or mitigate the environmental effects of the disposal of the asbestos at the buildings.

Environmental costs that relate to current operations are expensed or capitalized as appropriate. Costs are expensed when they relate to an existing condition caused by past operations and will not contribute to current or future revenue generation. Liabilities related to environmental assessments and/or remedial efforts are accrued when property or services are provided or can be reasonably estimated.

21. New Accounting Pronouncements

In February 2006, the FASB issued SFAS No. 155, Accounting for Certain Hybrid Financial Instruments - an amendment of FASB Statements No. 133 and 140. This Statement amends FASB Statement No.133, Accounting for Derivative Instruments and Hedging Activities, and No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities. This Statement resolves issues addressed in Statement 133 Implementation Issue No. D1, "Application of Statement 133 to Beneficial Interests in Securititized Financial Assets." The provisions of this Statement shall be effective for financial instruments acquired or issued after the beginning of an entity's first fiscal year that begins after September 15, 2006.

In March 2006, the FASB issued SFAS No. 156, Accounting for Servicing of Financial Assets - an amendment of FASB Statement No. 140. This Statement amends FASB Statement No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities, with respect to the accounting for separately recognized servicing assets and servicing liabilities. The provisions of this Statement shall be effective as of the beginning of an entity's first fiscal year that begins after September 15, 2006.

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements. This statement defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. The provisions of this Statement shall be effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years.

In September 2006, the FASB issued SFAS No. 158, Employer's Accounting for Defined Benefit Pension and Other Postretirement Plans - an amendment to FASB Statement No. 87, 88, 106, and 132R. This Statement improves financial reporting by requiring an employer to recognize the over funded or under funded status of a defined benefit postretirement plan (other than a multiemployer plan) as an asset or liability in its statement of financial position and to recognize changes in that funded status in the year in which the changes occur through comprehensive income of a business entity or changes in unrestricted net assets of a no-for-profit organization. An employer with publicly traded equity securities shall initially apply the requirement to recognize the funded status of a benefit plan and the disclosure requirements as of the end of the fiscal year ending after December 15, 2006. An Employer without publicly traded equity securities shall initially apply the requirements as of the end of the fiscal year ending after June 15, 2007.

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In February 2007, the FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities - Including an amendment of FASB Statement No. 115. This Statement permits entities to choose to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. This Statement is expected to expand the use of fair value measurement, which is consistent with the Board's long-term measurement objectives for accounting for financial instruments. The provisions of this Statement shall be effective as of the beginning of each reporting entity's first fiscal year that begins after November 15, 2007; this Statement should not be applied retrospectively to fiscal years beginning prior to the effective date, except as permitted in paragraph 30 for early adoption.

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AMEN Properties, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
June 30, 2007
(Unaudited)

Management does not believe the new pronouncements will have a material impact on its financial statements.

NOTE B - BUSINESS COMBINATIONS

On May 25, 2006, the Company completed the acquisition of 100% of Priority Power Management, effective April 1, 2006, for an aggregate consideration of \$3,730,051. Priority Power is primarily involved in providing energy management services and the Company believes that Priority Power's business is complimentary to the retail electricity provider business conducted by the Company's subsidiary W Power. The acquisition resulted in the Company allocating \$2,916,085 of the purchase price to goodwill.

NOTE C - DISPOSITION OF ASSETS

Effective September 27, 2006, the Company entered into an Agreement to Distribute Assets with and among the partners of TCTB Partners, Ltd. The assets consisted of the following: the twenty-four-story Bank of America Tower, where the Company's headquarters are located, which was completed in 1977 and encompasses 329,178 rentable square feet and a 900 space-parking garage; the related Bank of America 12-lane drive through banking facility; and the twelve story Century Plaza Tower which was built in 1979 (renovated in 1990) and has 99,422 rentable square feet. The Properties constituted substantially all of the assets of TCTB prior to the transactions described herein and were subject to a lien to secure a promissory note payable to Wells Fargo Bank Texas, N.A. The Bank agreed to allow TCTB to distribute the assets to the partners of TCTB in exchange for the payoff of the note as described below. The asset distribution to the TCTB minority interest partners resulted in an approximate \$369,000 reduction in minority interest.

Contemporaneous with the distribution of the Properties, the Company along with the General Partner and the other Limited Partners of TCTB collectively agreed to sell and sold 75% of their collective undivided interest in the Properties to Hampshire Plaza Garage, LLC and S.E.S. Investments, Ltd., unaffiliated third party purchasers for a privately negotiated price of \$9.0 million. This resulted in the Company, through its

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wholly owned subsidiary Amen Delaware, LP, selling approximately 74% of its undivided interest in the distributed assets for approximately \$6.4 million (net proceeds of approximately \$3,570,500) with a gain on the sale of approximately \$1,405,500. The sale of approximately 74% of the Company's original 71.348% interest in the assets resulted in the Company retaining approximately 18.017% in an investment in real estate aggregating \$1,687,238.

In connection with the Agreement to Distribute Assets the restricted \$2.1 million certificate of deposit that secured the Note was applied to the outstanding balance of the Note resulting in the Note balance of approximately \$3.7 million being distributed to the partners of TCTB Partners, Ltd., approximately \$2.6 million net to the Company. The Note was subsequently paid in full on October 2, 2006 through the application of approximately \$3.9 million of the \$9.0 million sales proceeds under the Purchase Agreement received on October 2, 2006. The remaining \$5.0 million of the sales proceeds (after closing costs) were paid to the Selling Partners in accordance with their respective interests in the Properties (approximately \$3.5 million to the Company). On October 3, 2006 the Company used a portion of the net proceeds from the sale to pay the remaining balance (approximately \$1.7 million) on certain promissory notes entered into by the Company in connection with its acquisition of partnership interests in TCTB (including approximately \$266,000 to Mr. Jon Morgan, President and COO of the Company, and approximately \$410,000 to an affiliate of Mr. Eric Oliver, Chairman of the Board and CEO of the Company).

NOTE D - CONCENTRATIONS OF CREDIT RISK

The Company maintains cash balances at four financial institutions, which at times may exceed federally insured limits. At June 30, 2007 and 2006 the Company had approximately \$2,833,874 and \$2,906,396 respectively, of uninsured cash and cash equivalents. The Company has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risks on such accounts.

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AMEN Properties, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
June 30, 2007
(Unaudited)

W Power and Priority Power's revenues are derived principally from uncollateralized customer electricity billings and TCTB's revenues are derived principally from uncollateralized rents from tenants. The concentration of credit risk in a limited number of industries affects its overall exposure to credit risk because customers may be similarly affected by changes in economic and other conditions.

NOTE E - RESTRICTED CASH EQUIVALENTS

On October 18, 2005, the Company entered into a continuing agreement for commercial and standby letters of credit (the "Letters of Credit") with JPMorgan Chase Bank, N.A., Houston, Texas, ("Chase"). Under the agreement Chase may, but is not obligated to, issue one or more standby or commercial letters of credit on behalf of W Power. The Letters of Credit are generally required in the normal course of business operations to support the Company's obligations to collateralize certain obligations to electric power providers, TDSPs, and ERCOT. Currently the Letters of Credit bear an interest rate of seven-tenths of one percent (0.70%) payable quarterly in advance. In order to support the Letters of Credit, the Company, Chase and

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JP Morgan Securities, Inc. ("JPMorgan") maintain a tri-party control agreement that creates a security interest in favor of Chase in a certain Money Market Fund the Company maintains with JPMorgan. At June 30, 2007, the Company had deposits with JPMorgan totaling \$2,197,000 collateralizing outstanding Letters of Credit.

NOTE F - PROPERTY AND EQUIPMENT

Property and equipment, at cost, consisted of the following at June 30, 2007:

Furniture, fixtures and equipment	\$	288,148
Less: accumulated depreciation		(119,419)

	\$	168,729
		=====

Depreciation expense for the six months ended June 30, 2007 and 2006 was \$27,717 and \$202,206, respectively.

NOTE G - INVESTMENT IN REAL ESTATE

As discussed in Note C, effective September 27, 2006, the Company entered into an Agreement to Distribute Assets with and among the partners of TCTB Partners, Ltd. Contemporaneous with the distribution of the assets, the Company along with the General Partner and the other Limited Partners of TCTB collectively agreed to sell and sold 75% of their collective undivided interest in the assets. The sale of the Company's undivided interest in the assets resulted in the Company retaining approximate 18.017% undivided interest in the assets (see note C). On March 19, 2007, the Company contributed its 18.017% real estate interest and cash of \$478,491 to a real estate limited partnership.

At June 30, 2007, investment in real estate consisted of the following:

Real estate investment	\$	2,208,676
Equity Income from Real Estate Investment		72,719

	\$	2,281,395
		=====

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AMEN Properties, Inc. and Subsidiaries
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
 June 30, 2007
 (Unaudited)

NOTE H - ROYALTY INTERESTS

The Company currently owns two separate royalty interests, one in the state of Texas and one in the state of Oklahoma. The total consideration paid by the Company for the royalty interests was \$162,854. Under accounting principles generally accepted in the United States of America, revenues and expenses are recognized on an accrual basis. Royalty income is generally received one to two months following the month of production and the Company uses estimates to accrue royalty income.

Depletion expense for the quarter ended June 30, 2007 and 2006 was \$1,803 and \$5,129, respectively, and accumulated depletion was \$34,879 and

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\$31,365, respectively.

NOTE I - LONG-TERM INVESTMENTS

Securities available-for-sale in the accompanying balance sheet at June 30, 2007 totaled \$2,688,325. The aggregate market value, cost basis, and unrealized gains and losses of securities available-for-sale, by major security type are as follows:

	Market Value	Cost Basis	Gross Unrealized Losses
	-----	-----	-----
Santa Fe Energy Trust (SFF) Common Stock	\$ 2,625,975	\$ 2,627,273	\$ (1,298)
Other Securities	62,350	62,350	-
	-----	-----	-----
Total	\$ 2,688,325	\$ 2,689,623	\$ (1,298)
	=====	=====	=====

At June 30, 2007, the SFF investments were pledged to secure related investment margin account payable of \$1,279,847.

NOTE J - ACCRUED LIABILITIES

Accrued liabilities consisted of the following at June 30, 2007:

TDSP (Electricity Delivery) Charges	\$	185,003
Sales Tax		150,162
Corporate Tithing		74,719
Executive Bonuses		295,238
Customer Deposits		140,518
Other		42,900

	\$	888,540
		=====

NOTE K - OPERATING SEGMENTS

The Company's business activities are mainly comprised of three reportable segments, real estate operations, a retail electricity provider ("REP"), and retail electricity aggregation services.

The commercial real estate portfolio consists of the Company's investment in a real estate joint venture (see notes C and G), consisting of an ownership of approximately 18% in two office properties located in Midland, Texas comprising an aggregate of approximately 428,560 square feet of gross leasable area.

The Company entered the retail electricity market in the state of Texas in July 2004. The retail electricity operations are primarily conducted through W Power of which the Company is the sole general partner. The REP segment sells electricity and provides the related billing, customer service, collection and remittance services to both residential and commercial customers.

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(Unaudited)

On April 1, 2006, the Company, through its investment in Priority Power, began aggregating electric consumers and negotiating power prices on their behalf with retail electric providers. The aggregation of electric consumers is primarily conducted through Priority Power of which Amen is the sole general partner.

Each segment's accounting policies are the same as those described in the summary of significant accounting policies and the following tables reflect totals for quarter ended June 30, 2007 and 2006, respectively.

Three Months Ended June 30, 2007:

	REP	Real Estate Operations	Energy Management Services	Other and Corporate	
Revenues from external customers	\$ 2,652,774	\$ --	\$ 1,040,080	\$ --	\$
Revenues from other operating segments	\$ --	\$ --	\$ 7,576	\$ --	\$
Depreciation, amortization and depletion	\$ 4,790	\$ --	\$ 6,742	\$ 3,879	\$
Interest expense	\$ 3,865	\$ --	\$ --	\$ 64,179	\$
Segment net income (loss)	\$ 192,532	\$ 45,405	\$ 571,010	\$ (245,063)	\$
Segment assets	\$ 5,117,852	\$ 2,359,396	\$ 1,490,965	\$ 6,796,912	\$
Goodwill	\$ --	\$ --	\$ --	2,916,085	\$
Expenditures for segment assets	\$ 9,983	\$ --	\$ 1,846	\$ 1,552,466	\$

Three Months Ended June 30, 2006:

	REP	Real Estate Operations	Energy Management Services	Other and Corporate	
Revenues from external customers	\$ 3,391,948	\$ 832,969	\$ 676,806	\$ --	\$
Revenues from other operating segments	\$ 268,310	\$ 10,399	\$ --	\$ --	\$
Depreciation, amortization and					

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depletion	\$ 3,743	\$ 96,154	\$ 2,817	\$ 2,345	\$
Interest expense	\$ 100,540	\$ 139,247	\$ 62,583	\$ 136	\$
Segment net income (loss)	\$ 219,861	\$ 121,596	\$ 262,171	\$ (152,292)	\$
Segment assets	\$ 4,360,541	\$ 7,473,986	\$ 1,080,063	\$ 7,505,419	\$
Goodwill	\$	\$	\$ --	\$ 2,916,085	\$
Expenditures for segment assets	\$ 4,584	\$ 40,300	\$ 802	\$ (5,838)	\$

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AMEN Properties, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
June 30, 2007
(Unaudited)

Six Months Ended June 30, 2007:

	REP	Real Estate Operations	Energy Management Services	Other and Corporate	
Revenues from external customers	\$ 4,974,230	\$ --	\$ 1,851,244	\$ --	\$
Revenues from other operating segments	\$ --	\$ --	\$ 13,660	\$ --	\$
Depreciation, amortization and depletion	\$ 8,751	\$ --	\$ 12,731	\$ 8,038	\$
Interest expense	\$ 7,815	\$ --	\$ --	\$ 123,615	\$
Segment net income (loss)	\$ 581,038	\$ 81,270	\$ 912,558	\$ (447,107)	\$
Segment assets	\$ 5,117,852	\$ 2,359,396	\$ 1,490,965	\$ 6,796,912	\$
Goodwill	\$ --	\$ --	\$ --	\$ 2,916,085	\$
Expenditures for segment assets	\$ 24,434	\$ --	\$ 1,846	\$ 1,556,853	\$

Six Months Ended June 30, 2006:

REP	Real Estate Operations	Energy Management Services	Other and Corporate
-----	------------------------	----------------------------	---------------------

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Revenues from external customers	\$ 6,560,655	\$ 1,584,574	\$ 676,806	\$ --
Revenues from other operating segments	\$ 489,111	\$ 15,386	\$ --	\$ --
Depreciation, amortization and depletion	\$ 7,109	\$ 191,252	\$ 2,817	\$ 6,157
Interest expense	\$ 103,451	\$ 276,998	\$ 62,583	\$ 136
Segment net income (loss)	\$ 426,140	\$ 197,930	\$ 262,171	\$ (199,129)
Segment assets	\$ 4,360,541	\$ 7,473,986	\$ 1,080,063	\$ 7,505,419
Goodwill	--	--	--	2,916,085
Expenditures for segment assets	\$ 4,584	\$ 56,232	\$ 802	\$ (5,838)

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AMEN Properties, Inc. and Subsidiaries
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
 June 30, 2007
 (Unaudited)

NOTE L - LONG-TERM OBLIGATIONS

NEMA entered into twenty-two promissory notes (the "NEMA Notes") on May 18, 2006, effective April 1, 2006 totaling \$3,230,051 to purchase 100% ownership interest in Priority Power Management, Ltd, a Texas limited partnership, and Priority Power Management Dallas, Ltd, a Texas limited partnership (see note B). The notes are due in quarterly installments of \$142,985 beginning on September 30, 2006 with a final maturity of December 31, 2013. The term notes bear interest at a fixed rate per annum of 7.75%.

Long-term non-related party obligations consisted of the following at June 30, 2007:

Total NEMA Notes	\$ 2,898,971
Less related party portion	(1,998,600)
Less current portion	(111,031)

	\$ 789,340
	=====

Long-term related party obligations consisted of the following at June 30, 2007:

Related Party	\$ 1,998,600
Less current portion	(246,462)

	\$ 1,752,138
	=====

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Annual maturities of long-term non-related party obligations at June 30, 2007 are as follows:

July 2007 - June 2008	\$	111,031
July 2008 - June 2009		119,890
July 2009 - June 2010		129,455
July 2010 - June 2011		139,783
July 2011 - June 2012		150,935
July 2012 and thereafter		249,277

	\$	900,371
		=====

Annual maturities of long-term related party obligations at June 30, 2007 are as follows:

July 2007 - June 2008	\$	246,462
July 2008 - June 2009		266,125
July 2009 - June 2010		287,357
July 2010 - June 2011		310,283
July 2011 - June 2012		335,038
July 2012 and thereafter		553,335

	\$	1,998,600
		=====

NOTE M - RELATED PARTY TRANSACTIONS

The Company closed the sale and issuance of 125,000 shares of Series C Preferred Stock and 250,000 Warrants pursuant to a Purchase Agreement, as amended by the Second Amendment on March 1, 2005 between the Company and certain accredited investors, including the Company's President and Chief Operating Officer, Jon M. Morgan, the Company's Chief Executive Officer, Eric Oliver and Bruce Edgington, one of the Company's Directors.

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AMEN Properties, Inc. and Subsidiaries
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
 June 30, 2007
 (Unaudited)

The following table reflects the Series C issuance to the Company's officers and directors.

	Number of Preferred C Shares	Common Stock Equivalent	Preferred C Voting Equivalent	Purchase Price
	-----	-----	-----	-----
Eric Oliver	14,063	56,252	52,877	\$ 225,008
Jon M. Morgan	14,062	56,248	52,873	224,992
Bruce Edgington	3,125	12,500	11,750	50,000
	-----	-----	-----	-----
Total	31,250	125,000	117,500	\$ 500,000
	=====	=====	=====	=====

The following table reflects the issuance of Warrants to the Company's Officers and Directors.

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	Number of Warrants	Common Stock Equivalent
Eric Oliver	28,126	28,126
Jon M. Morgan	28,124	28,124
Bruce Edgington	6,250	6,250
Total	62,500	62,500

On May 18, 2006, Jon M. Morgan and Bruce Edgington exercised their outstanding warrants (described above) for a total exercise price of \$112,496 and \$25,000, respectively. Mr. Morgan received 28,124 shares of common stock and Mr. Edgington received 6,250 shares of common stock upon the exercise of their stock warrants.

On May 25, 2006, the Company completed its acquisition of all of the outstanding partnership interests in Priority Power pursuant to a Securities Purchase Agreement by and between the Company and its subsidiary, NEMA and the partners of Priority Power dated May 18, 2006. The total purchase price was \$3,730,051, comprised of (i) \$500,000 in cash, and (ii) promissory notes with the aggregate principal amount of \$3,230,051 (see note M) from the Company and NEMA and payable to the sellers. There are several business relationships among Priority Power, its partners, the Company and its subsidiaries, and their respective affiliates. The Company's retail electricity provider subsidiary, W Power, has contractual relationships with Priority Power with respect to providing electricity to less than 0.2% of Priority Power's clients and the Company believes W Power will not provide energy to any Priority Power clients in the future. Additionally certain of the selling partners of Priority Power are customers of W Power none of which are considered significant customers. In addition, certain of the selling partners of Priority Power are also five percent or more stockholders of the Company or affiliates of stockholders of the Company, including an affiliate of Jon M. Morgan, the President and Chief Executive Officer of the Company, and Eric L. Oliver, the Chairman of the Board of Directors of the Company. Jon M. Morgan is a fifty percent owner of Anthem Oil and Gas, Inc which was a selling limited partner of Priority Power. Mr. Morgan also owned a one third interest in the selling general partner of Priority Power Management, Ltd. Eric L. Oliver owned a thirty-seven and a half percent interest in a selling limited partner of Priority Power, Oakdale Ventures, Ltd.

The following table reflects the portion of the Company's long-term obligations payable to related parties as of June 30, 2007:

	Total
Eric Oliver, Chairman of the Board	\$ 11,551
Jon M. Morgan, CEO	515,995
Padraig Ennis, VP of Priority Power	79,510
John Bick, Managing Principal of Priority Power	206,014
5% Shareholders	939,068
Total	\$ 1,752,138

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(Unaudited)

Effective September 27, 2006, the Company entered into an Agreement to Distribute Assets with and among the partners of TCTB Partners, Ltd. Contemporaneous with the distribution of the Properties, the Company along with the General Partner and the other Limited Partners of TCTB collectively agreed to sell and sold 75% of their collective undivided interest in the Properties to Hampshire Plaza Garage, LLC and S.E.S. Investments, Ltd., unaffiliated third party purchasers for a privately negotiated price of \$9.0 million (see note C).

Mr. Jon Morgan, CEO of the Company, and his affiliate were among the Selling Partners and the sale of their undivided interest in the Properties resulted in Mr. Morgan receiving a net check in the amount of \$79,317. Mr. Morgan is also an owner and officer of the General Partner of TCTB, and took actions in such capacity in connection with this transaction in addition to acting as an officer of the Company. As an owner of such General Partner, Mr. Morgan indirectly received an additional \$5,300 from the sale of the General Partner's interest in the Properties

NOTE N - COMMITMENTS AND CONTINGENCIES

Legal Proceedings

The Company is subject to claims and lawsuits which arise primarily in the ordinary course of business. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the consolidated financial position of the Company.

Power Purchase Contracts

Certain contracts to purchase electricity provide for capacity payments to ensure availability and provide for adjustments based on the actual power taken under the contracts. Expected annual future capacity payments under existing agreements are estimated as follows as of June 30, 2007:

2007	\$	2,245,364
2008		148,960

Total	\$	2,394,324
		=====

NOTE O - STOCK OPTION PLAN

The table below summarizes the Company's stock option activity for the quarter ended June 30, 2007:

Options Outstanding	Options Outstanding	Weighted Average Price
-----	-----	-----
Outstanding March 31, 2007	291,491	\$ 12.29
Options exercised	-	-
Options forfeited	22,285	\$ 20.00
Options issued	-	-
	-----	-----

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Outstanding June 30, 2007	269,206	\$	11.65
	=====		=====

At June 30, 2007 the 269,206 outstanding options are fully vested and exercisable. They range in price from \$1.98 to \$61.36 and have a weighted average contractual maturity of 3.51 years. For the quarter ended June 30, 2007 the Company did not issue any stock options.

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ITEM 2. Management's Discussion and Analysis or Plan of Operation

The following discussion and analysis should be read in conjunction with the Company's unaudited consolidated financial statements and related footnotes presented in Item 1 and the Company's December 31, 2006 Form 10-KSB.

Overview

AMEN Properties, Inc., (the "Company") is engaged in owning and managing energy related business properties. The Company is a holding company and conducts its operations through AMEN Delaware, LP ("Delaware"); AMEN Minerals, LP ("Minerals"), W Power and Light, LP ("W Power") and Priority Power Management, Ltd ("Priority Power") each being a wholly owned subsidiary of the Company. The company's primary business activities are:

- o Retail Electricity - The Company is engaged in the retail electricity market as a retail electric provider serving both retail and wholesale customers within the state of Texas through W Power.
- o Energy Aggregation, Brokering and Consulting - Effective April 1, 2006, AMEN Properties acquired 100% of Priority Power Management, Ltd. a Texas limited partnership, and Priority Power Management, Dallas, Ltd. a Texas limited partnership, (collectively referred to as "Priority Power"). Priority Power is primarily involved in providing energy management services and the Company believes that Priority Power's business is complimentary to the retail electricity provider business conducted by the Company's subsidiary W Power.
- o Oil & Gas Royalties - The Company's present oil and gas royalty holdings are through Minerals, which owns two oil and gas royalty properties, one in Nowata County, Oklahoma and the other in Hemphill County, Texas.
- o Real Estate - As of December 31, 2006, the Company, through Delaware's investment in a real estate joint venture, has a commercial real estate portfolio consisting of an ownership of approximately 18% in two office properties located in Midland, Texas comprising an aggregate of approximately 428,560 square feet of gross leasable area which was exchanged for 17.8% interest in a real estate limited partnership on March 19, 2007.

Application of Critical Accounting Policies

Our discussion and analysis of financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, and contingencies as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. We evaluate our assumptions and estimates on an ongoing basis. We base our estimates on

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historical experience and on various other assumptions that we believe to be reasonable under the circumstances. These estimates form the basis for making judgments about the carrying values of assets and liabilities where that information is available from other sources. Certain estimates are particularly sensitive due to their significance to the financial statements. Actual results may differ significantly from management's estimates.

We believe that the most significant accounting policies that involve the use estimates and assumptions as to future uncertainties and, therefore, may result in actual amounts that differ from estimates are the following:

- Impairments,
- Acquisition of operating properties,
- Revenue recognition,
- Consolidation of variable interest entities,
- Allowance for doubtful accounts and
- Stock options

Impairments

Real estate and leasehold improvements are classified as long-lived assets held for sale or long-lived assets to be held and used. In accordance with SFAS No. 144, we record assets held for sale at the lower of carrying value or sales price less costs to sell. For assets classified as held and used, these assets are tested for recoverability when events or changes in circumstances indicate that the estimated carrying amount may not be recoverable. An impairment loss is recognized when expected undiscounted future cash flows from a Property is less than the carrying value of the Property. Our estimates of cash flows of the Properties requires us to make assumptions related to future rental rates, occupancies, operating expenses, the ability of our tenants to perform pursuant to their lease obligations and proceeds to be generated from the eventual sale of our Properties. Any changes in estimated future cash flows due to changes in our plans or views of market and economic conditions could result in recognition of additional impairment losses.

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If events or circumstances indicate that the fair value of an investment accounted for using the equity method has declined below its carrying value and we consider the decline to be "other than temporary," the investment is written down to fair value and an impairment loss is recognized. The evaluation of impairment for an investment would be based on a number of factors, including financial condition and operating results for the investment, inability to remain in compliance with provisions of any related debt agreements, and recognition of impairments by other investors. Impairment recognition would negatively impact the recorded value of our investment and reduce net income.

Acquisition of Operating Properties

We allocate the purchase price of acquired properties to tangible and identified intangible assets acquired based on their fair values in accordance with SFAS No. 141, "Business Combinations." We initially record the allocation based on a preliminary purchase price allocation with adjustments recorded within one year of the acquisition.

In making estimates of fair value for purposes of allocating purchase price, management utilizes sources, including, but not limited to, independent value

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consulting services, independent appraisals that may be obtained in connection with financing the respective property, and other market data. Management also considers information obtained about each property as a result of its pre-acquisition due diligence, marketing and leasing activities in estimating the fair value of the tangible and intangible assets acquired.

The aggregate value of the tangible assets acquired is measured based on the sum of (i) the value of the property and (ii) the present value of the amortized in-place tenant improvement allowances over the remaining term of each lease. Management's estimates of the value of the property are made using models similar to those used by independent appraisers. Factors considered by management in its analysis include an estimate of carrying costs such as real estate taxes, insurance, and other operating expenses and estimates of lost rentals during the expected lease-up period assuming current market conditions. The value of the property is then allocated among building, land, site improvements, and equipment. The value of tenant improvements is separately estimated due to the different depreciable lives.

The aggregate value of intangible assets acquired is measured based on the difference between (i) the purchase price and (ii) the value of the tangible assets acquired as defined above. This value is then allocated among above-market and below-market in-place lease values, costs to execute similar leases (including leasing commissions, legal expenses and other related expenses), in-place lease values and customer relationship values.

Above-market and below-market in-place lease values for acquired properties are calculated based on the present value (using a market interest rate which reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to the in-place leases and (ii) management's estimate of fair market lease rates for the corresponding in-place leases, measured over a period equal to the remaining non-cancelable term of the lease for above-market leases and the initial term plus the term of the below-market fixed rate renewal option, if any, for below-market leases. We perform this analysis on a lease by lease basis. The capitalized above-market lease values are amortized as a reduction to rental income over the remaining non-cancelable terms of the respective leases. The capitalized below-market lease values are amortized as an increase to rental income over the initial term plus the term of the below-market fixed rate renewal option, if any, of the respective leases.

Management estimates costs to execute leases similar to those acquired at the property at acquisition based on current market conditions. These costs are recorded based on the present value of the amortized in-place leasing costs on a lease by lease basis over the remaining term of each lease.

The in-place lease values and customer relationship values are based on management's evaluation of the specific characteristics of each customer's lease and our overall relationship with that respective customer. Characteristics considered by management in allocating these values include the nature and extent of our existing business relationships with the customer, growth prospects for developing new business with the customer, the customer's credit quality, and the expectation of lease renewals, among other factors. The in-place lease value and customer relationship value are both amortized to expense over the initial term of the respective leases and projected renewal periods, but in no event does the amortization period for the intangible assets exceed the remaining depreciable life of the building.

Should a tenant terminate its lease, the unamortized portion of the in-place lease value and the customer relationship value and above-market and below-market lease values would be charged to expense.

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Revenue Recognition

Leases with tenants are accounted for as operating leases. Minimum annual rentals are recognized on a straight-line basis over the terms of the respective leases.

The Company records electricity sales under the accrual method and these revenues are recognized upon delivery of electricity to the customers' meters. Electric services not billed by month-end are accrued based upon estimated deliveries to customers as tracked and recorded by the Electric Reliability Council of Texas ("ERCOT") multiplied by the Company's average billing rate per kilowatt hour ("kwh") in effect at the time.

The flow technique of revenue calculation relies upon ERCOT settlement statements to determine the estimated revenue for a given month. Supply delivered to our customers for the month, measured on a daily basis, provides the basis for revenues. ERCOT provides net electricity delivered data in three frames. Initial daily settlements become available approximately 17 days after the day being settled. Approximately 45 days after the day being settled, a resettlement is provided to adjust the initial settlement to the actual supply delivered based on subsequent comparison of prior forecasts to actual meter reads processed. A final resettlement is provided approximately 180 days after power is delivered, marking the last routine settlement adjustment to the power deliveries for that day.

Sales represent the total proceeds from energy sales, including pass through charges from the TDSPs billed to the customer at cost. Cost of goods and services ("COGS") include electric power purchased, sales commissions, and pass through charges from the TDSPs in the areas serviced by the Company. TDSP charges are costs for metering services and maintenance of the electric grid. TDSP charges are determined by regulated tariffs established by the Public Utility Commission of Texas ("PUCT").

Bilateral wholesale costs are incurred through contractual arrangements with wholesale power suppliers for firm delivery of power at a fixed volume and fixed price. The Company is typically invoiced for these wholesale volumes at the end of each calendar month for the volumes purchased for delivery during the month, with payment due 10 to 20 days after the end of the month.

Balancing/ancillary costs are based on the aggregate customer load and are determined by ERCOT through a multiple step settlement process. Balancing costs/revenues are related to the differential between supply provided by the Company through its bilateral wholesale supply and the supply required to serve the Company's customer load. The Company endeavors to minimize the amount of balancing/ancillary costs through its load forecasting and forward purchasing programs.

Consolidation of Variable Interest Entities

We perform evaluations of each of our investment partnerships, real estate partnerships and joint ventures to determine if the associated entities constitute a Variable Interest Entity, or VIE, as defined under Interpretations 46 and 46R, "Consolidation of Variable Interest Entities," or FIN 46 and 46R, respectively. In general, a VIE is an entity that has (i) an insufficient amount of equity for the entity to carry on its principal operations, without additional subordinated financial support from other parties, (ii) a group of equity owners that are unable to make decisions about the entity's activities, or (iii) equity that does not absorb the entity's losses or receive the benefits of the entity. If any one of these characteristics is present, the entity is subject to FIN 46R's variable interests consolidation model.

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Quantifying the variability of VIEs is complex and subjective, requiring consideration and estimates of a significant number of possible future outcomes as well as the probability of each outcome occurring. The results of each possible outcome are allocated to the parties holding interests in the VIE and, based on the allocation, a calculation is performed to determine which party, if any, has a majority of the potential negative outcomes (expected losses) or a majority of the potential positive outcomes (expected residual returns). That party, if any, is the VIE's primary beneficiary and is required to consolidate the VIE. Calculating expected losses and expected residual returns requires modeling potential future results of the entity, assigning probabilities to each potential outcome, and allocating those potential outcomes to the VIE's interest holders. If our estimates of possible outcomes and probabilities are incorrect, it could result in the inappropriate consolidation or deconsolidation of the VIE.

For entities that do not constitute VIEs, we consider other GAAP, as required, determining (i) consolidation of the entity if our ownership interests comprise a majority of its outstanding voting stock or otherwise control the entity, or (ii) application of the equity method of accounting if we do not have direct or indirect control of the entity, with the initial investment carried at costs and subsequently adjusted for our share of net income or less and cash contributions and distributions to and from these entities.

Allowance for Doubtful Accounts

Our accounts receivable balance is reduced by an allowance for amounts that may become uncollectible in the future. Our receivable balance is composed primarily of rents and operating cost recoveries due from its tenants and billed and unbilled customer retail electricity usage flowed for a given period. The allowance for doubtful accounts is reviewed at least quarterly for adequacy by reviewing such factors as the credit quality of our tenants and customers, any delinquency in payment, historical trends and current economic conditions. If the assumptions regarding our ability to collect accounts receivable prove incorrect, we could experience write-offs in excess of the allowance for doubtful accounts, which would result in a decrease in net income. The Company estimated the allowance for doubtful accounts related to W Power's billed account receivables to be approximately 0.2% percent of W Power's retail electricity billed revenue for the quarter ended June 30, 2007. Due to the limited historical data, the Company regularly reviews the accounts receivable and accordingly makes adjustments in estimating the allowance for doubtful accounts.

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Stock Options

The Company accounts for its stock-based compensation in accordance with Financial Accounting Standards (SFAS) No. 123R, Accounting for Stock-Based Compensation. In December 2004, the Financial Accounting Standards Board issued Statement 123(R) effective for small business issuers after December 15, 2005. The new Statement requires mandatory reporting of all stock-based compensation awards on a fair value basis of accounting. Generally, companies are required to calculate the fair value of all stock awards and amortize that fair value as compensation expense over the vesting period of the awards.

Results of Operations

Overview

For the six months ended June 30, 2007, the Company generated earnings of \$0.44 per share, an increase of 63% over the same six months last year. This increase in profitability was caused by two primary factors: the Company's withdrawal

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from the real estate segment and growth in Priority Power's aggregation, brokering and consulting businesses. As a reminder, Priority Power was acquired April 1, 2006, so the Company's 2006 numbers only include three months of Priority's business. Priority's growth and the Company's reduced debt as a result of withdrawing from the real estate business enabled the company to grow earnings despite a soft first half of the year for W Power due to unseasonably cool weather in Texas.

Revenues

Total operating revenues for the first half of 2007 were \$6,825,474, a decrease of 23% versus the same six months in 2006, as shown in the table below:

Description	Six Months Ended		
-----	6/30/07	6/30/06	-----
Rental Revenue	\$ -	\$ 1,584,574	\$
Energy Management Fees	1,851,244	676,806	
Retail Electricity Revenue	4,974,230	6,560,655	
Total	\$ 6,825,474	\$ 8,822,035	\$
	=====	=====	=====

As shown above, Rental Revenue was eliminated due to the Company's disposition of real estate assets, as described in Note C. Despite a 17% increase in delivered retail energy volume, W Power's revenue fell by 24% due to reduced wholesale volumes and lower retail billing rates resulting from reduced natural gas and electricity prices in the wholesale markets. Priority Power's revenue growth was caused primarily by 2007 consisting of six months versus three months in 2006. Additionally, Priority Power's second quarter year-over-year revenue growth of 54% was driven primarily through new customer acquisition supplemented by increased volume and expanded service offerings to existing customers.

Operating Expenses

Operating Expenses for the first half of 2007 decreased \$1,925,103, a decline of 25% versus the same quarter in 2006. The decline was driven by the elimination of expenses associated with Real Estate Operations (\$1,021,183 in 2006) and a decrease of \$1,660,123 in Cost of Goods and Services, driven primarily by reduced wholesale power supply rates associated with W Power. These decreases were partially offset by an increase in General & Administrative expenses of \$812,635, caused primarily by six months of Priority Power business in 2007 versus three months in 2006. In the second quarter of 2007, G&A increased over last year due to commissions, executive bonuses, corporate accounting and governance costs, and investment in the redesign of ChooseEnergy.com, an online electricity broker owned by Priority Power.

Net Margin

The Company's net margin improved in the first half of 2007, primarily through improvement in W Power profitability and growth in Priority Power's higher-margin business, as shown in the table below (see Note K for more segment financial data):

	1H 2007		
-----	-----	-----	-----
Segment	Net Income	Net Margin %	Net Income

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Real Estate	\$	81,270	N/A	\$	19
Retail Electricity		581,038	12%		42
Energy Management & Consulting		912,558	49%		26
Other (Corporate)		(447,107)	N/A		(19)
Eliminations		(110,405)	N/A		(9)
Total	\$	1,017,354	15%		59

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Book Value per Share

The primary metric that the Company's management uses when making operating and investment decisions is Book Value per Share ("BVPS"). BVPS is calculated as Total Shareholder Equity divided by the Fully Diluted Number of Shares Outstanding as of the measurement date. Management's belief is that if the Company consistently delivers increases in BVPS, it will maximize value to the shareholder over the long term. As of June 30, 2007 the Company's BVPS is \$2.59, an increase of 17% during the first six months of 2007.

Analysis of Cash Flows

Operating Activities

During the first half of 2007, net cash provided by operating activities was \$1,055,126. This was driven by a number of factors:

- o Net Income of \$1,017,354
- o An increase in Accounts Payable of \$239,744, caused by timing of payment cycles; this was offset by an increase in Accounts Receivable of \$229,567, caused by the timing of billing cycles and increased billings for W Power due to higher temperatures.
- o An increase in Accrued Liabilities of \$223,565 due to accruals for executive bonuses and an increase in retail electricity customer deposits.
- o An increase in Deferred Revenue of \$187,901, caused by growth in Priority Power prepaid agreements.

Investing Activities

For the first half of 2007, the net cash used in investing activities was \$1,876,321. This was driven by two primary activities:

- o The Company invested \$478,491 in the Hampshire Plaza Garage Limited Partnership in exchange for an 18.017% interest in the partnership, as discussed in Note C.
- o \$1,347,425 was used to purchase marketable securities (see Note I).

Financing Activities

Net cash used in financing activities for the first half of 2007 was \$250,678. This entire amount is related to the repayment of notes for the purchase of Priority Power (the "NEMA" notes - See Note L).

Currently, the Company has a net operating tax loss ("NOL") carry forward in

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excess of \$30 million. This NOL is mainly related to the Company's operations prior to the Company presenting the 2002 business plan to shareholders. The Company believes that the utilization, without limitation, of the Company's NOL will be determined by the ability of management to limit the issue of new equity due to IRC Section 382 restrictions. However, if an opportunity presents itself that would be more valuable to the shareholders than the approximate \$2.5 to \$5 million present value we have assigned the NOL we will strongly consider pursuing the deal and would consider issuing equity to do so.

ITEM 3. Controls and Procedures

The Company has carried out an evaluation under the supervision of management, including the Chairman and Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on that evaluation, the Company's Chairman and Chief Executive Officer and Chief Financial Officer have concluded that, and have reported to the Audit Committee of the Company's Board of Directors that, management has identified certain deficiencies in the disclosure controls and procedures. The deficiencies noted were (a) a lack of documented control procedures (b) the lack of segregation of duties and (c) insufficient supervision of the Company's accounting personnel. The Company believes such deficiencies are primarily attributable to the Company currently having only one full time employee at the corporate level and the continuing development of the Company's new start up subsidiary W Power and Light, L.P. Management believes that the deficiencies noted above do not materially interfere with the Company's timely disclosure of information required to be disclosed by the Company in reports filed or submitted under the Securities Exchange Act 1934, as amended, because accounting personnel and a member of management have first-hand knowledge of the daily transactions of the Company and that first-hand knowledge enables such personnel to accumulate and communicate such information to the Company's management, including its principal executive and principal financial officer as appropriate to allow timely decisions regarding disclosure. Therefore the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report to ensure that information required to be disclosed by the Company in the reports that the Company files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

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There have not been any changes in the Company's disclosure controls and procedures during the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Company's disclosure controls and procedures over financial reporting.

PART II OTHER INFORMATION

ITEM 1. Legal Proceedings

None to report.

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

None to report.

ITEM 3. Defaults Upon Senior Securities

None to report.

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

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On May 30, 2007 the Company held its annual meeting of Shareholders. As of the record date for the meeting, there were 2,290,589 shares of common stock outstanding and eligible for voting. Additionally, there were preferred shares with voting rights equivalent to 1,036,650 shares of common stock (Preferred A: 333,333 shares, Preferred B: 233,317, Preferred C: 470,000). The Company received votes representing 2,925,654 shares, or 87.9% of the total eligible shares, which constituted a quorum. The following proposals were voted on by the shareholders:

Proposal 1

Description: To elect the current six members of the Board of Directors to another one-year term. The nominees were: Eric Oliver, Jon Morgan, Bruce Edgington, Earl Gjælde, Don Blake and Randy Nicholson.

Results: Each director received over 99% of the eligible votes; the Board is thus elected by a plurality of votes cast.

Proposal 2

Description: The approval and ratification of an amendment to the employment agreement of Pat Ennis, VP of Priority Power, to allow him to receive a portion of his salary as restricted stock.

Results: This proposal received 2,047,874 affirmative votes, or 70% of the eligible votes; the amendment of the employment agreement of Pat Ennis is thus approved and ratified.

Proposal 3

Description: The approval and ratification of an amendment to the employment agreement of John Bick, Managing Principal of Priority Power, to allow him to receive a portion of his salary as restricted stock.

Results: This proposal received 2,044,249 affirmative votes, or 61% of the eligible votes; the amendment of the employment agreement of John Bick is thus approved and ratified.

Proposal 4

Description: The approval and ratification of an amendment to the employment agreement of Kevin Yung, Chief Operating Officer of Amen Properties and President of W Power & Light, to expand the scope of his annual bonus to include all energy-related businesses.

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Results: This proposal received 2,027,411 affirmative votes, or 61% of the eligible votes; the amendment of the employment agreement of Kevin Yung is thus approved and ratified.

ITEM 5. Other Information

None to report.

ITEM 6. Exhibits

(a) EXHIBITS:

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EXHIBIT NUMBER -----	DESCRIPTION -----
3.1+	Certificate of Incorporation and Certificates of Amendments thereto of DIDAX INC.
3.1(a)+	Certificate of Correction regarding Certificate of Incorporation
3.1(b)**	Certificate of Amendment thereto of DIDAX INC.
3.2+++	Certificate of Amendment thereto of Crosswalk.com, Inc.
3.3+	Bylaws and amendments thereto of the Company
3.4~	Certificate of Designation for Series A Preferred Stock
3.4(a)~~	Amended Certificate of Designation for Series A Preferred Stock
3.5~~	Certification of Designation for Series B Preferred Stock
3.6***	Certificate of Amendment of Certificate of Incorporation dated May 26, 2004
3.7@	Certificate of Designation for Series C Preferred Stock
4.1+	Warrant Certificate between the Company and Robert Varney dated July 10, 1996
4.2+	Warrant Certificate between the Company and Robert Varney dated September 26, 1996
4.3+	Warrant Certificate between the Company and Bruce Edgington dated July 30, 1996
4.4+	Warrant Certificate between the Company and Bruce Edgington dated October 30, 1996
4.5@	Form of Warrant Certificate dated March 1, 2005
10.1//	Asset Purchase Agreement between the Company and Blue Hill Media, Inc. dated December 13, 2002
10.2+	Form of Stock Option Agreement
10.3+	1997 Stock Option Plan
10.4*	1997 Stock Option Plan, as amended April 6, 1998
10.5*	1998 Stock Option Plan
10.6**	1998 Stock Option Plan, as amended February 26, 1999
10.7##	1998 Stock Option Plan, as amended March 3, 2000
10.8++	Stock Purchase Agreement between the Company and A. Scott Dufford for Series A Preferred Stock dated September 29, 2000

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- 10.9++ Stock Purchase Agreement between the Company and John R. Norw0od Norwood for Series A Preferred Stock dated September 29, 2000
- 10.10++ Stock Purchase Agreement between the Company and J.M. Mineral and Land Co. for Series A Preferred Stock dated September 29, 2000
- 10.11++ Stock Purchase Agreement between the Company and Jon M. Morgan Pension Plan for Series A Preferred Stock dated September 29, 2000
- 10.12++ Stock Purchase Agreement between the Company and Stallings Properties, Ltd. for Series A Preferred Stock dated September 29, 2000
- 10.13++ Stock Purchase Agreement between the Company and John D. Bergman for Series A Preferred Stock dated September 29, 2000
- 10.14++ Stock Purchase Agreement between the Company and Julia Jones Family Trust for Series A Preferred Stock dated September 29, 2000
- 10.15++ Stock Purchase Agreement between the Company and Dodge Jones Foundation for Series A Preferred Stock dated September 29, 2000
- 10.16++ Stock Purchase Agreement between the Company and Soft Op, L.P. for Series A Preferred Stock dated September 29, 2000
- 10.17++ Stock Purchase Agreement between the Company and Lighthouse Partners, L.P. for Series A Preferred Stock dated September 29, 2000
- 10.18++ Stock Purchase Agreement between the Company and Ray McGlothlin, Jr. for Series A Preferred Stock dated September 29, 2000
- 10.19++ Stock Purchase Agreement between the Company and Gary J. Lamb for Series A Preferred Stock dated September 29, 2000
- 10.20++ Stock Purchase Agreement between the Company and Frosty Gilliam, Jr. for Series A Preferred Stock dated September 29, 2000
- 10.21++ Stock Purchase Agreement between the Company and Bruce Edgington for Series B Preferred Stock dated December 31, 2001
- 10.22++ Stock Purchase Agreement between the Company and Dodge Jones Foundation for Series B Preferred Stock dated December 31, 2001
- 10.23++ Stock Purchase Agreement between the Company and Earl E. Gjelde for Series B Preferred Stock dated December 31, 2001
- 10.24++ Stock Purchase Agreement between the Company and Jon M. Morgan for Series B Preferred Stock dated December 31, 2001
- 10.25++ Stock Purchase Agreement between the Company and Soft Op, L.P. for Series B Preferred Stock dated December 31, 2001
- 10.26++ Annex to the Stock Purchase Agreement for Series A Preferred Stock dated September 29, 2000
- 10.27# Agreement to Suspend Dividends and Consent of the Holders of Series A Preferred Stock of Amen Properties, Inc. dated May 30, 2003.
- 10.28# Agreement to Suspend Dividends and Consent of Holders of Series B Convertible Preferred Stock of Amen Properties, Inc. dated May 30, 2003.
- 10.29^ Consent, Waiver and Amendment of the holders of Series A Preferred

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Stock dated January 2005 (identical copy executed by each holder)

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- 10.30^ Consent, Waiver and Amendment of the holders of Series B Preferred Stock dated January 2005 (identical copy executed by each holder)
- 10.31++ Annex to the Stock Purchase Agreement for Series B Preferred Stock dated December 31, 2001
- 10.32// Agreement and Transfer of Limited Partnership Interest between the Company and the Selling Partners of TCTB Partners, Ltd. dated October 31, 2002
- 10.33// Amended Promissory Note between the Company and A. Scott Dufford dated October 31, 2002, with schedule describing all outstanding Amended Promissory Notes between the Company and the Selling Partners of TCTB Partners, Ltd, which are identical other than differences stated in the schedule.
- 10.34// Credit Agreement between TCTB Partners, Ltd. and Wells Fargo Bank Texas, N.A. dated June 5, 2002, the exhibits of which are not included due to their size.
- 10.35// Lease Agreement between TCTB Partners, Ltd. and Bank of America, N.A. dated September 30, 2003.
- 10.36// Lease Agreement between TCTB Partners, Ltd. and Pioneer Natural Resources USA, Inc. dated April 4, 2000.
- 10.38### Employment and Noncompetition Agreement between the Company and Kevin Yung dated as of July 1, 2004
- 10.39@@ Agreement to Distribute Assets among TCTB Partners, Ltd. and its partners dated as of December 31, 2004
- 10.40@@ Purchase Agreement between certain partners of TCTB Partners, Ltd. and 1500 Broadway Partners, Ltd. dated as of December 31, 2004
- 10.41@ Securities Purchase Agreement between the Company and certain investors dated January 18, 2005, as amended by a First Amendment dated January 28, 2005 and a Second Amendment dated February 28, 2005
- 10.42@ Loan Agreement between Amen Properties, Inc. and Western National Bank
- 10.43@ Western National Bank Revolving Line of Credit Note
- 11 Statement of computation of earnings per share
- 21.1 Subsidiaries of the Company
- 31.1 Certification of Chief Executive Officer.
- 31.2 Certification of Chief Financial Officer.
- 32.1 Certification of Chief Executive Officer Pursuant to 18 USC ss.1350.
- 32.2 Certification of Chief Financial Officer Pursuant to 18 USC ss.1350.
- 99.1 Press release regarding March 31, 2006 Quarterly Report on Form 10-QSB

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+ Incorporated by reference to the Company's Registration Statement on Form SB-2 declared effective by the Securities and Exchange Commission on September 24, 1997, SEC File No. 333-25937

++ Incorporated by reference to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 29, 2002, amended July 25, 2002 and August 14, 2002.

+++ Filed as an Appendix to the Company's Proxy Statement on Schedule 14-A filed with the Securities and Exchange Commission on January 13, 2003.

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~~ Incorporated by reference to the Company's Registration Statement on Form S-3 filed with the Securities and Exchange Commission on April 5, 2002, SEC file No. 333-85636

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SIGNATURES

In accordance with the requirements of Section 13 or 15(d) of the Exchange Act, the registrant has caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

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dated December 13, 2002

- 10.2+ Form of Stock Option Agreement
- 10.3+ 1997 Stock Option Plan
- 10.4* 1997 Stock Option Plan, as amended April 6, 1998
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- 10.41@ Securities Purchase Agreement between the Company and certain investors dated January 18, 2005, as amended by a First Amendment

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dated January 28, 2005 and a Second Amendment dated February 28, 2005

- 10.42@ Loan Agreement between Amen Properties, Inc. and Western National Bank
- 10.43@ Western National Bank Revolving Line of Credit Note
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