PEDEVCO CORP
Form S-1/A
December 13, 2012
As filed with the Securities and Exchange Commission on December 12, 2012
Registration No. 333-184346

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 1
TO
FORM S-1
REGISTRATION STATEMENT

UNDER
THE SECURITIES ACT OF 1933

PEDEVCO CORP
(Exact name of registrant as specified in its charter)

Texas	1311	22-3755993
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

4125 Blackhawk Plaza Circle, Suite 201
Danville, California 94506
(855) 733-3826
(Address, including zip code and telephone number, including area code, of registrant's principal place of business)

Frank C. Ingriselli
PEDEVCO CORP.
4125 Blackhawk Plaza Circle, Suite 201A
Danville, California 94506
(855) 733-3826
(Name, address, including zip code and telephone number, including area code, of agent for service)

Copies to:

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Approximate date of commencement of proposed sale to public: As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended, check the following box: o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective Registration Statement for the same offering: o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, please check the following box and list the Securities Act Registration Statement number of the earlier effective Registration Statement for the same offering: o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act Registration Statement number of the earlier effective Registration Statement for the same offering: o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act:

Large accelerated filer	o	Accelerated filer	o
Non-accelerated filer (Do not check if a smaller reporting company)	o	Smaller reporting company	þ

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Proposed maximum aggregate offering price (1) (2)	Amount of registration fee (3)
Common Stock, par value $0.001 per share	$57,500,000	$7,843

(1) Estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457(o) under the Securities Act.

(2) Includes shares of common stock issuable upon the exercise of the underwriters' option to purchase additional shares of common stock.

(3) Includes $6,820 previously paid.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to Section 8(a) may determine.

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and we are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED DECEMBER 12, 2012

PRELIMINARY PROSPECTUS

Shares

PEDEVCO CORP.

Common Stock

We are offering shares of our common stock.

Our common stock is quoted on the OTC Bulletin Board under the symbol "PEDO." On December 7, 2012, the last reported bid price per share of our common stock as quoted on the OTCBB was $2.00. We intend to apply to list our common stock on the NYSE MKT under the symbol " ."

Investing in our common stock involves significant risks that are described under "Risk Factors" beginning on page 18 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	$	$
Underwriting discount (1)	$	$
Proceeds, before expenses, to us	$	$

(1) For additional information about underwriting compensation, see "Underwriting."

We have granted the underwriters an option to purchase from us up to an additional shares of our common stock at the public offering price, less the underwriting discount, to cover over-allotments.

The underwriters expect to deliver the shares of common stock on or about , 2012.

Wunderlich Securities

The date of this prospectus is , 2012.

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You should rely only on the information that is contained in this prospectus and in any free writing prospectus prepared by or on behalf of us and filed with the Securities and Exchange Commission (the “SEC”). Neither we nor the underwriters have authorized anyone to provide you with additional or different information. We take no responsibility for the accuracy of information that other persons may give to you.

We and the underwriters are offering to sell shares of our common stock, and are seeking offers to buy shares of our common stock, only in jurisdictions where offers and sales are permitted. The information in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of the common stock offered by this prospectus. The information may have changed since such date.

Industry and Market Data

The market data and certain other statistical information used throughout this prospectus are based on independent industry publications, government publications and other published independent sources. Although we believe that these third-party sources are reliable and that the information is accurate and complete, we have not independently verified the information. Some data are also based on our good faith estimates.

PROSPECTUS SUMMARY

This summary provides a brief overview of information contained elsewhere in this prospectus and does not contain all of the information you should consider before investing in our common stock. You should carefully read the entire prospectus before making an investment decision, including the information presented under the headings "Risk Factors," "Cautionary Note Regarding Forward-Looking Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical and pro forma financial statements and related notes included elsewhere in this prospectus. Unless otherwise indicated, information presented in this prospectus assumes that the underwriters' over-allotment option to purchase additional shares of common stock will not be exercised. We have provided definitions for certain oil and natural gas terms used in this prospectus in the "Glossary of Oil and Natural Gas Terms" beginning on page A-1 of this prospectus.

Throughout this prospectus, unless the context otherwise requires, the terms "we," "us,""our," and "our company" refer to PEDEVCO CORP (d/b/a Pacific Energy Development), which was known as Blast Energy Services, Inc. until July 30, 2012. As described in more detail under "Merger with Pacific Energy Development" beginning on page 11, effective July 27, 2012, we acquired Pacific Energy Development Corp., a privately-held Nevada corporation, which we refer to as Pacific Energy Development.

Throughout this prospectus, except for discussions of historical financial information or except as the context otherwise requires, discussions of our current and future business operations include the operations of Pacific Energy Development.

Except as otherwise noted, all share and per share amounts set forth in this prospectus have been adjusted to reflect the 1 for 112 reverse stock split of our common stock that was effected on July 30, 2012.

Overview

We are an energy company engaged in the acquisition, exploration, development and production of oil and natural gas resources in the United States, with a primary focus on oil and natural gas shale plays and a secondary focus on conventional oil and natural gas plays. Our current operations are located primarily in the Niobrara Shale play in the Denver-Julesburg Basin in Morgan and Weld Counties, Colorado and the Eagle Ford Shale play in McMullen County, Texas. We also hold an interest in the North Sugar Valley Field in Matagorda County, Texas, though we consider this a non-core asset.

We have approximately 10,801 gross and 2,954 net acres of oil and gas properties in our Niobrara core area. Our current Eagle Ford position is a 4% working interest in 1,651 acres. Condor Energy Technology LLC, which we jointly own and manage with an affiliate of MIE Holdings Corporation as described below, operates our Niobrara interests, including one well in the Niobrara asset with current daily production of approximately 100 boe (31 boe net). We believe our current assets could contain a gross total of 202 drilling locations.

We also have agreements in place (subject to customary closing conditions) for future operations in the Mississippian Lime play in Comanche, Harper, Barber and Kiowa Counties, Kansas, and Woods County, Oklahoma. See "- Recent Developments - Mississippian Opportunity (Pending Acquisition)." If the proposed acquisition of the Mississippian asset is completed, upon closing, we will have a 50% working interest in 13,806 acres. We anticipate that Condor or a similar subsidiary or joint venture will operate our Mississippian interests as well. We believe the Mississippian asset could contain a gross total of 84 drilling locations.

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We believe that the Niobrara, Eagle Ford and Mississippian Shale plays represent among the most promising unconventional oil and natural gas plays in the United States. We will continue to seek additional acreage proximate to our currently held core acreage. Our strategy is to be the operator, directly or through our subsidiaries and joint ventures, in the majority of our acreage so we can dictate the pace of development in order to execute our business plan. The majority of our capital expenditure budget for the period from October 2012 to December 2013 will be focused on the acquisition, development and expansion of these formations.

The following table presents summary data for our leasehold acreage in our core areas as of September 30, 2012 and our drilling capital budget with respect to this acreage from October 1, 2012 to December 31, 2013.

						Drilling & Land Acquisition Capital Budget October1, 2012 - December 31, 2013			
	Total Gross Acreage	Ownership Interest	Net Acres	Acre Spacing	Potential Gross -Drilling Locations(4)	Gross Wells	Net Wells	$/Well	Capital Cost
Current Core Assets:									
Niobrara(1)	10,801	27.4 %	2,954	80	180	13	3.60	$ 4,500,000	$ 16,200,000
Acquisition Cost(2)									$ 1,000,000
Eagle Ford (3)	1,651	4 %	66	60	22	2	0.08	$ 9,000,000	$ 720,000
Current Assets	12,452		3,020		202	15	3.68		$ 17,920,000

(1) As discussed below, we have a 27.35% net ownership interest in the leased acreage in the Niobrara asset (12.53% of the acreage is held directly by us plus 14.82% of the acreage is held by virtue of our 20% interest in Condor, which in turn holds a 74.10% working interest in the leased acreage in the Niobrara asset).

(2) Represents our remaining payment obligations due in February 2013 for the purchase price of our interests in the Niobrara asset.

(3) As discussed below, we have a 4% ownership in the leased acreage in the Eagle Ford asset (held by virtue of our 50% interest in White Hawk Petroleum, LLC, which holds an 8% working interest in the Eagle Ford asset).

(4) Potential gross drilling locations are calculated using the acre spacings specified for each area in the table and adjusted assuming forced pooling in the Niobrara. Colorado, where the Niobrara asset is located, allows for forced pooling, which may create more potential gross drilling locations than acre spacing alone would otherwise indicate. We have no proved, probable or possible reserves attributable to any of these potential gross drilling locations.

Strategic Alliances

MIE Holdings

Through the relationships developed by our founder and Chief Executive Officer, Frank Ingriselli, we formed a strategic relationship with MIE Holdings Corporation (Hong Kong Stock Exchange code: 1555.HK), one of the largest independent upstream onshore oil companies in China, which we refer to as MIE Holdings, to assist us with our plans to develop unconventional shale properties. According to information provided by MIE Holdings, MIE Holdings has drilled and currently operates over 2,000 oil wells in China and brings extensive drilling and completion experience and expertise, as well as a strong geological team. MIE Holdings has also been a significant investor in our operations, and as discussed below, the majority of our oil and gas interests are held all or in part by the following joint ventures which we jointly own with affiliates of MIE Holdings:

Condor Energy Technology LLC, which we refer to as Condor, which is a Nevada limited liability company owned 20% by us and 80% by an affiliate of MIE Holdings ; and

White Hawk Petroleum, LLC, which we refer to as White Hawk, which is a Nevada limited liability company owned 50% by us and 50% by an affiliate of MIE Holdings.

We also have entered into an agreement with an affiliate of MIE Holdings to each share 50% of the purchase price, ownership interest, development and operational expenses with respect to the Mississippian asset, assuming the acquisition of the Mississippian asset is completed and subject to MIE Holding's option to decide not to participate in the acquisition.

Although our initial focus is on oil and natural gas opportunities in the United States, we plan to use our strategic relationship with MIE Holdings and our experience in operating U.S.-based shale oil and natural gas interests to acquire, explore, develop and produce oil and natural gas resources in Pacific Rim countries, with a particular focus on China. We intend to use one or more of our joint ventures with MIE Holdings to acquire additional shale properties in the United States and in China, where MIE Holdings and other partners have extensive experience working in the energy sector.

MIE Holdings has been a valuable partner providing us necessary capital in the early stages of our development. It purchased $3 million of our Series A preferred stock, acquired an 80% interest in Condor for total consideration of $3 million, and advanced us the cost of drilling and completing our first Niobrara well. Recently, MIE Holdings has also introduced us to its banking relationships in order for us to start the process of seeking to obtain a line of credit for future acquisition and development costs.

STXRA

On October 4, 2012, we established a technical services subsidiary, Pacific Energy Technology Services, LLC, which is 70% owned by us and 30% owned by South Texas Reservoir Alliance, LLC, which we refer to as STXRA, through which we plan to provide acquisition, engineering, and oil drilling and completion technology services in joint cooperation with STXRA in the United States and Pacific Rim countries, particularly in China. While Pacific Energy Technology Services, LLC currently has no operations, only nominal assets and liabilities and limited capitalization, we anticipipate actively developing this venture in 2013.

STXRA is a consulting firm specializing in the delivery of petroleum resource acquisition services and practical engineering solutions to clients engaged in the acquisition, exploration and development of petroleum resources. In April 2011, we entered into an agreement of joint cooperation with STXRA in an effort to identify suitable energy ventures for acquisition by us, with a focus on plays in shale oil and natural gas bearing regions in the United States. According to information provided by STXRA, the STXRA team has experience in their collective careers of drilling and completing horizontal wells, including over 100 horizontal wells with lengths exceeding 4,000 feet from 2010 to 2012, as well as experience in both slick water and hybrid multi-stage hydraulic fracturing technologies and in the operation of shale wells and fields. We believe that our relationship with STXRA, both directly and through our jointly-owned Pacific Energy Technology Services LLC services company, will supplement the core competencies of our management team and provide us with petroleum and reservoir engineering, petrophysical, and operational competencies that will help us to evaluate, acquire, develop and operate petroleum resources in the future.

Our Core Areas

The majority of our capital expenditure budget for the period from October 2012 to December 2013 will be focused on the acquisition and development of our core oil and natural gas properties: the Niobrara, Eagle Ford and Mississippian formations (assuming we complete our proposed acquisition of the Mississippian asset). The following paragraphs summarize each of these core areas. For additional information, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources” and “Business—Acquisition History.”

Niobrara Asset

As of September 30, 2012, we held 2,954 net acres in oil and natural gas properties covering approximately 10,801 gross acres that are located in Morgan and Weld Counties, Colorado that include the Niobrara formation, which we refer to as the Niobrara asset. We hold 1,353 of our Niobrara leased acreage directly, and hold the remaining 1,601 acres through our ownership in Condor, which holds 8,004 acres in the leased acreage in the Niobrara asset. We and/or Condor own working interests in the Niobrara asset ranging from 18.75%-100%.

Condor is designated as the operator of the Niobrara asset. The day-to-day operations of Condor are managed by our management, and Condor's Board of Managers is comprised of our President and Chief Executive Officer, Mr. Frank Ingriselli, and two designees of MIE Holdings. In addition, MIE Holdings advanced us approximately $2.15 million to pay our portion of the drilling costs of the initial well on the Niobrara asset.

Based on approximately 250 square miles of 3D seismic data covering the Niobrara asset, we estimate that there are up to 180 potential gross drilling locations in the Niobrara asset, with 14 initial gross well locations already identified for our 2012-2013 Niobrara development plan, including our initial well completed in July 2012 and our second and third wells which we completed drilling in November and December 2012, respectively. We believe that the Niobrara asset affords us the opportunity to participate in this emerging play at an early stage, with a position in the Denver-Julesburg Basin adjacent to significant drilling activity.

Condor completed drilling the initial horizontal well on the Niobrara asset in April 2012, reaching a total combined vertical and horizontal depth of 11,307 feet. Halliburton performed a 20-stage frack of the well in mid-June 2012, with the well being completed in July 2012 with an initial production rate of 437 boe per day from the Niobrara formation. Condor is also making substantial progress with its second and third wells. Condor completed drilling on its second well in November 2012 and third well in early December 2012, and plans to complete hydraulic fracking and completion operations on both wells in early January 2013, with flow testing to commence in early early February 2013. Halliburton will perform the hydraulic fracking and completion operations for both the second and third well.

Based on publicly available information, we believe that average drilling and completion costs for wells in the Niobrara core area, which, for purposes of industry comparisons, we define as Morgan and Weld Counties, Colorado, have ranged between $3.6 million and $6.0 million per well with average estimated ultimate recoveries, or EURs, of 200,000 to 300,000 boe per well and initial 30-day average production of 400 to 600 boe per day per well. The costs incurred, EURs and initial production rates achieved by others may not be indicative of the well costs we will incur or the results we will achieve from our wells.

Recently, there has been significant industry activity in the Niobrara Shale play. The most active operators offsetting our acreage position include Carrizo Oil and Gas, Inc. (NASDAQ: CRZO), Continental Resources, Inc. (NYSE: CLR), EOG Resources (NYSE: EOG), Anadarko Petroleum (NYSE: APC), SM Energy (NYSE: SM), Noble Energy (NYSE: NBL), Chesapeake Energy (NYSE: CHK), Whiting Petroleum (NYSE: WLL), Quicksilver Resources (NYSE: KWK), MDU Resources (NYSE: MDU), and Bill Barrett Corp. (NYSE: BBG). According to Drillinginfo, Inc., there were 2,544 drilling permits filed in 2011 and 1,674 filed in 2012 through November 9, 2012 in Weld and Morgan Counties, where our acreage is located. According to Baker Hughes, there were 41 rigs operating in the Denver-Julesburg Basin as of November 9, 2012.

Eagle Ford Asset

As of September 30, 2012, we held 66 net acres in certain oil and gas leases covering approximately 1,651 gross acres in the Leighton Field located in McMullen County, Texas, which is currently producing oil and natural gas from the highly-prospective Eagle Ford Shale formation, which we refer to as the Eagle Ford asset. We hold these interests through our 50% ownership interest in White Hawk, which holds an 8% working interest in the Eagle Ford asset.

The Eagle Ford asset currently has three wells that have been drilled and are producing, with initial production rates, as publicly disclosed by Texon Petroleum Limited, the operator of the Eagle Ford asset, of 1,202 bbl per day and 782 mcf per day for the first well, 1,488 bbl per day and 700 mcf per day for the second well, and 1,072 bbl per day and 1,137 mcf per day for the third well. During the month of October 2012 the net production to our company from these wells was 511.79 bbl of oil and 736.93 mcf of natural gas. Based on our current understanding of the field, on the approximately 1,651 gross acre Eagle Ford asset, approximately 22 more Eagle Ford gross wells may be drilled. We expect that the operator will drill two additional gross wells through 2013.

First discovered in 2008, according to data provided by Baker Hughes, the Eagle Ford Shale resource area had an active drilling rig count of 210 horizontal rigs as of November 9, 2012, which accounts for nearly half of the 469 horizontal drilling rigs in the State of Texas as of such date.

Based on publicly available information, we believe that average drilling and completion costs for wells in the Eagle Ford core area, which, for purposes of industry comparisons, we define as McMullen County, Texas, have ranged between $8 million and $11 million per well with average estimated ultimate recoveries, or EURs, of 300,000 to 500,000, boe per well and initial 30-day average production of 1,000 to 1,500 boe per day per well. The costs incurred, EURs and initial production rates achieved by others may not be indicative of the well costs we will incur or the results we will achieve from our wells.

Recent Developments

Mississippian Opportunity (Pending Acquisition)

Our joint venture, Condor, has signed a binding agreement (subject to customary closing conditions) with a third party for the acquisition of interests in the Mississippian Lime covering approximately 13,806 gross acres located in Comanche, Harper, Barber and Kiowa Counties, Kansas, and Woods County, Oklahoma, which we refer to as the Mississippian asset. We have also entered into an agreement with our joint venture partner in Condor providing for the allocation of 50% of the purchase price, ownership interest, development and operational expenses with respect to the Mississippian asset to each of us and our joint venture partner, subject to our partner's determination not to participate in the acquisition. Though we currently only have a 20% interest in Condor, to effect our 50% interest, we intend to either adjust our relative interests in Condor or use a different joint venture entity for the ultimate acquisition. The closing of the acquisition of the Mississippian asset is anticipated to occur in the first quarter of 2013, subject to satisfaction of certain conditions to closing, including the completion of due diligence review of the Mississippian asset, though we cannot guarantee that we will complete the acquisition in the first quarter of 2013, or at all.

We expect that the joint venture that acquires the Mississippian asset will be the operator of the Mississippian asset. We anticipate drilling the first well on the Mississippian asset in the first quarter of 2013, with a total of 7 wells planned in 2013. The Mississippian oil play is one of the latest oil plays that have recently captured attention in the industry, and we believe that there is an opportunity to acquire additional interests in this emerging play on attractive terms.

The following table presents summary data for the leasehold acreage associated with the Mississippian opportunity and our proposed drilling capital budget with respect to this acreage from October 1, 2012 to December 31, 2013, assuming the acquisition of this acreage is completed.

						Drilling & Land Acquisition Capital Budget October 1, 2012 - December 31, 2013			
	Total Gross Acreage	Ownership Interest	Net Acres	Acre Spacing	Potential Gross-Drilling Locations(2)	Gross Wells	Net Wells	$/Well	Capital Cost
Mississippian	13,806	50 %	6,903	120	84	7	3.50	$ 3,300,000	$ 11,550,000
Acquisition Cost(1)									$ 4,850,000
									$ 16,400,000

(1) Represents our share of the anticipated acquisition costs for the Mississippian asset, assuming we pay 50% of the purchase price.
(2) We have no proved, probable or possible reserves attributable to any of these potential gross drilling locations.

Based on publicly available information, we believe that average drilling and completion costs for wells in the Mississippian core area, which, for purposes of industry comparisons, we define as Comanche, Harper, Barber and Kiowa Counties, Kansas and Woods County, Oklahoma, have ranged between $3.2 million and $4.0 million per well with average estimated ultimate recoveries, or EURs, of 250,000 to 500,000 boe per well and initial 30-day average production of 250 to 1,500 boe per day per well. The costs incurred, EURs and initial production rates achieved by others may not be indicative of the well costs we will incur or the results we will achieve from our wells.

Second and Third Niobrara Wells

On November 19, 2012, Condor spudded its second horizontal well in Weld County, Colorado, the Waves 1H well. Drilling of the well was completed on November 27, 2012, to a true vertical depth of approximately 6,220 feet, and a total horizontal length of approximately 4,339 feet in the Niobrara "B" Bench target zone. Condor plans to complete hydraulic fracking and completion operations on this well using Halliburton in early January 2013, and commence flow testing in early February 2013.

On November 30, 2012, Condor spudded its third horizontal well in Weld County, Colorado, the Logan 2H well. Drilling of the well was completed on December 8, 2012, to a true vertical depth of approximately 6,150 feet, and a total horizontal length of approximately 6,350 feet in the Niobrara "B" Bench target zone. Condor plans to complete hydraulic fracking completion operations on this well using Halliburton in early January 2013, and commence flow testing in early February 2013.

Additional Niobrara Acreage

On September 24, 2012, Condor completed the acquisition of additional oil and gas leases in the Niobrara asset covering approximately 3,582 net acres in Morgan and Weld Counties, Colorado with a 100% working interest (80% net revenue interest) and including all depths. Condor acquired these additional leases for $1,105,309 in cash and 368,327 shares of our Series A preferred stock (approximately $385 net per acre, based on an assumed share price of $0.75 per share as agreed upon by the parties in July 2012 upon execution of the definitive purchase documentation). With the completion of this acquisition, we now hold leased oil and natural gas acreage in the Niobrara asset covering approximately 10,801 gross acres (2,954 net acres) in Morgan and Weld Counties, Colorado.

Chinese Gas Shale Blocks

Using the relationships developed by our CEO, Frank Ingriselli, and our strategic partner MIE Holdings, we are currently engaged in discussions with several domestic Chinese energy companies for the purpose of participating in the Chinese government's recently announced tender of 20 shale-gas blocks covering a total area of 20,002 square kilometers (approximately 4,943,000 acres) in eight regions in China that is scheduled for the fourth quarter of 2012. We hope to obtain interests in one or more shale-gas exploration blocks in China in partnership with one or more domestic Chinese companies.

To this end, on September 26, 2012, we entered into a binding agreement with Guofa Zhonghai Energy Investment Co., Ltd., which we refer to as Guofa Zhonghai Energy, a Chinese energy company, pursuant to which we agreed to jointly participate in China's current tender for shale gas blocks. We are currently providing technical expertise to Guofa Zhonghai Energy in their submission of bids for the acquisition of shale gas blocks, which bids were submitted on October 25, 2012 and currently are being reviewed by the Chinese Ministry of Land and Resources, with a response expected in late December 2012. In the event one or more of our bids are accepted by the Chinese Ministry of Land and Resources, we and Guofa Zhonghai Energy plan to negotiate a mutually agreed upon joint operating agreement which shall set forth the rights and obligations of each party and their respective ownership in the shale gas blocks, and their economic rights with respect to each block.

It is the parties' intent that they will jointly develop the China shale gas assets acquired through application of the horizontal drilling and fracturing completion processes we currently use in the United States shale formations. Through this partnership we hope to obtain important knowledge and experience in developing China shale gas that could be beneficial to developing our own shale gas block in China, when and if obtained. If we are successful in obtaining a shale gas award, we believe our relationship with MIE Holdings will prove to be extremely beneficial to us as a local operator in gaining access to the necessary equipment, services and labor at appropriate pricing levels.

Possible Reverse Stock Split

On December 3, 2012, our company's board of directors approved a possible reverse stock split of its common stock and Series A preferred stock in a ratio ranging between 1-for-2 and 1-for-5, with the specific ratio and effective time (if we decide to proceed with the split) to be later determined by the board of directors. Effective December 5, 2012, holders of a majority of our common stock and Series A preferred stock granted the board of directors discretionary authority to determine the specific ratio and effective time for the reverse split. We have filed an Information Statement on Schedule 14C in connection with such approval, and the reverse stock split will not be effected until at least 20 days after such Information Statement is first mailed to the stockholders. We have not made any adjustments to the amount of shares disclosed in this prospectus to account for this intended reverse stock split.

Business Strategy

Our goal is to increase shareholder value by building reserves, production and cash flows at an attractive return on invested capital. We intend to first focus on growing and developing reserves, production and cash flow in our U.S. core assets and then, if opportunity allows, use our relationships and partnership to expand into the Pacific Rim with a focus on the underdeveloped China shale gas opportunity. We intend to achieve our objectives as follows:

Aggressively drill and develop our existing acreage positions. We plan to aggressively drill our core assets, drilling at least 13 gross wells on the Niobrara asset and at least two gross wells on the Eagle Ford asset through the end of 2013. We intend to drill at least seven gross wells in the Mississippian Lime play through the end of 2013, assuming we complete our acquisition of that interest. We believe our drilling programs will allow us to begin converting our undeveloped acreage to developed acreage with production, cash flow and proved reserves.

Acquire additional oil and natural gas opportunities. We plan to leverage our relationships and experienced acquisition team to pursue additional leasehold assets in our core areas as well as continue to pursue additional oil and natural gas interests. Our joint venture, Condor, has signed a binding agreement (subject to customary closing conditions) for the acquisition of interests in the Mississippian Lime covering approximately 13,806 gross acres located in Comanche, Harper, Barber and Kiowa Counties, Kansas, and Woods County, Oklahoma, and we expect to complete the acquisition during the first quarter of 2013. We estimate there could be up to 84 potential gross drilling locations on the Mississippian asset, and, if we consummate the acquisition, we anticipate drilling 7 gross (3.5 net) wells through the end of 2013. We are also exploring additional oil and natural gas opportunities in our core areas, other areas of the United States and Pacific Rim countries, with a particular focus on China.

Leverage expertise of management and external resources. We plan to focus on profitable investments that provide a platform for our management expertise, as described under "-Competitive Strengths." We have also engaged STXRA and other industry veterans as key advisors, and as discussed above, recently formed Pacific Energy Technology Services, LLC with STXRA, for the purpose of providing acquisition, engineering and oil drilling and completion technology services to third parties in the United States and Pacific Rim countries. As necessary, we intend to enlist external resources and talent to operate and manage our properties during peak operations.

Engage and leverage strategic alliances in the Pacific Rim. We have already entered into strategic alliances with MIE Holdings and Guofa Zhonghai Energy, and we intend to partner with additional Chinese energy companies to (a) provide technical horizontal drilling expertise for a fee, thus acquiring valuable experience and data in regards to the China shale formations and successful engineering techniques, and (b) acquire interests in domestic China shale-gas blocks, and commence exploration of the same.

Limit exposure and increase diversification through engaging in joint ventures. We own various of our oil and natural gas interests through joint ventures with MIE Holdings, and may in the future enter into similar joint ventures with respect to other oil and gas interests either with MIE Holdings or other partners. We believe that conducting many of our activities through partially owned joint venture will enable us to lower our risk exposure while increasing our ability to invest in multiple ventures.

Maintain financial strength and flexibility. Other than the $2.15 million advanced by MIE Holdings for our portion of the costs of the first Niobrara well, we have no long-term debt. We expect that the proceeds from this offering and internally generated cash flow will provide us with the financial resources to pursue our leasing and drilling and development programs through 2013. We have met with financial institutions, introduced to us by MIE Holdings, in order to negotiate a line of credit that could be used for both acquisition and development costs where needed.

Competitive Strengths

We believe we are well positioned to successfully execute our business strategies and achieve our business objectives because of the following competitive strengths:

Management. We have assembled a management team with extensive experience in the fields of international business development, petroleum engineering, geology, petroleum field development and production, petroleum operations and finance. Several members of the team developed and ran what we believe were successful energy ventures that were commercialized at Texaco, CAMAC Energy Inc., and Rosetta Resources, while members of our team at Condor have drilled and presently manage over 2,000 oil wells in the Pacific Rim and Kazakhstan. We believe that our management team is highly qualified to identify, acquire and exploit energy resources both in the United States and Pacific Rim countries, particularly China.

Our management team is headed by our President and Chief Executive Officer, Frank C. Ingriselli, an international oil and gas industry veteran with over 33 years of experience in the energy industry, including as the President of Texaco International Operations Inc., President and Chief Executive Officer of Timan Pechora Company, President of Texaco Technology Ventures, and President, Chief Executive Officer and founder of CAMAC Energy Inc. Our management team also includes Chief Financial Officer and Executive Vice President Michael L. Peterson, who brings extensive experience in the energy, corporate finance and securities sectors, including as a Vice President of Goldman Sachs & Co., Chairman and Chief Executive Officer of Nevo Energy, Inc. (formerly Solargen Energy, Inc.), a former director of Aemetis, Inc. (formerly AE Biofuels Inc.). In addition, our Senior Vice President and Managing Director, Jamie Tseng, has over 25 years of financial management and operations experience and was a co-founder of CAMAC Energy Inc., and our Executive Vice President and General Counsel, Clark R. Moore, has nearly 10 years of energy industry experience, and formerly served as acting general counsel of CAMAC Energy Inc.

Key Advisors. Our key advisors include STXRA and other industry veterans. According to STXRA, the STXRA team has experience in drilling and completing horizontal wells, including over 100 horizontal wells with lengths exceeding 4,000 feet from 2010 to 2012, as well as experience in both slick water and hybrid multi-stage hydraulic fracturing technologies and in the operation of shale wells and fields. We believe that our relationship with STXRA, both directly and through our jointly-owned Pacific Energy Technology Services LLC services company, will supplement the core competencies of our management team and provide us with petroleum and reservoir engineering, petrophysical, and operational competencies that will help us to evaluate, acquire develop, and operate petroleum resources into the future.

Significant acreage positions and drilling potential. Without giving effect to the Mississippian acquisition opportunity, we have accumulated interests in a total of 12,452 gross (3,020 net) acres in our existing core operating areas, each of which we believe represents a significant unconventional resource play. The majority of our interests are in or near areas of considerable activity by both major and independent operators, although such activity may not be indicative of our future operations. Based on our current acreage position and without giving effect to the Mississippian acquisition opportunity, we estimate there could be up to 202 potential gross drilling locations on our acreage, and we anticipate drilling approximately 15 gross (3.68 net) wells through the end of 2013, leaving us a substantial drilling inventory for future years.

Merger with Pacific Energy Development

On July 27, 2012, in order to carry out our business plan, we acquired through a reverse acquisition, Pacific Energy Development Corp., a privately held Nevada corporation, which we refer to as Pacific Energy Development. As described below, p ursuant to the acquisition, the shareholders of Pacific Energy Development gained control of approximately 95% of the voting securities of our company. Since the transaction resulted in a change of control, Pacific Energy Development is the acquirer for accounting purposes. In connection with the merger, which we refer to as the Pacific Energy Development merger, Pacific Energy Development became our wholly owned subsidiary and we changed our name from Blast Energy Services, Inc. to PEDEVCO CORP.

As part of the Pacific Energy Development merger, we issued to the shareholders of Pacific Energy Development (a) 17,917,261 shares of our common stock, (b) 19,616,676 shares of our newly created Series A preferred stock, (c) warrants to purchase an aggregate of 1,120,000 shares of our common stock and 692,584 shares of our Series A preferred stock at various exercise prices, and (d) options to purchase an aggregate of 4,235,000 shares of our common stock at various exercise prices. Pursuant to the Pacific Energy Development merger, we also converted all of our shares of preferred stock that were outstanding prior to the Pacific Energy Development merger into shares of common stock on a one-for-one basis and effected a reverse stock split of our common stock on a 1 for 112 shares basis. All share and per share amounts used in this prospectus have been restated to reflect this reverse stock split.

At the effective time of the Pacific Energy Development merger, (a) Pacific Energy Development owned the Niobrara and Eagle Ford assets and had begun discussions regarding the Mississippian acquisition opportunity, and (b) our primary business was developing the North Sugar Valley Field asset. As a result of our acquisition of Pacific Energy Development in the Pacific Energy Development merger, we acquired these assets and opportunities of Pacific Energy Development.

In connection with the Pacific Energy Development merger, the directors and executive officers of Pacific Energy Development became our directors and executive officers. See “Management.”

The following chart reflects our current core subsidiaries and joint ventures:

Risk Factors

An investment in our common stock involves significant risks. In particular, the following considerations may offset our competitive strengths or have a negative effect on our business, financial condition and results of operations, which could cause a decrease in the price of our common stock and result in a loss of all or a portion of your investment:

We have recorded minimal proved reserves, and areas that we decide to drill may not yield oil or natural gas in commercial quantities, or at all.

We have a limited operating history on which to base your evaluation of us, and our future performance is uncertain.

Oil and natural gas prices are volatile. A substantial or extended decline in oil and natural gas prices may adversely affect our business, financial condition and results of operations and our ability to meet our capital expenditure obligations and financial commitments.

Drilling for and producing oil and natural gas are high risk activities with many uncertainties that could adversely affect our business, financial condition and results of operations.

Our exploration and development projects require substantial capital expenditures. We may be unable to obtain required capital or financing on satisfactory terms. While we have previously recorded minimal reserves in connection with what we now consider our non-core assets, we have no proved, probable or possible reserves attributable to any of the drilling locations for our core Niobrara asset we disclose in this prospectus.

Our potential drilling locations are expected to be drilled over several years, making them susceptible to uncertainties that could materially alter the occurrence or timing of their drilling.

We are subject to complex federal, state, local and other laws and regulations, including environmental and operational safety laws and regulations, that could adversely affect the timing, cost, manner or feasibility of conducting our operations or expose us to significant liabilities.

This list is not exhaustive. Please read the full discussion of these risks and other risks under the headings "Risk Factors" beginning on page 18 and "Cautionary Note Regarding Forward-Looking Statements" beginning on page 45.

Corporate Information

Our principal executive offices are located at 4125 Blackhawk Plaza Circle, Suite 201, Danville, California 94506, and our telephone number at that address is (855) 733-3826. Our website address is www.pacificenergydevelopment.com. Information on our website or any other website is not, and will not be, a part of this prospectus and is not, and will not be, incorporated by reference into this prospectus.

The Offering

Common stock offered by us	shares (shares if the underwriters' over-allotment option is exercised in full)
Common stock to be outstanding after this offering	shares (shares if the underwriters' over-allotment option is exercised in full), which is based upon 21,066,281 shares of our common stock outstanding as of December 7, 2012.
Over-allotment option	We have granted the underwriters a 30-day option to purchase up to an aggregate of shares of our common stock to cover any over-allotments.
Use of proceeds	We estimate that our net proceeds from this offering will be approximately $ million assuming a public offering price of $ per share, the last reported bid price of our common stock on the OTC Bulletin Board on , 2012, and after deducting the underwriting discount and commission and estimated offering expenses. The public offering price will be negotiated between us and representatives of the underwriters based on numerous factors which we discuss in "Underwriting - NYSE MKT Listing; Determination of Public Offering Price." Each $0.50 increase (decrease) in the public offering price would increase (decrease) our net proceeds by approximately $ million. We anticipate the offering price to be no less than $2.00 per share, in accordance with listing requirements for the NYSE MKT. We intend to use the net proceeds that we receive from this offering to fund our remaining 2012 and 2013 capital expenditures for leasehold acquisitions and development as well as for general corporate purposes, as described under "Use of Proceeds" beginning on page 47.
Dividend policy	We do not anticipate paying any cash dividends on our common stock.
Risk factors	You should carefully review the information under the caption "Risk Factors" beginning on page 18, as well as other information included in this prospectus, for a discussion of factors you should read and consider carefully before investing in our common stock.
OTCBB Symbol	PEDO
Proposed NYSE MKT Symbol	

The number of shares of common stock to be outstanding after this offering as shown above is based on 21,066,281 shares outstanding as of December 7, 2012, and excludes:

4,273,918 shares that are issuable upon the exercise of outstanding options, with exercise prices ranging from $0.08 to $161.28 per share;

2,003,037 shares that are issuable upon the exercise of outstanding warrants to purchase capital stock, with exercise prices ranging from $0.08 to $1.50 per share;

20,371,194 shares that are issuable upon the conversion of outstanding Series A preferred stock, with a conversion price of $0.75 per share; and

6,000,000 shares that are authorized for future awards under our employee equity incentive plans.

Except as otherwise indicated, all information in this prospectus assumes:

that the underwriters will not exercise their over-allotment option; and

our shares of common stock will be sold in this offering at $ per share, the last reported bid price of our common stock on the OTC Bulletin Board on , 2012.

Except as otherwise noted, all share and per share amounts set forth in this prospectus have been adjusted to reflect the 1 for 112 reverse stock split of our common stock that was effected on July 30, 2012.

Summary Historical and Pro Forma Financial Data

On July 27, 2012, we completed our acquisition of Pacific Energy Development Corp., a privately held Nevada corporation, which we refer to as Pacific Energy Development. The acquisition was accounted for as a "reverse acquisition," and Pacific Energy Development was deemed to be the accounting acquirer in the acquisition. Because Pacific Energy Development Corp. was deemed the acquirer for accounting purposes, the financial statements of Pacific Energy Development are presented as the continuing accounting entity. The assets and operations of our company prior to the merger are included in our financial statements only from the date of the merger. Our company's pre-merger assets and liabilities are recorded at their fair value. Pacific Energy Development's assets and liabilities are carried forward at their historical costs. Historical financial statements included below for any time period before the merger only represent historical financial information for Pacific Energy Development.

Set forth below is the following financial information:

- summary historical consolidated financial data of Pacific Energy Development as of the year ended December 31, 2011, and for the period from February 9, 2011 (inception) through December 31, 2011;

- summary historical consolidated financial data for Pacific Energy Development for the period from February 9, 2011 (inception) until September 30, 2011 and for Pacific Energy Development as the continuing accounting entity for the nine months ended September 30, 2012 ; and

- summary pro forma combined financial data for Pacific Energy Development and our company for the year ended December 31, 2011 and for the nine months ended September 30, 2012.

The summary historical consolidated financial data as of and for the year ended December 31, 2011 are derived from Pacific Energy Development's audited consolidated financial statements included elsewhere in this prospectus. The summary historical consolidated financial data for the period from February 9, 2011 (inception of Pacific Energy Development) to September 30, 2011 and for the nine month period ended September 30, 2012 and as of September 30, 2012 are derived from Pacific Energy Development's unaudited consolidated financial statements included elsewhere in this prospectus, which, in the opinion of our management, include all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of this information. Results of operations for any period of less than a year are not necessarily indicative of the results of operations for the entire year or any future period.

The summary pro forma combined financial data are derived from the unaudited pro forma combined financial statements included elsewhere in this prospectus and give effect to the Pacific Energy Development merger. The summary pro forma combined statement of operations data give effect to the Pacific Energy Development merger as if it had been completed on January 1, 2011. The summary pro forma combined financial data are not necessarily indicative of what our results of operations would have been if the Pacific Energy Development merger had actually occurred on that date or of our future results of operations or financial position.

Prior to the reverse merger with Pacific Energy Development, our pre-merger company historically had used the full cost method to account for oil and natural gas properties. Pacific Energy Development uses the successful efforts method of accounting for its oil and natural gas properties. Since Pacific Energy Development is the continuing accounting entity, the successful efforts method of accounting is used for our historical and continuing financial data. The summary pro forma combined financial data does not include pro forma adjustments of our company's pre-merger historical results to reflect the successful efforts method of accounting.

The information set forth below should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical and pro forma financial statements and the notes thereto included elsewhere in this prospectus. The financial data included in this prospectus may not be indicative of our future results of operations, financial position and cash flows.

	Historical			Pro Forma	
	Period from February 9, 2011 (Inception) through December 31, 2011 Restated (1)	Period from February 9, 2011 (Inception) through September 30, 2011 (unaudited)	Nine Months Ended September 30, 2012 (unaudited)	Year Ended December 31, 2011 (unaudited)	Nine Months Ended September 30, 2012 (unaudited)
Statement of operations data:					
Total revenue	$ -	$ -	$ 332,848	$ 446,526	$ 570,383
Total operating expenses	717,792	288,875	9,175,406	10,154,713	9,826,484
Operating loss	(717,792)	(288,875)	(8,857,755)	(9,708,187)	(9,256,101)
Net income (loss)	(763,677)	(298,688)	(9,314,492)	(10,881,013)	(9,826,019)

	Historical As of December 31, 2011 Restated (1)	As of September 30, 2012 (unaudited)
Balance sheet data:		
Total assets	$ 2,938,628	$ 11,627,171
Total liabilities	2,050,075	3,962,589
Stockholders' equity (deficit)	888,553	6,414,532

(1) The financial statements have been restated to adjust Pacific Energy Development's accounting for the fully vested non-forfeitable stock award issued to investor relations consultants. Pacific Energy Development originally recorded the $69,667 value of the award as a stock service receivable, but we have reconsidered the accounting for this transaction and concluded that the appropriate treatment should have been to expense the value of the award in full.

RISK FACTORS

An investment in our common stock involves a high degree of risk. You should carefully consider the risks described below as well as the other information in this prospectus before deciding to invest in our company. Any of the risk factors described below could significantly and adversely affect our business, prospects, financial condition and results of operations. Additional risks and uncertainties not currently known or that are currently considered to be immaterial may also materially and adversely affect our business, prospects, financial condition and results of operations. As a result, the trading price or value of our common stock could be materially adversely affected and you may lose all or part of your investment.

Risks Related to the Oil and Natural Gas Industry and Our Business

We have a limited operating history and expect to continue to incur losses for an indeterminable period of time.

We have a limited operating history and are engage in the initial stages of exploration, development and exploitation of our leasehold acreage and will continue to be so until commencement of substantial production from our oil and natural gas properties, which will depend upon successful drilling results, additional and timely capital funding, and access to suitable infrastructure. Companies in their initial stages of development face substantial business risks and may suffer significant losses. We have generated substantial net losses and negative cash flows from operating activities in the past and expect to continue to incur substantial net losses as we continue our drilling program. In considering an investment in our common stock, you should consider that there is only limited historical and financial operating information available upon which to base your evaluation of our performance. We face challenges and uncertainties in financial planning as a result of the unavailability of historical data and uncertainties regarding the nature, scope and results of our future activities. New companies must develop successful business relationships, establish operating procedures, hire staff, install management information and other systems, establish facilities and obtain licenses, as well as take other measures necessary to conduct their intended business activities. We may not be successful in implementing our business strategies or in completing the development of the infrastructure necessary to conduct our business as planned. In the event that one or more of our drilling programs is not completed or is delayed or terminated, our operating results will be adversely affected and our operations will differ materially from the activities described in this prospectus. As a result of industry factors or factors relating specifically to us, we may have to change our methods of conducting business, which may cause a material adverse effect on our results of operations and financial condition. The uncertainty and risks described in this prospectus may impede our ability to economically find, develop, exploit and acquire oil and natural gas reserves. As a result, we may not be able to achieve or sustain profitability or positive cash flows provided by our operating activities in the future.

Drilling for and producing oil and natural gas are highly speculative and involve a high degree of risk, with many uncertainties that could adversely affect our business. We have not recorded significant proved reserves, and areas that we decide to drill may not yield oil or natural gas in commercial quantities or at all.

Exploring for and developing hydrocarbon reserves involves a high degree of operational and financial risk, which precludes us from definitively predicting the costs involved and time required to reach certain objectives. Our potential drilling locations are in various stages of evaluation, ranging from locations that are ready to drill to locations that will require substantial additional interpretation before they can be drilled. The budgeted costs of planning, drilling, completing and operating wells are often exceeded and such costs can increase significantly due to various complications that may arise during the drilling and operating processes. Before a well is spud, we may incur significant geological and geophysical (seismic) costs, which are incurred whether a well eventually produces commercial quantities of hydrocarbons or is drilled at all. Exploration wells bear a much greater risk of loss than development wells. The analogies we draw from available data from other wells, more fully explored locations or producing fields may not be applicable to our drilling locations. If our actual drilling and development costs are significantly more than our estimated costs, we may not be able to continue our operations as proposed and could be forced to modify our drilling plans accordingly.

If we decide to drill a certain location, there is a risk that no commercially productive oil or natural gas reservoirs will be found or produced. We may drill or participate in new wells that are not productive. We may drill wells that are productive, but that do not produce sufficient net revenues to return a profit after drilling, operating and other costs. There is no way to predict in advance of drilling and testing whether any particular location will yield oil or natural gas in sufficient quantities to recover exploration, drilling or completion costs or to be economically viable. Even if sufficient amounts of oil or natural gas exist, we may damage the potentially productive hydrocarbon-bearing formation or experience mechanical difficulties while drilling or completing the well, resulting in a reduction in production and reserves from the well or abandonment of the well. Whether a well is ultimately productive and profitable depends on a number of additional factors, including the following:

- general economic and industry conditions, including the prices received for oil and natural gas;
- shortages of, or delays in, obtaining equipment, including hydraulic fracturing equipment, and qualified personnel;
- potential drainage by operators on adjacent properties;
- loss of or damage to oilfield development and service tools;
- problems with title to the underlying properties;
- increases in severance taxes;
- adverse weather conditions that delay drilling activities or cause producing wells to be shut down;
- domestic and foreign governmental regulations; and
- proximity to and capacity of transportation facilities.

If we do not drill productive and profitable wells in the future, our business, financial condition and results of operations could be materially and adversely affected.

Our success is dependent on the prices of oil and natural gas. Low oil or natural gas prices and the substantial volatility in these prices may adversely affect our business, financial condition and results of operations and our ability to meet our capital expenditure requirements and financial obligations.

The prices we receive for our oil and natural gas heavily influence our revenue, profitability, cash flow available for capital expenditures, access to capital and future rate of growth. Oil and natural gas are commodities and, therefore, their prices are subject to wide fluctuations in response to relatively minor changes in supply and demand. Historically, the markets for oil and natural gas have been volatile. For example, for the four years ended November 30, 2012, the NYMEX — WTI oil price ranged from a high of $120.92 per bbl to a low of $33.87 per bbl, while the NYMEX — Henry Hub natural gas price ranged from a high of $8.26 per MMBtu to a low of $1.82 per MMBtu. These markets will likely continue to be volatile in the future. The prices we receive for our production, and the levels of our production, depend on numerous factors. These factors include the following:

- the domestic and foreign supply of oil and natural gas;
- the domestic and foreign demand for oil and natural gas;
- the prices and availability of competitors’ supplies of oil and natural gas;