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VISTA EXPLORATION CORP
Form 10QSB
November 14, 2003

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

Form 10-QSB

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the quarterly period ended September 30, 2003

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

Commission file number: 0-27321

Vista Exploration Corporation

(Name of small business issuer in its charter)

Colorado

84-1493152

(State or other jurisdiction of
incorporation or organizat

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

11952 Farley, Shawnee Mission, KS 66213

(Address of principal executive offices, including ZIP Code)

Issuer's telephone number: (913) 814-8313

N.A.

(Former name, address and 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 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.

Yes No

Transitional Small Business Disclosure Format Yes No

The issuer had 1,690,000 shares of its common stock issued and outstanding
as of November 4, 2003, the latest practicable date before the filing of this
report.

VISTA EXPLORATION CORPORATION

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PART I - FINANCIAL INFORMATION

Forward-Looking Statements

This report on Form 10-QSB contains forward-looking statements that concern our business. Such statements are not guarantees of future performance and actual results or developments could differ materially from those expressed or implied in such statements as a result of certain factors, including those factors set forth in Item 2 - Plan of Operation and elsewhere in this report. All statements, other than statements of historical facts, included in this report that address activities, events or developments that we expect, believe, intend or anticipate will or may occur in the future, including the Company's ability to successfully maintain its existence while it identifies potential business opportunities, are forward-looking statements.

These statements are based on certain assumptions and analyses made by us in light of our experience and our product research. Such statements are subject to a number of assumptions including the following:

- o risks and uncertainties;
- o general economic and business conditions;
- o the business opportunity that may be presented to and pursued by us;
- o changes in laws or regulations and other factors, many of which are beyond our control; and
- o ability to obtain financing on favorable conditions.

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The cautionary statements contained or referred to in this report should be considered in connection with any subsequent written or oral forward-looking statements that may be issued by us or persons acting on our behalf. We undertake no obligation to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

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Item 1. Financial Statements

VISTA EXPLORATION CORPORATION

Balance Sheet (Unaudited)

September 30, 2003

ASSETS

Current assets:

| | | |
|----------------------|----|-------|
| Cash | \$ | 43 |
| | | ----- |
| Total current assets | | 43 |
| | | ----- |

\$ 43
=====

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:

| | |
|-------------------------------------|-----------|
| Accounts Payable | \$172,661 |
| Accrued Interest | 1,258 |
| Loans from Shareholder..... | 16,700 |
| Notes Payable | 158,697 |
| Notes Payable, related parties..... | 15,000 |
| | ----- |
| Total current liabilities | 364,316 |
| | ----- |

Shareholders' deficit:

| | |
|--|-----------|
| Preferred Stock, no par value, 5,000,000 shares authorized, -0- shares issued and outstanding | -- |
| Common stock, no par value, 50,000,000 shares authorized, 1,690,000 shares issued and outstanding | 65,119 |
| Stock Options Outstanding | 80,000 |
| Deficit accumulated during the development stage..... | (509,392) |
| | ----- |
| Total shareholders' deficit | (364,273) |
| | ----- |

\$ 43
=====

See accompanying notes to financial statements

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VISTA EXPLORATION CORPORATION

Statements of Operations (Unaudited)

| | Three Months Ended September 30, | |
|---|-------------------------------------|-------------|
| | 2003 | 2002 |
| Costs and expenses: | | |
| Legal, accounting and administrative | \$ 8,543 | \$ 40,807 |
| Impairment of oil and gas properties..... | -- | 40,832 |
| | ----- | ----- |
| Operating loss | (8,543) | (81,639) |
| Interest expense..... | (673) | -- |
| | ----- | ----- |
| Loss before income taxes..... | (9,216) | (81,639) |
| Provision for income taxes..... | -- | -- |
| | ----- | ----- |
| Net loss \$ | (9,216) | \$ (81,639) |
| | ===== | ===== |
| Basic and diluted loss per common share:.....\$ | (0.01) | \$ (0.02) |
| | ===== | ===== |
| Basic and diluted weighted average common shares outstanding | 1,690,000 | 5,364,725 |
| | ===== | ===== |

See accompanying notes to financial statements

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VISTA EXPLORATION CORPORATION

Statements of Operations (Unaudited)

| | Six Months Ended September 30, | |
|--|-----------------------------------|------------|
| | 2003 | 2002 |
| Costs and expenses: | | |
| Legal, accounting and administrative | \$ 14,163 | \$ 101,021 |
| Impairment of oil and gas properties..... | -- | 40,832 |
| | ----- | ----- |
| Operating loss | (14,163) | (141,853) |

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| | | |
|---|-----------|--------------|
| Interest expense..... | (944) | -- |
| | ----- | ----- |
| Loss before income taxes..... | (15,107) | (141,853) |
| Provision for income taxes..... | -- | -- |
| | ----- | ----- |
| Net loss \$ | (15,107) | \$ (141,853) |
| | ===== | ===== |
| Basic and diluted loss per common share:.....\$ | (0.01) | \$ (0.02) |
| | ===== | ===== |
| Basic and diluted weighted average common shares outstanding | 1,690,000 | 5,729,344 |
| | ===== | ===== |

See accompanying notes to financial statements

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VISTA EXPLORATION CORPORATION

Statements of Cash Flows (Unaudited)

| | Three Months Ended September 30, | |
|---|-------------------------------------|--------------|
| | 2003 | 2002 |
| | ----- | ----- |
| Cash flows from operating activities: | | |
| Net loss | \$ (15,107) | \$ (141,853) |
| Transactions not requiring cash: | | |
| Impairment of oil and gas properties..... | -- | 40,832 |
| Changes in operating assets and liabilities: | | |
| Receivables and advances | -- | 8,265 |
| Accounts payable and accrued liabilities | 9,297 | 87,785 |
| | ----- | ----- |
| Net cash used in operating activities | (5,810) | (4,971) |
| | ----- | ----- |
| Cash flows from financing activities: | | |
| Proceeds of notes payable..... | 5,000 | -- |
| | ----- | ----- |
| Net cash provided by financing activities | 5,000 | -- |
| | ----- | ----- |
| Net change in cash | (810) | (4,971) |
| Cash, beginning of period | 853 | 5,012 |
| | ----- | ----- |
| Cash, end of period | \$ 43 | \$ 41 |
| | ===== | ===== |
| Supplemental disclosure of cash flow information: | | |
| Cash paid during the period for: | | |
| Interest | \$ -- | \$ -- |
| | ===== | ===== |

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| | | | | |
|--------------------|-------|----|-------|----|
| Income taxes | \$ | -- | \$ | -- |
| | ===== | | ===== | |

See accompanying notes to financial statements

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VISTA EXPLORATION CORPORATION

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

September 30, 2003

Note A: Basis of Presentation

The financial statements presented herein have been prepared by the Company in accordance with the accounting policies in its audited financial statements for the period ended March 31, 2003, as filed in its annual report on Form 10K-SB filed July 16, 2003, and should be read in conjunction with the notes thereto.

In the opinion of management, all adjustments (consisting only of normal recurring adjustments) which are necessary to provide a fair presentation of operating results for the interim period presented have been made. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the year.

Interim financial data presented herein are unaudited. The unaudited interim financial information presented herein has been prepared by the Company in accordance with the policies in its audited financial statements for the period ended March 31, 2003 and should be read in conjunction with the notes thereto.

The accompanying statements of operations and cash flows reflect the three and six-month periods ended September 30, 2003. The comparative figures for the three and six-month periods ended September 30, 2002 have been included in the accompanying statements of operations and cash flows for comparison on an unaudited basis.

Note B: Income Taxes

The Company records its income taxes in accordance with Statement of Financial Accounting Standard No. 109, "Accounting for Income Taxes". The Company incurred net operating losses during the periods shown on the condensed financial statements resulting in a deferred tax asset, which was fully allowed for, therefore the net benefit and expense result in \$0 income taxes.

Note C: Notes Payable

Notes payable issued to ten shareholders to repurchase common stock total \$158,697 at September 30, 2003. These notes were due November 14, 2002 unless payment was prohibited pursuant to the terms of Section 7-106-401 of the Colorado Business Corporation Act. The Company may extend the payment date and may further restructure these notes in compliance with this act. The notes

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remained unpaid at August 14, 2003, so interest began to accrue at the lowest available Applicable Federal Rate, 1.21%. These notes are further guaranteed by an officer of the Company.

Note D: Notes Payable - Related Parties

At September 30, 2003, the Company has borrowed \$15,000 under unsecured demand notes payable accruing interest at the rate of 10% per annum. The holders of these notes payable also hold options to purchase 2,000,000 shares of common stock.

Item 2. Plan of Operation.

The Company's current plan of operation is to maintain its existence while it identifies potential business opportunities.

Liquidity and Capital Resources

Our auditors included an explanatory paragraph in their opinion on our financial statements for the year ended March 31, 2003, to state that our losses since inception and our net capital deficit at March 31, 2003 raise substantial

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doubt about our ability to continue as a going concern. Our ability to continue as a going concern is dependent upon raising additional capital and achieving profitable operations. We cannot assure you that our plan of operation will be successful in addressing this issue.

During the six months ended September 30, 2003, we spent approximately \$14,163 maintaining the company's status, for legal, accounting and administrative fees. At September 30, 2003, we had cash of \$43 and current liabilities of \$364,316.

Our Capital Requirements

We will need to raise additional funds to finance our planned operations during the next 12 months to located and complete a merger with or acquisition of a business opportunity.

We currently do not have any binding commitments for, or readily available sources of, additional financing. There is not guarantee that additional financing will be available to us when needed or, if available, that it can be obtained on commercially reasonable terms. If we do not obtain additional financing we will not be able to implement our plan to locate and complete a merger with or acquisition of a business opportunity. Furthermore, we could be forced to cease operations and liquidate our assets.

If we do not obtain additional financing through an equity or debt offering, we may attempt to acquire a private company with adequate cash to pay our accrued and current debt, however, this could result in greater dilution to our current shareholders.

Employees

We currently have no full time employees. Our president has agreed to devote as much time to our activities as is required to implement our plan of

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operation.

Item 3. Controls and Procedures

Currently we have only one employee who is also our sole officer and director. That individual pays all Company bills and keeps all files and records for all Company business activities, which are limited. On a quarterly basis, all records are turned over to the Company's accountant who prepares financial statements based on those records. The Company's accountant has consistent and cooperative access to our sole officer and director and the Company's files and records. After the financial statements are prepared by the Company's accountant, they are approved by our sole officer and director.

Given the current level of very limited business activity of the Company and the financial and accounting procedures described above, it is the conclusion of our sole officer and director that the Company's disclosure controls and procedures are effective to ensure that the information required to be disclosed by the Company in the reports that it files or submits under the Securities and Exchange Act of 1934, as amended, is recorded, processed, summarized and reported, within the time periods specified in the applicable rules and forms of the Securities and Exchange Commission.

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PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

None.

Item 2. Changes in Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

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

None.

Item 5. Other Information.

None.

Item 6. Exhibits and Reports on Form 8-K.

(a) The following exhibits are furnished as part of this report:

1. Exhibit 31. Certification required by Section 302 of the Sarbanes-Oxley Act of 2002.
2. Exhibit 32. Certification required by Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K.

No reports on Form 8-K were filed during the quarter for which this report is filed.

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SIGNATURES

In accordance with the requirements of the Securities and Exchange Act of 1934, as amended, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

VISTA EXPLORATION CORPORATION

Date: November 12, 2003

By: /s/ Charles A. Ross, Sr.

Charles A. Ross, Sr.,
President and Chief Accounting Officer