BOULDER CAPITAL OPPORTUNITIES II LTD
Form 10QSB
November 14, 2007

SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FORM 10-QSB

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period ended: **September 30, 2007**

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIESEXCHANGE ACT OF 1934

For the transition period from ___________ to ______________

Commission file number **0-21847**

BOULDER CAPITAL OPPORTUNITIES, II, INC.
(Exact name of small business issuer as specified in its charter)

Colorado	**84-1356598**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

P.O. Box 12483 Chandler, Arizona 85248
(Address of principal executive offices)

(480)792-6603
(Issuer's telephone number)

____
(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 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 [X]** No [ ]

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

As of November 1, 2007, 3,215,537 shares of common stock were outstanding. The securities of this Company do not trade in a public market.

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

For financial information, please see the financial statements and the notes thereto, attached hereto and incorporated herein by this reference.

BOULDER CAPITAL OPPORTUNITIES II, INC.
(A Exploration Stage Company)

FINANCIAL STATEMENTS
(Unaudited)

Quarter Ended September 30, 2007

Boulder Capital Opportunities II, Inc.
(A Exploration Stage Company)
Financial Statements
(Unaudited)

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BOULDER CAPITAL OPPORTUNITIES II, INC.
(An Exploration Stage Company)
BALANCE SHEET
(Unaudited)

		Sept. 30, 2007
ASSETS		
Current assets		
Cash	$	1,653
Total current assets		1,653
Deposits		2,500
Oil and gas leases		20,000
		22,500
Total Assets	$	24,153
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities		
Interest payable		250
Notes payable		10,000
Total current liabilties		10,250
Total Liabilities		10,250
Stockholders' Equity		
Preferred stock, no par value; 10,000,000 shares authorized; none issued or outstanding		-
Common stock, no par value; 100,000,000 shares authorized; 3,215,537 shares issued and outstanding		234,384
Deficit accumulated during the exploration stage		(220,481)
Total Stockholders' Equity		13,903
Total Liabilities and Stockholders' Equity	$	24,153

The accompanying notes are an integral part of the financial statements.

BOULDER CAPITAL OPPORTUNITIES II, INC.
(An Exploration Stage Company)
STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended Sept. 30, 2006	Three Months Ended Sept. 30, 2007	Nine Months Ended Sept. 30, 2006	Nine Months Ended Sept. 30, 2007	Period From Aug. 6, 1996 (Inception) To Sept. 30, 2007
Revenues - rental income	$ -	$ -	$ -	$ -	$ 5,000
Revenues - oil and gas				1,320	1,320
	-	-	-	1,320	6,320
Operating expenses:					
Amortization & depreciation					28,400
General and administrative	2,313	4,908	30,887	18,927	198,227
	2,313	4,908	30,887	18,927	226,627
Gain (loss) from operations	(2,313)	(4,908)	(30,887)	(17,607)	(220,307)
Other income (expense):					
Interest revenue					76
Interest expense		(169)		(250)	(250)
	-	(169)	-	(250)	(174)
Income (loss) before provision for income taxes	(2,313)	(5,077)	(30,887)	(17,857)	(220,481)
Provision for income tax	-	-	-	-	-
Net income (loss)	$ (2,313)	$ (5,077)	$ (30,887)	$ (17,857)	$ (220,481)
Net income (loss) per share (Basic and fully diluted)	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.01)	
Weighted average number of common shares outstanding	3,215,537	3,215,537	2,969,377	3,215,537	

The accompanying notes are an integral part of the financial statements.

BOULDER CAPITAL OPPORTUNITIES II, INC.
(An Exploration Stage Company)
STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended Sept. 30, 2006	Nine Months Ended Sept. 30, 2007	Period From Aug. 6, 1996 (Inception) To Sept. 30, 2007
Cash Flows From Operating Activities:			
Net income (loss)	$ (30,887)	$ (17,857)	$ (220,481)
Adjustments to reconcile net loss to net cash provided by (used for) operating activities:			
Amortization & depreciation			28,400
Accrued payables		250	250
Compensatory stock issuances	20		96,620
Other payables			(2,500)
Net cash provided by (used for) operating activities	(30,867)	(17,607)	(97,711)
Cash Flows From Investing Activities:			
Oil and gas leases			(20,000)
Organizational costs			(28,400)
Net cash provided by (used for) investing activities	-	-	(48,400)

(Continued On Following Page)

The accompanying notes are an integral part of the financial statements.

BOULDER CAPITAL OPPORTUNITIES II, INC.
(A Development Stage Company)
STATEMENTS OF CASH FLOWS
(Unaudited)

(Continued From Previous Page)

	Nine Months Ended Sept. 30, 2006	Nine Months Ended Sept. 30, 2007	Period From Aug. 6, 1996 (Inception) To Sept. 30, 2007
Cash Flows From Financing Activities:			
Notes payable - borrowings		10,000	10,000
Sales of common stock	5,000		137,764
Net cash provided by (used for) financing activities	5,000	10,000	147,764
Net Increase (Decrease) In Cash	(25,867)	(7,607)	1,653
Cash At The Beginning Of The Period	37,184	9,260	-
Cash At The End Of The Period	$ 11,317	$ 1,653	$ 1,653

Schedule Of Non-Cash Investing And Financing Activities

None

Supplemental Disclosure

Cash paid for interest	$ -	$ -
Cash paid for income taxes	$ -	$ -

The accompanying notes are an integral part of the financial statements.

BOULDER CAPITAL OPPORTUNITIES II, INC.
(A Exploration Stage Company)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

NOTE 1. ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Boulder Capital Opportunities II, Inc. (the "Company"), was incorporated in the State of Colorado on August 6, 1996. The Company is in the exploration stage and was originally organized for the purpose of operating as a capital market access corporation and to acquire one or more existing businesses through merger or acquisition. The Company has changed its focus and is now in the oil and gas business, with an emphasis on acquisition of producing properties. The Company is currently considered to be in the exploration stage, and has generated only limited revenues from its activities. The Company's fiscal year end is December 31.

Basis of Presentation

The accompanying unaudited financial statements have been prepared in accordance with the instructions to Form 10-QSB and do not include all of the information and disclosures required by generally accepted accounting principles for complete financial statements. All adjustments which are, in the opinion of management, necessary for a fair presentation of the results of operations for the interim periods have been made and are of a recurring nature unless otherwise disclosed herein. The results of operations for such interim periods are not necessarily indicative of operations for a full year.

Cash and cash equivalents

The Company considers all highly liquid investments with an original maturity of three months or less as cash equivalents.

Accounts receivable

The Company reviews accounts receivable periodically for collectability and establishes an allowance for doubtful accounts and records bad debt expense when deemed necessary. At September 30, 2007 the Company had no balance in its allowance for doubtful accounts.

Property and equipment

Property and equipment are recorded at cost and depreciated under straight line methods over each item's estimated useful life.

BOULDER CAPITAL OPPORTUNITIES II, INC.
(A Exploration Stage Company)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

NOTE 1. ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Revenue recognition

Revenue is recognized on an accrual basis as earned under contract terms.

Use of Estimates

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

Income tax

The Company accounts for income taxes under Statement of Financial Accounting Standards No. 109 (“SFAS 109”). Under SFAS 109 deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss carryforwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Net income (loss) per share

The net income (loss) per share is computed by dividing the net income (loss) by the weighted average number of shares of common outstanding. Warrants, stock options, and common stock issuable upon the conversion of the Company's preferred stock (if any), are not included in the computation if the effect would be anti-dilutive and would increase the earnings or decrease loss per share.

Financial Instruments

The carrying value of the Company’s financial instruments, including cash and cash equivalents and accrued payables, as reported in the accompanying balance sheet, approximates fair value.

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

Plan Of Operations

We have generated no revenues from our operations in recent years and have been a development stage company since our formation. Since we have not generated revenues and have not been in a profitable position, we operate with minimal overhead. Our primary activity will be to search for and to acquire oil and gas leases for our own account, and for the foreseeable future to search for and to acquire oil and gas leases for the account of our clients.

On November, 1, 2005, we acquired a 4% interest in twelve mineral leases located in Jasper County, Texas. We acquired these interests from an unaffiliated third party for $20,000 in cash. Otherwise, no leases or clients have been identified at this time.

For the fiscal quarter ended September 30, 2007, we had $-0- in revenue, as compared to $-0- in revenue for the fiscal quarter ended September 30, 2006. For the nine months ended September 30, 2007, we had $-0- in revenue, as compared to $-0- in revenue for the nine months ended September 30, 2006.

For the fiscal quarter ended September 30, 2007, we had a total of $4,908 in operating expenses, as compared to $2,313 in operating expenses for the fiscal quarter ended September 30, 2006. For the nine months ended September 30, 2007, we had a total of $18,927 in operating expenses, as compared to $30,887 in operating expenses for the nine months ended September 30, 2006. The operating expenses for both periods ended September 30 were essentially related to professional fees.

For the fiscal quarter ended September 30, 2007, we had a net loss of $5,077 or $(0.00) per share, as compared to a net loss of $2,313, or $(0.00) per share, for the fiscal quarter ended September 30, 2006. For the nine months ended September 30, 2007, we had a net loss of $17,857, or $(0.01) per share, as compared to a net loss of $30,887, or $(0.01) per share for the nine months ended September 30, 2006.

We generate oil revenue from our mineral leases on a sporadic basis. Our plan is to develop oil and gas lease projects in which we can act either as the drilling operator for an investor group or as a broker of leases for a lessor and for the account of its clients. Leases may be received from individuals or companies by assignment under an agreement to develop or sell such leases on behalf of such persons. We also plan in the future to act as a broker for lease situations involving third parties.

We will focus our attention on drilling primarily in the same specific geographical area in which we plan to acquire interests. We plan to concentrate our activities in the Western United States. We plan to utilize various reporting services such as Petroleum Information and our contacts within the petroleum industry to identify drilling locations, companies and ownership activity. However, since the thrust of our initial efforts will be to acquire leases with a minimum of capital outlay, we will also look at situations in any other geographical area where such leases may be obtained. The ability to drill in a specific lease area will be secondary to the ability to acquire a lease on terms most favorable to us and at little or no capital outlay. At the present time, we have been looking for leases which meet the above-mentioned criteria but has not yet identified any lease situations which we believe would be appropriate for acquisition. We cannot predict when such identification will occur.

We expect to enter into turnkey drilling contracts with an unaffiliated third party for the drilling of any wells. At some later time, we may act as the driller of the wells, although there are no plans to do so at the present time. The costs of drilling wells have not been determined at this time. In any case, we will make every attempt to see that the well are drilled in such areas with our best estimate of making the best return on investment for us and our partners.

The turnkey drilling contract represents the cost of drilling and completion. If, in our sole opinion, a well should not be completed because it will not produce sufficient oil or gas to return a profit, then we would not anticipate expending the completion funds for such well.

It is currently anticipated that any wells to be drilled by us will be drilled within the geographical area or areas selected by us. However, once selected, if subsequent engineering evaluation indicates a more favorable location, we reserve the right to move the drill site or sites, as the case may be, to such location or locations, as the case may be. Any substituted well location or drill site would compare favorably with the general character of the site previously selected regarding degree of risk, drilling depth and cost. Furthermore, it is expected, though not necessarily required, that any such substituted well location or drill site will be in the same general area as the site specified herein.

In addition, we would reserve the right to unitize or pool all of the wells in the selected geographical area into a common production pool or unit. In such event, the owners of the wells, which may include non-partnership investors of ours, will share in the revenue on a pro-rata basis.

We expect to participate in joint ventures with other entities in the development of some prospects. We will have the sole discretion in determining which prospects will be suitable for joint venture participation. In each such joint venture project, any such partnership would receive its pro rata portion of the 100% working interest and would be responsible for its pro rata share of costs and expenses.

Also, we may seek, investigate, and, if warranted, acquire one or more oil or gas properties. The acquisition of a business opportunity may be made by purchase, merger, exchange of stock, or otherwise, and may encompass assets or a business entity, such as a corporation, joint venture, or partnership. We have very limited capital, and it is unlikely that we will be able to take advantage of more than one such business opportunity. We intend to seek opportunities demonstrating the potential of long-term growth as opposed to short-term earnings.

At the present time we have not identified any additional oil or gas business opportunity that we plan to pursue, nor have we reached any agreement or definitive understanding with any person concerning any business matter. No assurance can be given that we will be successful in finding or acquiring a desirable business opportunity, or that any acquisition that occurs will be on terms that are favorable to us or our stockholders.

Our plan of operations for the remainder of the fiscal year is to continue to carry out our plan of business discussed above. This includes seeking to complete a merger or acquisition transaction for oil or gas properties.

Liquidity And Capital Resources

As of September 30, 2007, we had a total of $1,653 in cash. As of September 30, 2006, we had $11,317 in cash. Our management feels we have inadequate working capital to pursue any business opportunities other than seeking leases for acquisition and partnership with third parties. We will have negligible capital requirements prior to the consummation of any such acquisition. We so not intend to pay dividends in the foreseeable future.

Net cash used for operating activities was $17,607 for the nine months ended September 30, 2007, compared to net cash used for operating activities of $30,867 for the period ended September 30, 2006.

Cash provided by financing activities was $10,000 for the nine months ended September 30, 2007, compared to cash provided by financing activities of $5,000 for the period ended September 30, 2006. These activities were all related to the issuance of common stock in private sales.

Cash flows used or provided by investing activities were $-0-for all periods.

We will not be required to raise additional funds, nor will our shareholders be required to advance funds in order to pay our current liabilities and to satisfy our cash requirements for the next twelve months.

ITEM 3. CONTROLS AND PROCEDURES

As of the end of the period covered by this report, based on an evaluation of our disclosure controls and procedures (as defined in Rules 13a -15(e) and 15(d)-15(e) under the Exchange Act), each our Chief Executive Officer and the Chief Financial Officer has concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in our Exchange Act reports is recorded, processed, summarized, and reported within the applicable time periods specified by the SEC’s rules and forms.

There were no changes in our internal controls over financial reporting that occurred during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II--OTHER INFORMATION

Item 1. Legal Proceedings.

None

Item 2. Changes in Securities.

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) Exhibits

31.1	Certification of CEO and CFO pursuant to Sec. 302
32.1	Certification of CEO and CFO pursuant to Sec. 906

(b) Reports on Form 8-K

One report on Form 8-K was filed on September 20, 2007 reporting a change in certifying accountants.

SIGNATURES

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

		BOULDER CAPITAL OPPORTUNITIES, II, INC.
Date: November 14, 2007	By:	/s/ Michael Delaney
		Michael Delaney, President