

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-K

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Commission File Number: 333-140806

Capital City Energy Group, Inc.

(Exact Name of Registrant as specified in its Charter)

Nevada

(State or other Jurisdiction of
Incorporation or Organization)

20-5131044

(I.R.S. Employer Identification Nos.)

**1335 Dublin Road, Suite 122-D
Columbus, Ohio**

(Address of Principal Executive Offices)

43215

(Zip code)

Registrants' telephone number, including area code: **614-485-3110**

Securities registered pursuant to Section 12(b) of the Act: **None**

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter 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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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 definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act). (Check one):

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer Smaller Reporting Company

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

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and ask price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter. The aggregate market value of our common stock held by non-affiliates as of June 30, 2014 was \$1,718,983. As of June 19, 2015, there were 85,949,061 shares of voting and non-voting common stock issued and outstanding

DOCUMENTS INCORPORATED BY REFERENCE

List hereunder the following documents if incorporated by reference and the Part of the Form 10-K (e.g., Part I, Part II, etc.) into which the document is incorporated: (1) Any annual report to security holders; (2) Any proxy or information statement; and (3) Any prospectus filed pursuant to Rule 424(b) or (c) under the Securities Act of 1933. The listed documents should be clearly described for identification purposes (e.g., annual report to security holders for fiscal year ended December 24, 1980). None.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This 2014 Annual Report on Form 10-K contains statements, which constitute forward-looking statements. Such statements can often be identified by the use words such as “believe,” “expect,” “may,” “might,” “will,” “should,” “seek,” “on-track,” “plan,” “intend” or “anticipate,” or the negative thereof or comparable terminology. In addition, expressions or discussions of our strategy, plans, prospects or future results are forward-looking statements. These statements reflect management’s current views with respect to future events and are subject to risks and uncertainties, both known and unknown. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their date, and that any such forward-looking statements are not guarantees of future performance. Our business and operations are subject to a variety of risks and uncertainties and, consequently, our actual results may materially differ from those projected or implied by any forward-looking statements. We make no commitment to revise or update any forward-looking statements in order to reflect events or circumstances after the date any such statement is made.

PART I

Item 1. Business

Background

The Company was originally formed on June 27, 2006 as The Baby Dot Company to engage in the business of designing, marketing and distributing handcrafted baby blankets and other accessories made from quality fabrics. Our business operations had been conducted through a wholly owned subsidiary, Baby Dot LLC, a limited liability company formed under the laws of the State of Nevada. As used in this Annual Report, references to “the Company” or to “we,” “us” or “our” refer to Capital City Energy Group, Inc., together with its consolidated subsidiaries, Capital City Petroleum, Inc., Avanti Energy Partners, LLC, Eastern Well Services, LLC and Hotwell Services, Inc., unless the context otherwise requires.

On March 11, 2008, the Company merged with Capital City Energy Group, Inc. Capital City Energy Group, Inc., was founded in 2003 and is headquartered in its offices in Columbus, Ohio, from where it conducts its growing energy business that is principally in the upstream oil and gas exploration and production (“E&P”) industry. Its business has evolved from its beginnings to where it recently resumed its core pursuits as an innovative leader in the design, management and sponsorship of retail and institutional, direct participation energy programs. With fractional and wholly owned well holdings diversified across the United States, the Company opportunistically seeks out conventional and unconventional projects, occasionally self-operated and from among its historic and developing list of operator affiliates and partners.

During 2010, the Company elected a new board of directors, who determined to dispose of the Company’s subsidiary, Hotwell Services, Inc. (“Hotwell”). Hotwell operated an unprofitable wireline company within the oilfield services portion of the upstream industry (discussed briefly, below). The Company successfully executed an asset sale of Hotwell and its business. With the disposition of Hotwell, the Company returned to its core business that currently accounts for more than 90% of revenues, which is principally conducted through the Company’s subsidiary, Capital City Petroleum, Inc. (“CCP”). Avanti Energy Partners, LLC, another wholly owned division of the Company, serves as the Company’s licensed well operator, not only developing and occasionally operating well projects, but also serving as strategic project manager for the Company and external investors. While the Company’s core business model remains one of opportunistic investment in domestic, developmental oil and gas wells, it continues to occasionally consider selected exploratory projects, both domestically and internationally, where its Eastern Well Services, LLC subsidiary has previously been engaged as a consultant.

Capital City Petroleum, Inc.

Prior to the extended bull market in energy prices, the Company, through CCP, recognized the need to provide investors with some exposure to alternative asset classes, such as commodities including oil and natural gas resources. This intention led to the formation of several oil and gas funds over a four-year period from 2003 – 2007. These funds were direct participation, blind pools that invested in oil, natural gas and lease acreage opportunities across the United States. The funds were structured as diversified and balanced collections of small working interest investments in a variety of energy properties, including existing production, developmental drilling, lease acreage, pipeline holdings and exploration opportunities with established and successful oil and natural gas operating companies. Distributions were paid to investors from the production revenue generated by the wells and occasional pipeline interest, whereby investors also received substantial tax benefits allocated to them. Since inception, CCP formed a total of ten funds with total investment capital of approximately \$17,000,000 subscribed.

In 2007, the first seven funds contributed their assets to CCP. The fund investors received preferred and common stock in CCP in exchange for their interests in the funds. On December 11, 2008, CCEF XIV, LLC and CCEF XVI, LP merged with CCP, resulting in the fund investors receiving 733,491 and 860,221 shares of Company common stock, respectively, valued at \$1,466,982 and \$1,720,442, respectively, based upon the closing stock price of CETG immediately prior to the acquisition date.

As of the date of the filing of this report, the Company derives approximately 99% of its revenues from the net revenues it receives from the varying fractional working interests it owns across the oil and gas well holdings of CCP.

Hotwell Services, Inc.

Acquired on December 31, 2008, the Company's Hotwell subsidiary was a full service wireline company servicing the northeast region of the U.S. The Company disposed of all Hotwell assets in a February 15, 2011 asset sale and as of December 31, 2012, Hotwell had no business operations and nominal remaining liabilities.

All Other Operations

The Company's financial statements include the accounts of the Company and its wholly owned subsidiaries: Eastern Well Services, LLC, Capital City Petroleum, Inc. Avanti Energy Partners, Inc. and Hotwell, Inc. All significant intercompany transactions have been eliminated in the consolidation.

During 2008, Eastern Well Services, LLC ("Eastern"), an Ohio limited liability company, provided consulting services to oil and gas companies, internationally (e.g., the Republic of Botswana, Africa). However, it is not currently conducting operations.

Avanti Energy Partners, LLC ("Avanti") is an Ohio limited liability company, which manages Fund XVII, LP and the Homer-Woody Joint Venture. Principally, the current responsibilities of Avanti are to be the Manager of Fund XVII and to operate the Westfall #1 well within the Homer-Woody project ("Homer-Woody"). Avanti also serves the Company in its ongoing efforts to opportunistically locate, screen, evaluate and select energy properties across all strategic prospects for the Company, its investors and customers. In this role, as an operator and also in non-operated capacities, Avanti acts in a principal capacity and utilizes strategic business relationships with oil and gas operators across the United States to generate investment opportunities. These relationships have strengthened over time, due to synergies within the business goals of the Company and its industry relationships.

In 2008, the Company, through Avanti, identified certain lands located in Medina, Ashland and Wayne counties, in the State of Ohio, which Avanti believed to have significant, commercial oil and gas production potential. Avanti acquired certain oil and gas leases for the drilling and completion of oil and gas wells, known as Homer-Woody. The Company, through Avanti, obtained funds from outside investors for participation in drilling initiatives designed to develop the Homer-Woody lease holds. Through the private placements of interests in these drilling partnerships, net proceeds were to have been used to fund the investors' share of drilling and completion costs under joint venture drilling contracts. This program offered investors a direct interest in the wells projected and/or drilled in Homer-Woody.

The Homer-Woody project drilled and completed a single well within the Homer Township of the project, located in Medina County, Ohio. This Westfall #1 well, drilled to the Clinton sandstone formation, remains marginally productive as of the date of this filing. The Woody portion of the joint venture, located in Ashland County (Ohio), drilled a single well into the Berea sandstone formation, which was not subsequently completed due to its demonstrated, commercial non-viability.

Employees

As of December 31, 2014, we had no full-time employees. Our Company engages third-party professionals experienced in geology, petroleum engineering, land acquisition, finance, accounting and law on an external basis as outside consultants. The Company has three officers, two of whom are engaged full-time on a consulting basis.

Research and Development Activities

During each of the last two fiscal years, we have not spent any funds on research and development activities.

Taxation

Our operations, as is the case in the petroleum industry, generally, are significantly affected by federal tax laws. Federal, as well as state, tax laws have many provisions applicable to corporations which could affect the future tax liability of the Company.

Availability of Information

The public may obtain our periodic reports and other information we file with the SEC on the SEC's website <http://www.sec.gov>. Our periodic reports and other information, once filed with the SEC, are available to interested parties on the Company's website at <http://www.capcityenergy.com> and upon written request addressed to the Company at the Company's executive offices.

Oil and Gas Disclosures

General. Through Petroleum and Avanti, the Company engages in oil and gas operations which require certain detailed disclosures. Unless indicated, the information presented herein is for properties and activities under Petroleum.

Producing Activities

Production Volumes. Our production volumes for 2014 totaled 10,426 BOE, representing an increase of five percent from the 9,888 BOE produced in 2013. The following table shows our total net oil and gas production volumes during the last two years.

Production:	Year Ended December 31,	
	<u>2014</u>	<u>2013</u>
Natural Gas (MCF)	17,727	18,981
Oil (Bbl)	<u>7,370</u>	<u>6,615</u>
Total barrels of oil equivalents (BOE)	10,426	9,888

Production Prices and Costs. Our production revenues and estimated oil and gas reserves are substantially dependent on prevailing market prices for natural gas. The following table shows the average sales prices for our oil and gas production during the last two years.

Sales Prices and Production Costs:	Year Ended December 31,	
	<u>2014</u>	<u>2013</u>
Average sales prices:		
Natural Gas (MCF)	3.19	3.67
Oil (Bbl)	83.25	86.69

Proved Oil and Gas Reserves

General. The estimates of our proved oil and gas reserves as of December 31, 2014 were prepared by James Engineering, independent petroleum engineers, in accordance with regulations of the Securities and Exchange Commission (“SEC”). Under those regulations, proved reserves are limited to estimated quantities of crude oil, natural gas and natural gas liquids that geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions, using prices and costs as of the date the estimate is made. These prices and costs are held constant over the estimated life of the reserves. Our reserve estimates should be read in conjunction with the supplementary disclosure on our oil and gas development and producing activities and oil and gas reserve data included in the footnotes to our consolidated financial statements at the end of this report.

There are many uncertainties inherent in estimating quantities of proved reserves and in projecting future rates of production and timing of development expenditures, including many factors beyond the control of the producer. Reservoir engineering is a subjective process of estimating underground accumulations of oil and gas that cannot be measured in an exact way. The accuracy of any reserve estimate is dependent on the quality of available data and is subject to engineering and geological interpretation and judgment. Results of drilling, testing and production after the date of an estimate may justify revision of the estimate. As a result, reserve estimates are often materially different from the quantities of oil and gas that are ultimately recovered.

Reserve Quantities. The following table summarizes the estimates by Mackenzie Land and Exploration, Ltd. of our proved developed producing reserve volumes as of December 31, 2014, and 2013. Developed producing reserves are the estimated amounts of oil and gas that can be expected to be recovered from existing wells with existing equipment and operating methods.

Estimated Proved Developed Reserves:	As of December 31,	
	2014	2013
Natural gas (Mcf)		
Proved properties	12,498	12,593
Unproved properties	--	—
Total natural gas (Mcf)	<u>12,498</u>	<u>12,593</u>
Crude oil		
Proved properties	13,913	19,170
Unproved properties	—	—
Total crude oil (Bbl)	<u>13,913</u>	<u>19,170</u>
 Total gas equivalents (Mcfe)	 16,068	 21,342

Reserve Values. The supplemental future cashflow tables included in the notes to the financial statements summarize the estimates of future net cash flows from the production and sale of our proved developed producing reserves as of December 31, 2014 and 2013, and the present value of those cash flows, discounted at 10% per year in accordance with SEC regulations to reflect the timing of net cash flows. The future net cash flows were computed after giving effect to estimated future development and production costs, based on year-end costs and assuming the continuation of economic conditions at the time of the estimates. The standardized measure of future net cash flows gives effect to future income taxes on discounted future cash flows based on year-end statutory rates, adjusted for any operating loss carryforwards and tax credits.

The prices used in the Company's cashflow estimates were based on prices we received for our oil and gas production at the end of each reported period, without escalation. The prices as of December 31, 2014 had a weighted average of \$4.35 per Mcf of natural gas and \$94.99 per barrel of crude oil, and the prices as of December 31, 2013 had a weighted average of \$3.67 per Mcf of natural gas and \$86.69 per barrel of crude oil. The estimates are highly dependent on the year-end prices used in the computation and are subject to considerable uncertainty.

Oil and Gas Properties

Oil and Gas Interests. Our leases are for varying primary terms and are generally subject to specified royalty or overriding royalty interests, development obligations and other commitments and restrictions. Our ownership interests as of December 31, 2014 are associated with multiple parcels of varying acreage.

Competition

Although we are not in direct competition with other oil and gas entities engaged in the exploration and production of oil and gas, the Company is engaged in numerous, drilling and income programs and partnerships exploring various areas of the United States and elsewhere competing for properties.

Regulation

General. Although our business operations are not directly subject to regulation by state, federal regulatory bodies or environmental regulations, the oil and gas business is subject to broad federal and state laws that are routinely under review for amendment or expansion. Various federal, state and local departments and agencies that administer these laws have issued extensive regulations that are binding on industry participants. Many of these laws and

regulations, particularly those affecting the environment, have become more stringent in recent years, and some impose penalties for noncompliance, creating the risk of greater liability on a larger number of potentially responsible parties. The following overview of oil and gas industry regulation is summary in nature and is not intended to cover all regulatory matters that could affect our operations.

State Regulation. State statutes and regulations require permits for drilling operations and construction of gathering lines, as well as drilling bonds and reports on operations. These requirements often create delays in drilling and completing new wells and connecting completed wells. Ohio and other states in which we conduct operations also have statutes and regulations governing conservation matters. These include regulations affecting the size of drilling and spacing or proration units, the density of wells that may be drilled and the unitization or pooling of oil and gas properties. State conservation laws generally prohibit the venting or flaring of gas and impose requirements on the ratability of production. None of the existing statutes or regulations in states where we operate currently imposes restrictions on the production rates of our wells or the prices received for our production.

Federal Regulation. In the United States, legislation affecting the oil and gas industry has been pervasive and is under constant review for amendment or expansion. Pursuant to such legislation, numerous federal, state and local departments and agencies have issued extensive rules and regulations binding on the oil and gas industry and its individual members, some of which carry substantial penalties for failure to comply. These laws and regulations have a significant impact on oil and gas drilling, gas processing plants and production activities, increasing the cost of doing business and, consequently, affect profitability. Inasmuch as new legislation affecting the oil and gas industry is commonplace and existing laws and regulations are frequently amended or reinterpreted, the Company may be unable to predict the future cost or impact of complying with these laws and regulations. The Company considers the cost of environmental protection a necessary and manageable part of its business. The Company should be able to plan for and comply with new environmental initiatives without materially altering its operating strategies.

The sale and transportation of natural gas in interstate commerce is subject to regulation under various federal laws administered by the FERC. Historically, these laws included restrictions on the selling prices for specified categories of natural gas sold in first sales, both in interstate and intrastate commerce. While these restrictions were removed in 1993, enabling sales by producers of natural gas and crude oil to be made at market prices, federal legislation reinstating price controls could be adopted in the future.

During the last decade, a series of initiatives were undertaken by FERC to remove various barriers and practices that historically limited producers from effectively competing with interstate pipelines for sales to local distribution companies and large industrial and commercial customers. These regulations have had a profound influence on domestic natural gas markets, primarily by increasing access to pipelines, fostering the development of a large short term or spot market for gas and creating a regulatory framework designed to put gas sellers into more direct contractual relations with gas buyers. These changes in the federal regulatory environment have greatly increased the level of competition among suppliers. They have also added substantially to the complexity of marketing natural gas, prompting many producers to rely on highly specialized experts for the conduct of gas marketing operations.

Environmental Regulation. Participants in the oil and gas industry are subject to numerous federal, state and local laws and regulations designed to protect the environment, including comprehensive regulations governing the treatment, storage and disposal of hazardous wastes. Liability for some violations of these laws and regulations may be unlimited in cases of willful negligence or misconduct, and there is no limit on liability for environmental cleanup costs or damages on claims by the state or private parties. Under regulations adopted by the Environmental Protection Agency and similar state agencies, producers must prepare and implement spill prevention control and countermeasure plans to deal with the possible discharge of oil into navigable waters. State and local permits or approvals may also be needed for waste-water discharges and air pollutant emissions. Violations of environment regulations or permits can result in substantial liabilities, penalties and injunctive restraints.

We invest in wells that are operated by third-party operators. Those third-party operators may be subject to certain oil and gas regulation and oversight. To the best of our knowledge, their production activities comply with all applicable environmental regulations, permits and lease conditions. While we believe their operations conform to those conditions, we remain at risk for inadvertent noncompliance, conditions beyond our control and undetected conditions resulting from activities by prior owners or operators of properties in which we own interests. In any of

those events, we could be exposed to liability for cleanup costs or damages in excess of insurance coverage, and we could be required to remove improperly disposed waste, remediate property contamination or undertake plugging operations to prevent future contamination.

Item 1A. RISK FACTORS

Not applicable to smaller reporting company.

Item 1B. Unresolved Staff Comments

The Company's Form 10-K for its fiscal year ended December 31, 2008 did not include an audit report with the financial statements. The Commission issued a comment letter to the Company dated July 29, 2009 ("July 2009 Comment Letter"), with specific comments regarding the financial statements included in the 2008 Form 10K. In response to the July 2009 Comment Letter, the Company requested an extension of time to respond because of financial constraints. The Commission issued a comment letter dated September 2, 2009 ("September 2009 Comment Letter"), requesting that the Company file a Form 8-K to disclose the information as unaudited under Item 4.02, as applicable considering the financial reporting issues identified in the July 2009 Comment Letter. Because financial and other reasons beyond the Company's control, the Company failed to make the requested Form 8-K filing or otherwise amend the 2008 Form 10K or make any other periodic report filings.

The Company filed its Form 10-K for its fiscal year ended December 31, 2013 that included financial statements for the Company's two fiscal years ending December 31, 2013 and 2012, that are audited by an independent registered public accounting firm. The Company has also filed the quarterly reports on Form 10-Q for the three, six and nine month periods ended March 31, 2014, June 30, 2014 and September 30, 2014 (the "2014 Form 10-Qs") that contain the Company's unaudited financial statements for the quarterly periods ended March 31, June 30, and September 30, 2014 and 2013, respectively.

The Company believes that by filing the 2013 Form 10-K and the 2014 Form 10-Qs that any unresolved comments raised by the Commission in its July 2009 and September 2009 Comment Letters have been satisfied.

Item 2. Properties

From January 1, 2012 to December 31, 2013 the Company informally occupied less than 200 square feet of accounting office space in Burbank, Ohio at the site of its bookkeeping and accounting consultant. As of the date of this report, the Company solely occupies rental office space in Columbus Ohio on a sub-leased basis for both its headquarters and accounting operations at a monthly cost of approximately \$1,200. The current lease began in April, 2014 and is renewed on a month-to-month basis.

Item 3. Legal Proceedings

The Company filed a complaint in the United States District Court, Southern District of Ohio, Eastern Division, titled *Capital City Energy Group, Inc., et. al., Plaintiffs, vs Kelley Drye & Warren LLP, et. al., Defendants*, Case No. 2:11-cv-00207 (the "Matter"). The Company settled the Matter with the defendants and a stipulation of dismissal with prejudice was entered by the parties on March 6, 2014. From time to time, the Company may be a party to various legal actions in the normal course of our business. Currently, Management believes that the Company is not party to any litigation that, if adversely determined, would have a material adverse effect on our business, financial condition, result of operations or cash flows.

Item 4. Mine Safety Disclosures.

Not Applicable

PART II

Item 5. Market For Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

(a) Market Information

Our common stock is quoted on the Over-the-Counter Bulletin Board under the symbol, CETG and trading in the common stock is extremely limited. The following table sets forth the range of high and low closing prices for the common stock for the periods indicated as quoted on the OTC Pinks of the OTC Markets Group. The quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily reflect actual transactions.

2014		
Quarter Ended	High \$	Low \$
December 31, 2014	\$0.050	\$0.025
September 30, 2014	\$0.025	\$0.019
June 30, 2014	\$0.040	\$0.015
March 31, 2014	\$0.018	\$0.012
2013		
Quarter Ended	High \$	Low \$
December 31, 2013	\$0.0200	\$0.0120
September 30, 2013	\$0.0300	\$0.0155
June 30, 2013	\$0.0500	\$0.0110
March 31, 2013	\$0.0813	\$0.0110

(b) Holders

At December 31, 2014, there were 85,949,061 shares of Common Stock issued and outstanding as of December 31, 2014, there were 436 holders of shares of Common Stock. This does not include an indeterminate number of stockholders whose shares may be held by brokers in street name. The holders of Common Stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. Holders of the Common Stock have no preemptive rights and no right to convert their Common Stock into any other securities. There are no redemption or sinking fund provisions applicable to the Common Stock.

Transfer Agent and Registrar

Our independent stock transfer agent is Empire Stock Transfer, 1859 Whitney Mesa Drive, Henderson, NV 89014, Telephone: 702-818-5898.

(c) Dividend Policy

We have never paid or declared any cash dividends on our common stock. We currently intend to retain all available funds and any future earnings to fund the expansion of our business, and we do not anticipate paying any cash dividends for the foreseeable future following this offering. Any future determination to pay dividends will be at the discretion of our board of directors and will depend on our financial condition, results of operations, capital requirements and other factors that our board of directors deems relevant. In addition, the terms of any future debt or credit facility may preclude us from paying dividends.

(d) Securities Authorized for Issuance under Equity Compensation Plans

None.

(e) Recent Sales of Unregistered Securities

On May 12, 2014 the Company issued 250,000 shares of common stock to an unrelated third party as payment for services rendered. The shares were valued at \$0.03 per share, being the market price of the stock on the date of issuance, resulting in a total value of \$6,602.

(f) Issuer Purchases of Equity Securities

None.

Item 6. Selected Financial Data

We are a smaller reporting company and therefore, we are not required to provide information required by this Item of Form 10-K.

Item 7. Management's Discussion and Analysis and Plan Of Operation

This discussion and analysis contains forward-looking statements relating to future events, our future financial performance and financial condition. Such statements are only predictions and the actual events or results may differ materially from the results discussed in or implied by the forward-looking statements. The historical results set forth in this discussion and analysis are not necessarily indicative of trends with respect to any actual or projected future financial performance. This discussion and analysis should be read in conjunction with the financial statements and the related notes thereto included elsewhere in this report.

Overview

Our Company, through our subsidiaries, is an expanding energy company that has evolved from the design, management and sponsorship of the Funds to become an integrated, independent energy company building a portfolio of core E&P assets which provide attractive returns on investment and growth opportunities through the development and ownership of both various, non-operated well interests and wells developed and operated by itself. Additionally, the Company will occasionally utilize its historic fund management experience in developing and managing upstream investment opportunities for others, through the various investment models with which it is familiar and the comprise the most advantageous structures. This business plan will continue to opportunistically evolve, along with emerging developments in contemporary energy markets.

Summary of Our Plan

While we will continue to be opportunistic, the Company will continue to focus the majority of its attention on the oil and gas production activities of the CCP subsidiary as plans to obtain additional funding are finalized. More details of our business plan are found in the "Description of Our Company" portion of this Annual Report.

It is also our plan to continue the non-operation for Eastern and significantly restrict Avanti's activities to existing projects.

We do not currently have sufficient funding to implement all phases of our business plan for the next 12 months and do need to raise additional funding for this purpose.

Results Of Operations For The Year Ended December 31, 2014:

Revenues

On a consolidated basis oil and gas revenues decreased to \$675,201 during year ended December 31, 2014, compared to oil and gas revenue of \$720,332 recorded during the same period for 2013. Revenues decreased primarily due to decreased oil and gas prices and decreased gas production volume.

Total net oil and gas production realized from principal investments was 7,370 barrels of oil and 17,727 thousand cubic feet (MCF) of natural gas for the year ended December 31, 2014. The comparative data for the same period of 2013 was 6,615 barrels of oil and 18,981 thousand cubic feet (MCF) of natural gas.

Lease Operating Expenses and Dry Hole Expense

For the year ended December 31, 2014, lease operating expenses (LOE) decreased to \$278,936 compared to \$375,021 during the 2013 fiscal year. These expenses decreased primarily as a result of decreased gas production during the year, particularly on wells with low yields.

Typical LOE expenses include operating labor, field supervision, water hauling and disposal fees, communications, fuel, leased vehicles, environmental and safety compliance.

Depreciation, Depletion, and Accretion

Depreciation, depletion and accretion expenses totaled \$49,792 for the year ended December 31, 2014, compared to \$94,669 for the year ended December 31, 2013. This decrease was expected due primarily to decreased oil and gas production during the 2014 fiscal year. Additionally, the book value of certain producing wells was fully depleted during 2013 and 2014. As a result, depletion as a percentage of production decreased in the 2014 calendar year.

Selling, General and Administrative Expenses

For the year ended December 31, 2014, the general and administrative expenses totaled \$218,062 which was an increase from expenses of \$171,773 posted during the same time period in 2013. This increase resulted primarily from increases in rent expense, travel fees, and miscellaneous expenses, partially offset by decreases in automobile expenses and contract labor.

Professional Fees

Professional fees totaled \$454,816 for the year ended December 31, 2014, compared to \$394,875 for the year ended December 31, 2013. This increase resulted primarily from an increase in officer consulting fees incurred, in addition to increased legal and accounting fees incurred during the period.

Other Income (Expenses)

For the year ended December 31, 2014 the Company recognized a loss of \$82,486 compared to total other income of \$719,106 in 2013. This change resulted primarily from an \$826,273 gain on sale of assets recognized in 2013, partially offset by a \$41,871 gain on settlement of debt during the 2014 fiscal year.

Net Income (Loss)

Net loss for the year ended December 31, 2014 was \$469,827 compared to net income of \$403,100 for the same period in 2013. This change resulted primarily from the \$826,273 gain on sale of assets recognized in 2013.

Liquidity and Capital Resources

As of December 31, 2014, we had total current assets of \$401,316. The current assets consisted mainly of cash in the amount of \$389,775, accounts receivable of \$2,629 and other current assets totaling \$8,912.

Our total current liabilities as of December 31, 2014 were \$5,242,189. The current liabilities consist of accounts payable and accrued expenses in the amount of \$2,588,343, notes payable-current portion in the amount of \$869,376, \$1,480,000 of debt related to a participating interest financing arrangement, and a joint venture liability totaling \$239,078.

Cash Flow From Operating Activities

For the year ended December 31, 2014, net cash used in operating activities was \$33,525 versus net cash provided by operating activities of \$262,811 for the same twelve-month period ended December 31, 2013.

Cash Flow From Investing Activities

For the year ended December 31, 2014, net cash used in investing activities was \$158,652, primarily attributed to the purchase of oil and gas properties. For the year ended December 31, 2013, net cash provided by investing was \$844,165, which resulted primarily from the sale of certain oil and gas properties.

Cash Flow From Financing Activities

For the year ended December 31, 2014, net cash used by financing activities was \$58,930 versus net cash used in financing activities of \$6,000 for the same period ended December 31, 2013. Financing activities principally consisted of proceeds from and payments on notes payable.

Going Concern

The ability of the Company to continue as a going concern is dependent on the Company obtaining adequate capital to fund operating losses until it becomes profitable. If the Company is unable to obtain adequate capital, it could be forced to cease operations. The Company has incurred cumulative operating losses through December 31, 2014 of \$35,172,245 and has a working capital deficit of \$4,840,873 at December 31, 2014. Revenues during the year ended December 31, 2014 were not sufficient to cover the Company's operating costs and we continue to generate negative cash flows from operations. There can be no assurance that the Company can or will be able to generate sufficient revenue or complete any debt or equity financing that might be needed to support operations in the future.

The Company's audited consolidated financial statements are prepared using accounting principles generally accepted in the United States of America applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. In order to continue as a going concern, the Company will need, among other things, additional capital resources. Management's plan is to obtain such resources for the Company by obtaining capital from the public markets and selected other investors sufficient to meet its minimal operating expenses, occasionally seeking additional equity and/or debt financing as warranted by future projects. However Management cannot provide any assurances that the Company will be successful in accomplishing any of its plans. An acceleration of acquisitions or our planned investments in energy properties and continued expansion of our various divisions over the next twelve months may require additional expenditures. Additional financing through partnering, public or private equity financings, lease transactions or other financing sources may not be available on acceptable terms, or at all. Any equity financing could result in significant dilution to our shareholders. The Company continues to analyze its monthly cost structure to reduce the overall cash expenditures until additional capital is raised or cash flows from operations are generated. There can be no assurance that the Company can or will be able to generate sufficient revenue or complete any debt or equity financing that might be needed to support operations in the future.

Impact of Inflation

The impact of inflation on our operations has not been significant to date. However, there can be no assurance that a high rate of inflation in the future would not have an adverse impact on our operating results.

Off-Balance Sheet Arrangements

As of December 31, 2014, we had no off-balance sheet arrangements.

Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. On an ongoing basis, we evaluate our estimates, including those related to uncollectible receivables, inventory valuation, deferred compensation and contingencies. We base our estimates on historical performance and on various other assumptions that we believe to be reasonable under the circumstances. These estimates allow us to make judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

We believe the following accounting policies are our critical accounting policies because they are important to the portrayal of our financial condition and results of operations and they require critical management judgments and estimates about matters that may be uncertain. If actual results or events differ materially from those contemplated

by us in making these estimates, our reported financial condition and results of operations for future periods could be materially affected.

Revenue Recognition

Capital City recognizes oil and natural gas revenue under the sales method of accounting for its interests in producing wells as oil and natural gas is produced and sold from those wells. Oil and natural gas sold by Capital City is not significantly different from Capital City's share of production. Revenues from management fees are recognized in the preceding month at end of each calendar quarter and paid in arrears.

Accounts Receivable

The majority of the accounts receivable is comprised of oil and gas revenues related to production which took place on or prior to the end of accounting periods, payment for which was not received prior to the end of the year. Accounts receivable include the Company's share of income from the managed energy funds and from investments the Company made on its own behalf.

The Company's receives distributions from the Funds based partially on the amount of its oil and gas revenues, net of lease operating expenses and applicable severance taxes. Part of the management services provided to the Funds by the Company is to review the purchasers credit worthiness prior of all oil and gas purchasers prior to executing division orders for the sale of hydrocarbons. Receivables are generally due in 30 to 60 days. When collections of specific amounts due are no longer reasonably assured, an allowance for doubtful accounts is established.

Oil and Gas Properties

In accordance with Accounting Standards Codification Topic 932, *Extractive Activities – Oil and Gas*, the Company follows the successful efforts method of accounting for its oil and gas activities. Accordingly, the cost associated with developmental oil and gas properties are capitalized and recovered using units of production cost depletion method. Exploratory cost, including the cost of exploratory dry holes and related geological and geophysical cost are charged as current expense. In instances where the status of a well is indeterminable at the end of the year, it is the Company's practice to capitalize these costs as oil and gas properties, until such time as the outcome of drilling becomes known to the Company. Wells cannot remain in a status of indeterminable for a period greater than twelve months.

Impairment of Long Lived Assets and the Disposal of Long Lived Assets

Pursuant to Accounting Standards Codification Topic 932, the Company performs an impairment test (ceiling test) at each reporting date whereby the carrying value of the oil and gas properties is compared to the value of its proved reserves discounted at a ten percent interest rate of future net revenues.

The Company recognized \$60,936 and \$-0- in impairment of our reserves during the 2014 and 2013 fiscal years, respectively.

Recent Accounting Pronouncements

The Company has evaluated recent accounting pronouncements and their adoption has not had or is not expected to have a material impact on the Company's financial position or statements.

Item 8. Financial Statements and Supplementary Data

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Report of Independent Registered Public Accounting Firm

To the Board of Directors
Capital City Energy Group, Inc.
Columbus, Ohio

We have audited the accompanying consolidated balance sheets of Capital City Energy Group, Inc. as of December 31, 2014 and 2013, and the related consolidated statements of operations, stockholders' equity (deficit), and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over consolidated financial reporting. Our audits included consideration of internal control over consolidated financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over consolidated financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Capital City Energy Group, Inc. as of December 31, 2014 and 2013, and the results of their operations and their cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the consolidated financial statements, the Company has suffered losses from operations and its current cash flow is not enough to meet current needs. This raises substantial doubt about the Company's ability to continue as a going concern. Management's plans in regards to this matter are also described in Note 3. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ HJ & Associates, LLC
HJ & Associates, LLC
Salt Lake City, Utah
July 8, 2015

CAPITAL CITY ENERGY GROUP, INC.
Consolidated Balance Sheets

ASSETS

	December 31, 2014	December 31, 2013
CURRENT ASSETS		
Cash	\$ 389,775	\$ 640,342
Accounts receivable	2,629	4,896
Other current assets	8,912	9,299
Total Current Assets	401,316	654,537
PROPERTY AND EQUIPMENT		
Oil and gas properties	5,632,632	5,534,535
Accumulated depletion and depreciation	(5,312,829)	(5,267,990)
Total Property and Equipment	319,803	266,545
OTHER PROPERTY AND EQUIPMENT, net	-	-
OTHER ASSETS		
Security deposits	375	375
Total Other Assets	375	375
TOTAL ASSETS	\$ 721,494	\$ 921,457

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 2,588,343	\$ 2,254,310
Participating interest	1,480,000	1,480,000
ARO liability	65,392	60,061
Joint venture liability	239,078	239,078
Notes payable, current portion	869,376	940,167
Total Current Liabilities	5,242,189	4,973,616
NON-CURRENT LIABILITIES		
Notes payable, long-term	37,304	42,615
Total Non-Current Liabilities	37,304	42,615
TOTAL LIABILITIES	5,279,493	5,016,231
STOCKHOLDERS' EQUITY (DEFICIT)		
Preferred Stock, \$0.0001 par value, 10,000,000 shares shares authorized, 3,062,234 shares issued and outstanding	3,062	3,062
Common stock, \$0.0001 par value, 500,000,000 shares authorized, 85,949,061 and 85,706,695 shares issued and outstanding, respectively	85,949	85,706
Additional paid-in capital	30,525,235	30,518,876
Retained earnings (deficit)	(35,172,245)	(34,702,418)
Total Stockholders' Equity (Deficit)	(4,557,999)	(4,094,774)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	\$ 721,494	\$ 921,457

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

CAPITAL CITY ENERGY GROUP, INC.
Consolidated Statements of Operations

	For the Year Ended December 31,	
	2014	2013
REVENUE	\$ 675,201	\$ 720,332
COST OF SALES	278,936	375,021
GROSS PROFIT	396,265	345,311
OPERATING EXPENSES		
General and administrative expenses	218,062	171,773
Depletion, depreciation, and accretion	49,792	94,669
Impairment of oil and gas properties	60,936	-
Professional fees	454,816	394,875
Total Operating Expenses	783,606	661,317
LOSS FROM OPERATIONS	(387,341)	(316,006)
OTHER INCOME (EXPENSES)		
Gain on sale of assets	-	826,273
Gain on settlement of debt	41,871	-
Interest expense	(124,357)	(107,167)
Total Other Income (Expenses)	(82,486)	719,106
INCOME (LOSS) BEFORE INCOME TAXES	(469,827)	403,100
PROVISION FOR INCOME TAXES	-	-
NET INCOME (LOSS)	\$ (469,827)	\$ 403,100
BASIC AND DILUTED INCOME (LOSS) PER SHARE	\$ (0.01)	\$ 0.00
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND DILUTED	85,859,006	85,706,695

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

CAPITAL CITY ENERGY GROUP, INC.
Consolidated Statements of Stockholders' Equity (Deficit)

	Preferred Stock		Common Stock		Additional Paid-in Capital	Retained Earnings (Deficit)	Total
	Shares	Amount	Shares	Amount			
Balance, December 31, 2012	3,062,234	\$ 3,062	85,706,695	\$ 85,706	\$ 30,518,876	\$ (35,105,518)	\$ (4,497,874)
Net income for the year ended December 31, 2013	-	-	-	-	-	403,100	403,100
Balance, December 31, 2013	3,062,234	3,062	85,706,695	85,706	30,518,876	(34,702,418)	(4,094,774)
Common shares cancelled	-	-	(7,634)	(7)	7	-	-
Common shares issued for services	-	-	250,000	250	6,352	-	6,602
Net loss for the year ended December 31, 2014	-	-	-	-	-	(469,827)	(469,827)
Balance, December 31, 2014	<u>3,062,234</u>	<u>\$ 3,062</u>	<u>85,949,061</u>	<u>\$ 85,949</u>	<u>\$ 30,525,235</u>	<u>\$ (35,172,245)</u>	<u>\$ (4,557,999)</u>

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

CAPITAL CITY ENERGY GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014 and 2013

CAPITAL CITY ENERGY GROUP, INC.
Consolidated Statements of Cash Flows

	For the Year Ended	
	December 31,	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (469,827)	\$ 403,100
Adjustments to reconcile net loss to net used in operating activities:		
Depreciation, depletion, and accretion	49,792	94,669
(Gain) loss on disposal of assets	-	(826,273)
Gain on settlement of debt	(41,871)	-
Common stock issued for services	6,602	-
Impairment of oil and gas properties	60,936	-
Changes in operating assets and liabilities		
Accounts receivable	2,267	3,000
Other current assets	387	(6,303)
Accounts payable and accrued expenses	358,189	68,996
	<u>(33,525)</u>	<u>(262,811)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(158,652)	-
Sale of fixed assets	-	844,165
	<u>(158,652)</u>	<u>844,165</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on notes payable	(58,390)	(6,000)
	<u>(58,390)</u>	<u>(6,000)</u>
NET (DECREASE) INCREASE IN CASH	(250,567)	575,354
CASH AT BEGINNING OF PERIOD	640,342	64,988
CASH AT END OF PERIOD	\$ 389,775	\$ 640,342
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
CASH PAID FOR:		
Interest	\$ 84,700	\$ 84,700
Income Taxes	\$ -	\$ -
NON CASH FINANCING ACTIVITIES:		
Common shares cancelled	\$ 7	\$ -

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

CAPITAL CITY ENERGY GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014 and 2013

Note 1. Organization and Business Operations

The Company was originally formed on June 27, 2006 as The Baby Dot Company to engage in the business of designing, marketing and distributing handcrafted baby blankets and other accessories made from quality fabrics. Our business operations had been conducted through a wholly owned subsidiary, Baby Dot LLC, a limited liability company formed under the laws of the State of Nevada. As used in this Annual Report, references to “the Company” or to “we,” “us” or “our” refer to Capital City Energy Group, Inc., together with its consolidated subsidiaries, Capital City Petroleum, Inc., Avanti Energy Partners, LLC, Eastern Well Services, LLC and Hotwell Services, Inc., unless the context otherwise requires.

On March 11, 2008, the Company merged with Capital City Energy Group, Inc. Capital City Energy Group, Inc., was founded in 2003 and is headquartered in its offices in Columbus, Ohio, from where it conducts its growing energy business that is principally in the upstream oil and gas exploration and production (“E&P”) industry. Its business has evolved from its beginnings to where it recently resumed its core pursuits as an innovative leader in the design, management and sponsorship of retail and institutional, direct participation energy programs. With fractional and wholly owned well holdings diversified across the United States, the Company opportunistically seeks out conventional and unconventional projects, occasionally self-operated and from among its historic and developing list of operator affiliates and partners.

The Company was in transition throughout 2008 as it moved from receiving the majority of revenue from the Fund Management Division of the Company in 2007 and previous years to receiving the majority of revenue from the direct ownership of interests in energy properties.

During 2008 the Company acquired Avanti Energy Partners, which had managed the Capital City Energy Funds. Avanti transitioned to a small, full-service oil and natural gas operating company during 2008. A second acquisition was transacted in the first half of 2008 in the oilfield service sector. The Company acquired Eastern Well Services, LLC and began operations through consulting oil and natural gas operating companies on their well completion in the continental United States and internationally.

On December 11, 2008, Capital City Energy Fund XIV, LLC (the “LLC”) merged with and into Capital City Petroleum, Inc., a wholly-owned subsidiary of the Company. Pursuant to the merger, the members of the LLC received 698,551 shares of the Company’s unregistered common stock based on the distribution provisions of the limited liability company agreement of the LLC.

Additionally, on December 11, 2008, Capital City Energy Fund XVI, LP (the “LP”) merged with and into Capital City Petroleum, Inc. Pursuant to the merger, the partners of the LP received 820,546 shares of the Company’s unregistered common stock based on the distribution provisions of the limited partnership agreement of the LP.

The Company acquired 100% of the capital stock of Hotwell Services Inc. (“Hotwell”), an emerging oilfield service company operating in the Appalachian Basin, on December 31, 2008. The Company purchased Hotwell for \$5,000,000, through the issuance of 2,777,778 shares of common stock valued at \$1.80 per share. On February 15, 2011 the Company entered into an Asset Sale Agreement whereby the Company sold 100% of Hotwell’s assets and approximately 88 percent of its liabilities. As of December 31, 2014 the Hotwell subsidiary is largely inactive.

Revenue Sources

The Company’s results of operations are dependent on two sources of revenue.

The Principal Investment Division contains our primary source of revenue which accounts for approximately 99% of revenue earned during the years ended December 31, 2014 and 2013. The Principal Investment Divisions earns oil and natural gas revenue received from the ownership interests in more than 80 energy properties located in 12 different states.

The Fund Management Division earns 2% annual management fees for managing the Capital City Energy Funds. During the years ended December 31, 2014 and 2013 this Division earned less than one percent of the Company’s gross revenues.

CAPITAL CITY ENERGY GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014 and 2013

Note 2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the 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.

The Company's consolidated financial statements are based on a number of significant estimates, including oil and gas reserve quantities which are the basis for the calculation of depreciation, depletion and impairment of oil and gas properties, and timing and costs associated with its retirement obligations.

Cash and Cash Equivalents

Cash and cash equivalents include cash in banks and financial instruments which mature within three months of the date of purchase.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentration of credit risk consist of cash. At December 31, 2014, the Company had approximately \$139,775 in excess of federally insured limits (the FDIC insured deposits have been temporarily increased to \$250,000). The Company maintains cash accounts only at large high quality financial institutions and the Company believes the credit risk associated with cash held in banks is remote.

The Company's receivables primarily consist of accounts receivable from oil and gas sales. Accounts receivable are recorded at invoiced amount and generally do not bear interest. Any allowance for doubtful accounts is based on management's estimate of the amount of probable losses due to the inability to collect from customers. As of December 31, 2014 and 2013, no allowance for doubtful accounts has been recorded and none of the accounts receivable have been collateralized.

Fair Value of Financial Instruments

As of December 31, 2014, the fair value of cash, accounts receivable, and accounts payable, including amounts due to and from related parties, if any, approximate carrying values because of the short-term maturity of these instruments.

Principles of Consolidation

The Company's financial statements include the accounts of the Company and its wholly owned subsidiaries: Eastern Well Services, LLC, Capital City Petroleum, Inc. Avanti Energy Partners, Inc. and Hotwell, Inc. All significant intercompany transactions have been eliminated in the consolidation.

Oil and Gas Properties, Successful Efforts Method

The Company uses the successful efforts method of accounting for oil and gas producing activities. Under the successful efforts method, costs to acquire mineral interests in oil and gas properties, to drill and equip exploratory wells that find proved reserves, and to drill and equip development wells are capitalized. Costs to drill exploratory wells that do not find proved reserves, geological and geophysical costs, and costs of carrying and retaining unproved properties are expensed as incurred. We evaluate our proved oil and gas properties for impairment on a field-by-field basis whenever events or changes in circumstances indicate that an asset's carrying value may not be recoverable. Capital City follows Accounting Standards Codification Topic 932, *Extractive Activities – Oil and Gas*, in performing an impairment test (ceiling test) for these evaluations. Unamortized capital costs are reduced to fair value if the undiscounted future net cash flows from our interest in the property's estimated proved reserves are less than the asset's net book value.

CAPITAL CITY ENERGY GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014 and 2013

Note 2. Summary of Significant Accounting Policies (Continued)

Unproved oil and gas properties that are individually significant are periodically assessed for impairment of value, and a loss is recognized at the time of impairment by providing an impairment allowance. Other unproved properties are amortized based on the Company's experience of successful drilling and average holding period. Capitalized costs of producing oil and gas properties, after considering estimated dismantlement and abandonment costs and estimated salvage values, are depreciated and depleted by the unit-of-production method. Support equipment and other property and equipment are depreciated over their estimated useful lives.

Under Accounting Standards Codification Topic 932, *Extractive Activities – Oil and Gas*, drilling costs for exploratory wells are initially capitalized but generally must be charged to expense unless the wells are determined to be successful within one year after completion of drilling. The one-year limitation may be exceeded for an exploratory well only if sufficient reserves have been found to justify its completion and sufficient progress has been made in assessing the reserves and the economic and operating viability of the project. If the exploratory well does not meet both criteria, its capitalized costs are expensed, net of any salvage value. Annual disclosures are required under FSP No. 19-1 to provide information about management's evaluation of capitalized exploratory well costs, including disclosure of (i) net changes from period to period in the costs for wells that are pending the determination of proved reserves, (ii) the amount of any exploratory well costs that have been capitalized for more than one-year after the completion of drilling and (iii) an aging of suspended exploratory well costs and the number of wells affected. See Note 2 – Oil and Gas Properties.

On the sale or retirement of a complete unit of a proved property, the cost and related accumulated depreciation, depletion, and amortization are eliminated from the property accounts, and the resultant gain or loss is recognized. On the retirement or sale of a partial unit of proved property, the cost is charged to accumulated depreciation, depletion, and amortization with a resulting gain or loss recognized in income. On the sale of an entire interest in an unproved property for cash or cash equivalent, gain or loss on the sale is recognized, taking into consideration the amount of any recorded impairment if the property had been assessed individually.

If a partial interest in an unproved property is sold, the amount received is treated as a reduction of the cost of the interest retained.

Property and Equipment

The cost of leasehold improvement and office equipment are recorded at cost and depreciated using the straight-line method over the estimated useful lives of the assets, which range from three to five years.

Consolidation of Variable Interest Entities

The Company evaluates and consolidates where appropriate its less than majority-owned investments pursuant to Accounting Standards Codification Topic 810, *Consolidation*. A variable interest entity (VIE) is a corporation, partnership, trust, or any other legal structure used for business purposes that does not have equity investors with proportionate voting rights or has equity investors that do not provide sufficient financial resources for the entity to support its activities. Topic 810 requires a VIE to be consolidated by a company if that company is the primary beneficiary of the VIE. The primary beneficiary of a VIE is an entity that is subject to a majority of the risk of loss from the VIE's activities or entitled to receive a majority of the entity's residual returns, or both. The Company has determined that the Capital City Energy Funds qualify as VIEs, however, they have determined that the Company is not the primary beneficiary. Accordingly, the Company has not consolidated the Capital City Energy Funds.

Asset Retirement Obligations

The Company follows the provisions of Accounting Standards Codification 410, *Asset Retirement and Environmental Obligations*. The fair value of an asset retirement obligation is recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The present value of the estimated asset retirement costs is capitalized as part of the carrying amount of the long-lived asset. For the Company, asset retirement obligations relate to the abandonment of oil and gas producing facilities. The amounts recognized are based upon numerous estimates and assumptions, including future retirement costs, future recoverable quantities of oil and gas, future inflation rates and the credit-adjusted risk-free interest rate.

CAPITAL CITY ENERGY GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014 and 2013

Note 2. Summary of Significant Accounting Policies (Continued)

Income Taxes

The Company accounts for income taxes pursuant to Accounting Standards Codification 740, *Accounting for Income Taxes*," which requires recognition of deferred income tax liabilities and assets for the expected future tax consequences of events that have been recognized in our financial statements or tax returns. Deferred taxes are provided on temporary differences between the financial statements and tax basis of assets using the enacted tax rates that are expected to apply to taxable income when the temporary differences are expected to reverse. 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.

Topic 740 establishes a more-likely-than-not threshold for recognizing the benefits of tax return positions in the financial statements. Topic 740 also implements a process for measuring those tax positions which meet the recognition threshold of being ultimately sustained upon examination by the taxing authorities

Revenue Recognition

Capital City recognizes oil and natural gas revenue under the sales method of accounting for its interests in producing wells as oil and natural gas is produced and sold from those wells. Oil and natural gas sold by Capital City is not significantly different from Capital City's share of production. Revenues from management fees are recognized in the preceding month at end of each calendar quarter and paid in arrears.

Comprehensive Income and Loss

The accompanying consolidated financial statements do not include statements of comprehensive income (loss) since the Company had no items of comprehensive income or loss for the years reported.

Recent Accounting Pronouncements

The Company has evaluated recent accounting pronouncements and their adoption has not had or is not expected to have a material impact on the Company's financial position or statements.

Reclassification

Certain amounts in prior periods have been reclassified to conform to current period presentation.

CAPITAL CITY ENERGY GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014 and 2013

Note 3. Going Concern

The Company's financial statements are prepared using generally accepted accounting principles in the United States of America applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The ability of the Company to continue as a going concern is dependent on the Company obtaining adequate capital to fund operating losses until it becomes profitable. If the Company is unable to obtain adequate capital, it could be forced to cease operations. Accordingly, there is substantial doubt about the Company's ability to continue as a going concern. The Company has incurred cumulative operating losses through December 31, 2014 of \$35,172,245 and had a working capital deficit of \$4,840,873 at December 31, 2014. Revenues for the year ended December 31, 2014 and 2013 were not sufficient to cover our operating costs and we continue to generate negative cash flows from operations. There can be no assurance that the Company can or will be able to generate sufficient revenue or complete any debt or equity financing that might be needed to support operations in the future.

In order to continue as a going concern, the Company will need, among other things, additional capital resources. Management's plan is to obtain such resources for the Company by obtaining capital from management and significant shareholders sufficient to meet its minimal operating expenses and seeking equity and/or debt financing. However, management cannot provide any assurances that the Company will be successful in accomplishing any of its plans.

The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish the plans described in the preceding paragraph and eventually secure other sources of financing and attain profitable operations. The accompanying financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern. The Company is in the process of raising additional capital through a related party private fund management company.

Note 4. Oil and Gas Properties

Oil and gas properties are stated at cost. Depletion expense for the year ended December 31, 2014 and 2013 amounted to \$44,840 and \$86,282, respectively. Gains and losses on sales and disposals are included in the statements of operations. As of December 31, 2014 and 2013 oil and gas properties consisted of the following:

	<u>2014</u>	<u>2013</u>
Proved producing properties	\$ 5,523,980	\$ 5,534,535
Proved non-producing properties	-	-
Unproved properties	108,652	-
Total	5,632,632	5,534,535
Accumulated Depletion	(5,312,829)	(5,267,990)
Net Oil and Gas Properties	<u>\$ 319,803</u>	<u>\$ 266,545</u>

Note 5. Participating Interest Financing Arrangement

The Company entered into a series of financing agreements for aggregate proceeds of \$1,500,000 whereby participating revenue interests were conveyed to individual lenders in certain oil and gas properties owned by the Company. The principal terms of the agreements provided for a production payment from the net revenue interests in certain wells in which the Company owns a working interest; provided a minimum return on investment of 12% in the first year only; and provided a put option to the holders in Month 13. The put option provided the holder the sole right to put the participating revenue interest to the Company for the original principal amount. The put options expired in May of 2009. Since the inception of the Arrangement the Company has repaid \$20,000 against these participating interests. Accordingly, there are participating interest liabilities totaling \$1,480,000 as of December 31, 2014 and 2013.

CAPITAL CITY ENERGY GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014 and 2013

Note 6. Notes Payable

During the year ended December 31, 2008 the Company entered into a \$51,206 note payable agreement with an unrelated third party entity. The note is non-interest bearing and is due on demand. The Company has paid \$2,330 against the note principal, leaving the unpaid principal balance at \$48,876 at December 31, 2014 and 2013.

On April 29, 2009 the Company consummated eleven notes payable with various lenders whereby the Company received cash proceeds totaling \$605,000. The notes all accrue interest at a rate of 14 percent per annum, and became due on March 11, 2014. As of December 31, 2014 the Company has made no principal payments on the notes, but has paid current all accrued interest, totaling \$84,700 for both 2014 and 2013.

On August 18, 2009 the Company entered into a note payable agreement with an unrelated third party entity whereby the Company borrowed \$212,500. The note originally accrued interest at a rate of seven percent per annum, but upon default the effective interest rate increased to 17.5 percent per annum. As of December 31, 2014 and 2013 the entire principal balance of the note remained outstanding, and the Company owed accrued interest totaling \$102,189 and \$65,002, respectively.

On August 31, 2010 the Company entered into a \$80,067 note payable agreement with a related party individual. The note is non-interest bearing and is due on demand. Subsequent to the note date, the Company made payments on the note totaling \$8,750, and made new borrowings under the note in the amount of \$2,286. As of December 31, 2013 the outstanding principal balance on the note totaled \$73,603. During the 2014 calendar year, the Company reached an agreement with the note holder whereby the Company paid \$53,140 in full satisfaction of the note. Pursuant to this transaction, the Company recognized a gain on settlement of debt in the amount of \$38,474.

On June 5, 2012 the Company entered into a \$47,054 note agreement with an unrelated third party. The note accrues interest at a rate of six percent per annum and is due on demand. The note calls for payments of \$250 per month through December 1, 2017, at which time a final payment of \$46,355 is due. During the years ended December 31, 2014 and 2013, the Company made payments of \$2,500 and \$3,000, respectively on the note, leaving an unpaid principal balance of \$40,304 and \$42,804 as of December 31, 2014 and 2013, respectively. Accrued interest on the notes totaled \$6,601 and \$4,131 at December 31, 2014 and 2013, respectively.

Future maturities on the Company's outstanding notes payable are as follows:

Year	Payments Due
2015	\$ 869,376
2016	3,000
2017	34,304
Total	\$ 906,680

Note 7 - Stockholders' Equity

At December 31, 2014 and 2013 the Company has authorized 10,000,000 shares of preferred stock, of which 3,062,234 shares were issued and outstanding. The preferred stock has no redemption or liquidation preference, and currently has no designation to be converted into shares of common stock. The Company also has authorized 500,000,000 shares of common stock, of which 85,949,061 shares were issued and outstanding.

On January 17, 2014, 7,634 shares of the Company's common stock were returned to treasury and cancelled.

On May 12, 2014 the Company issued 250,000 shares of common stock to an unrelated third party as payment for services rendered. The shares were valued at \$0.03 per share, being the market price of the stock on the date of issuance, resulting in a total value of \$6,602.

CAPITAL CITY ENERGY GROUP, INC.
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Note 8 – Asset Retirement Obligations

The total future asset retirement obligation is estimated by management based on the Company's net working interests in all wells and facilities, estimated costs to reclaim and abandon wells and facilities and the estimated timing of the costs to be incurred in future periods. At December 31, 2014 and 2013, the Company estimated the undiscounted cash flows related to asset retirement obligation to total approximately \$185,695. The fair value of the liability at December 31, 2014 and 2013 is estimated to be \$65,392 and \$60,061, respectively, using risk free rates between 2.48 and 4.24 percent and inflation rates between 2.75 and 4.20 percent. The actual costs to settle the obligation are expected to occur in approximately 25 years.

Changes to the asset retirement obligation were as follows:

	December 31, 2014	December 31, 2013
Balance, beginning of year	\$ 60,061	\$ 56,040
Liabilities incurred	380	--
Disposal	--	(929)
Accretion expense	4,951	4,950
Balance, end of year	<u>\$ 65,392</u>	<u>\$ 60,061</u>

Note 9. Income Taxes

The Company accounts for income taxes in accordance with ASC 740, Income Taxes, which requires the recognition of deferred tax liabilities and assets at currently enacted tax rates for the expected future tax consequences of events that have been included in the financial statements or tax returns. A valuation allowance is recognized to reduce the net deferred tax asset to an amount that is more likely than not to be realized.

ASC 740 provides guidance on the accounting for uncertainty in income taxes recognized in a company's financial statements. ASC 740 requires a company to determine whether it is more likely than not that a tax position will be sustained upon examination based upon the technical merits of the position. If the more likely-than-not threshold is met, a company must measure the tax position to determine the amount to recognize in the financial statements.

Net deferred tax assets consist of the following components as of December 31, 2014 and 2013:

	December 31, 2014	December 31, 2013
Loss carry forwards (expire through 2034)	\$ 4,850,000	\$ 5,053,100
Contribution carryforward	20,400	20,400
Capital loss carryforward	34,200	34,200
Asset retirement obligation	22,200	20,400
Accumulated loss on impairment of investment – unrealized per tax	45,500	45,500
Related-party accruals	267,300	-
Valuation allowance	<u>(5,239,600)</u>	<u>(5,173,600)</u>
Net deferred taxes	<u>\$ -</u>	<u>\$ -</u>

CAPITAL CITY ENERGY GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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Note 9. Income Taxes (Continued)

The income tax provision differs from the amount of income tax determined by applying the estimated U.S. federal and state income tax rates of 34 percent to pretax income from continuing operations for the year ended December 31, 2014 and 2013 due to the following:

	December 31, 2013	December 31, 2012
Book income (loss) from operations	\$ (187,500)	\$ 137,100
Meals and entertainment	700	600
Change in ARO liability	1,800	1,400
Stock issued for services	3,400	-
Changes in related-party accruals	267,300	-
NOL carryforward used	(85,700)	(139,100)
Valuation allowance	-	-
	<u>\$ -</u>	<u>\$ -</u>

At December 31, 2014, the Company had net operating loss carry forwards of approximately \$15,020,000 through 2034. No tax benefit has been reported in the December 31, 2014 and 2013 financial statements since the potential tax benefit is offset by a valuation allowance of the same amount. Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carry forwards for Federal income tax reporting purposes are subject to annual limitations. Should a change in ownership occur, net operating loss carry forwards may be limited as to use in future years.

In accordance with generally accepted accounting principles, the Company has analyzed its filing positions in all jurisdictions where it is required to file income tax returns for the open tax years in such jurisdictions. The Company has identified its federal income tax returns for the previous five years remain subject to examination. The Company's income tax returns in state income tax jurisdictions also remain subject to examination for the previous five years. The Company currently believes that all significant filing positions are highly certain and that all of its significant income tax filing positions and deductions would be sustained upon audit. Therefore, the Company has no significant reserves for uncertain tax positions, and no adjustments to such reserves were required by generally accepted accounting principles. No interest or penalties have been levied against the Company and none are anticipated, therefore no interest or penalty has been included in the provision for income taxes in the consolidated statements of operations.

Note 10. Related-Party Transactions

During the 2013 calendar year the Company's board of directors approved formal executive compensation agreements with the Company's president and its chief financial officer, pursuant to which each is to receive compensation of \$120,000 per annum. As of December 31, 2014 and 2013, the Company owed a total of \$373,000 and \$331,500 in accrued compensation payable.

Note 11. Subsequent Events

In accordance with ASC 855-10, the Company's management has reviewed all material events and there are no additional material subsequent events to report.

CAPITAL CITY ENERGY GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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**SUPPLEMENTAL INFORMATION TO
FINANCIAL STATEMENTS (Unaudited)**

Oil and Gas Producing Activities

In January 2010, the Financial Accounting Standards Board (FASB) issued FASB Accounting Standards Update (ASU) No. 2010-03, "Oil and Gas Reserve Estimations and Disclosures" (ASU No. 2010-03). This update aligns the current oil and gas reserve estimation and disclosure requirements of the Extractive Industries - Oil and Gas topic of the FASB Accounting Standards Codification (ASC Topic 932) with the changes required by the final rule of the Securities and Exchange Commission (the "SEC"), "Modernization of Oil and Gas Reporting." ASU No. 2010-03 must be applied prospectively as a change in accounting principle that is inseparable from a change in accounting estimate and is effective for entities with annual reporting periods ending on or after December 31, 2009.

Oil and Gas Reserves Users of this information should be aware that the process of estimating quantities of "proved," "proved developed," "proved undeveloped" and "probable" crude oil, natural gas liquids and natural gas reserves is complex, requiring significant subjective decisions in the evaluation of all available geological, engineering and economic data for each reservoir. The data for a given reservoir may also change substantially over time as a result of numerous factors including, but not limited to, additional development activity, evolving production history and continual reassessment of the viability of production under varying economic conditions. Consequently, material revisions (upward or downward) to existing reserve estimates may occur from time to time. Although reasonable effort is made to ensure that reserve estimates reported represent the most accurate assessments possible, the significance of the subjective decisions required and variances in available data for various reservoirs make these estimates generally less precise than other estimates presented in connection with financial statement disclosures. See

ITEM 1A. Risk Factors.

Proved reserves represent estimated quantities of crude oil, natural gas liquids and natural gas that geoscience and engineering data can estimate, with reasonable certainty, to be economically producible from a given day forward from known reservoirs under economic conditions, operating methods and government regulation before the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation.

Proved developed reserves are proved reserves expected to be recovered under operating methods being utilized at the time the estimates were made, through wells and equipment in place or if the cost of any required equipment is relatively minor compared to the cost of a new well.

Proved undeveloped reserves are reserves that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required. Reserves on undrilled acreage are limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances. Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances justify a longer time. Estimates for proved undeveloped reserves are not attributed to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, or by other evidence using reliable technology establishing reasonable certainty.

CAPITAL CITY ENERGY GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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**SUPPLEMENTAL INFORMATION TO
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Oil and Gas Producing Activities (Continued)

Probable undeveloped reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered. Probable reserves may be assigned to areas of a reservoir adjacent to proved reserves where data control or interpretations of available data are less certain, even if the interpreted reservoir continuity of structure or productivity does not meet the reasonable certainty criterion. Probable reserves may be assigned to areas that are structurally higher than the proved area if these areas are in communication with the proved reservoir.

No major acquisition or sale of oil and gas properties or other favorable or adverse event subsequent to December 31, 2014 is believed to have caused a material change in the estimates of proved developed or proved undeveloped or probable undeveloped reserves as of that date.

NET PROVED RESERVE SUMMARY

The following table sets forth the Company's net proved reserves, including proved developed and proved undeveloped reserves, at December 31, 2014 and 2013, as pursuant to reserve reports prepared by the Company's independent, certified petroleum engineer.

	December 31, 2014	December 31, 2013
Net Proved Developed Reserves:		
Crude oil (Bbls)	16,021	19,170
Natural gas (Mcf)	34,984	12,593
Oil equivalents (Boa)	22,054	21,342
Net Proved Undeveloped Reserves:		
Crude oil (Bbls)	-	-
Natural gas (Mcf)	-	-
Oil equivalents (Boe)	-	-
Net Proved Developed and Undeveloped Reserves:		
Crude oil (Bbls)	16,021	19,170
Natural gas (Mcf)	34,984	12,593
Oil equivalents (Boe)	22,054	21,342

CAPITAL CITY ENERGY GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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**SUPPLEMENTAL INFORMATION TO
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Capitalized Costs Relating to Oil and Gas Producing Activities. The following table sets forth the capitalized costs relating to the Company's crude oil and natural gas producing activities at December 31, 2014 and 2013:

	At December 31, 2014	At December 31, 2013
Proved leasehold costs	\$ -	\$ -
Costs of wells and development	5,616,329	5,518,611
Capitalized asset retirement costs	16,303	15,924
Total cost of oil and gas properties	<u>5,632,632</u>	<u>5,534,535</u>
Accumulated depreciation and depletion	(5,312,829)	(5,267,900)
Net Capitalized Costs	<u>\$ 319,803</u>	<u>\$ 266,635</u>

Costs Incurred in Oil and Gas Property Acquisition, Exploration and Development Activities. The following table sets forth the costs incurred in the Company's oil and gas property acquisition, exploration and development activities for the ended December 31, 2014 and 2013:

	For the Year Ended December 31, 2014	For the Year Ended December 31, 2013
Acquisition of properties:		
Proved	\$ 158,652	\$ -
Exploration costs	-	-
Development costs	-	-
Net Capitalized Costs	<u>\$ 158,652</u>	<u>\$ -</u>

Results of Operations for Oil and Gas Producing Activities. The following table sets forth the results of operations for oil and gas producing activities for the year ended December 31, 2014 and 2013:

	For the Year Ended December 31, 2014	For the Year Ended December 31, 2013
Crude oil and gas revenues	\$ 670,101	\$ 713,132
Production costs	(278,936)	(375,021)
Depreciation, depletion and accretion	(49,792)	(94,669)
Results of operations for producing activities, excluding corporate overhead	<u>\$ 341,373</u>	<u>\$ 243,442</u>

CAPITAL CITY ENERGY GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014 and 2013

**SUPPLEMENTAL INFORMATION TO
FINANCIAL STATEMENTS (Unaudited)**

Standardized Measure of Discounted Future Net Cash Flows Relating to Proved Oil and Gas Reserves The following information has been developed utilizing procedures prescribed by ASC Topic 932 and is based on crude oil and natural gas reserves and production volumes estimated by the Company's independent petroleum consultants. The estimates were based on a \$94.99/BO crude oil price, and a gas price of \$4.35/MCF. The following information may be useful for certain comparison purposes, but should not be solely relied upon in evaluating the Company or its performance. Further, information contained in the following table should not be considered as representative of realistic assessments of future cash flows, nor should the Standardized Measure of Discounted Future Net Cash Flows be viewed as representative of the current value of the Company.

The future cash flows presented below are based on sales prices, cost rates and statutory income tax rates in existence as of the date of the projections. It is expected that material revisions to some estimates of crude oil and natural gas reserves may occur in the future, development and production of the reserves may occur in periods other than those assumed, and actual prices realized and costs incurred may vary significantly from those used.

Future production and development costs were computed by estimating those expenditures expected to occur in developing and producing the proved oil and natural gas reserves at the end of the year, based on year-end costs. Actual future cash inflows may vary considerably, and the standardized measure does not necessarily represent the fair value of the Company's oil and natural gas reserves.

Management does not rely upon the following information in making investment and operating decisions. Such decisions are based upon a wide range of factors, including estimates of probable and possible reserves as well as proved reserves, and varying price and cost assumptions considered more representative of a range of possible economic conditions that may be anticipated.

The following table sets forth the standardized measure of discounted future net cash flows from projected production of the Company's oil and gas reserves as of December 31, 2014 and 2013:

	December 31, 2014	December 31, 2013
Future cash inflows	\$ 1,334,187	\$ 1,477,672
Future production and development costs	(771,114)	(966,700)
Future income tax and insurance expense	(77,336)	(93,372)
Future net cash inflows	485,737	417,600
10% annual discount for estimated timing of cash flows	(300,761)	(258,572)
Standardized measure of discounted future net cash flows	\$ 184,976	\$ 159,028

CAPITAL CITY ENERGY GROUP, INC.
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**SUPPLEMENTAL INFORMATION TO
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Changes in Standardized Measure of Discounted Future Net Cash Flows The following table sets forth the changes in the standardized measure of discounted future net cash flows for the year ended December 31, 2014 and 2013:

	December 31, 2014	December 31, 2013
Beginning of period	\$ 159,028	\$ 316,744
Revenues less production and other costs	(396,267)	(345,311)
Changes in price, net of production costs	-	-
Development costs incurred	-	-
Net changes in future development costs	-	-
Purchases of reserves in place	(20,832)	-
Accretion of discount	48,200	53,384
Net change in income taxes	9,929	22,174
Timing differences and other	384,918	112,037
End of period	<u>\$ 184,976</u>	<u>\$ 159,028</u>

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not Applicable

Item 9A. Controls and Procedures

As of December 31, 2014, under the direction of the Chief Executive Officer and Chief Financial Officer, the Company evaluated the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rule 13a — 15(e) under the Securities Exchange Act of 1934, as amended. Based on the evaluation of these controls and procedures required by paragraph (b) of Sec. 240.13a-15 or 240.15d-15 the disclosure controls and procedures are not effective.

The Company maintains a set of disclosure controls and procedures designed to ensure that information required to be disclosed by us in our reports filed under the securities Exchange Act, is recorded, processed, summarized, and reported within the time periods specified by the SEC's rules and forms. Disclosure controls are also designed with the objective of ensuring that this information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Evaluation of Internal Control Over Financial Reporting

Management conducted an evaluation of the effectiveness of the Company's internal control over financial reporting as of Dec. 31, 2014. In making this assessment, management used the criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, or COSO. The COSO framework summarizes each of the components of a company's internal control system, including (i) the control environment, (ii) risk assessment, (iii) control activities, (iv) information and communication, and (v) monitoring. In management's assessment of the effectiveness of internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)) as required by Exchange Act Rule 13a-15(c), our management concluded as of the end of the fiscal year covered by this Annual Report on Form 10-K that our internal control over financial reporting is not effective.

As defined by Auditing Standard No. 5, "An Audit of Internal Control Over Financial Reporting that is Integrated with an Audit of Financial Statements and Related Independence Rule and Conforming Amendments," established by the Public Company Accounting Oversight Board ("PCAOB"), a material weakness is a deficiency or combination of deficiencies that results more than a remote likelihood that a material misstatement of annual or interim financial statements will not be prevented or detected. In connection with the assessment described above, management identified the following control deficiencies that represent material weaknesses as of Dec. 31, 2014:

- i) Lack of segregation of duties. At this time, our resources and size prevent us from being able to employ sufficient resources to enable us to have adequate segregation of critical accounting duties within our internal control system. Management will periodically reevaluate this situation.
- ii) Lack of an independent audit committee. We may establish an audit committee comprised solely of independent directors when we have sufficient capital resources and working capital to attract qualified independent directors and to maintain such a committee.
- iii) Insufficient number of independent directors. At the present time, our Board of Directors does not consist of a majority of independent directors, a factor that is counter to corporate governance practices as set forth by the rules of various stock exchanges.

Our management determined that these deficiencies constituted material weaknesses. Due to a lack of financial resources, we are not able to, and do not intend to, immediately take any action to remediate these material weaknesses. We will not be able to do so until we acquire sufficient financing to do so. We will implement further controls as circumstances, cash flow, and working capital permit. Notwithstanding the assessment that our ICFR was not effective and that there were material weaknesses as identified in this report, we believe that our financial statements fairly present our financial position, results of operations and cash flows for the years covered thereby in

all material respects. Additionally, we have engaged an independent external accounting consulting group to review accounting transactions and monitor accounting procedures.

Changes in Internal Control over Financial Reporting

There was no change in our internal controls over financial reporting that occurred during the period covered by this report, that has materially affected, or is reasonable likely to materially affect, our internal controls over financial reporting.

The Company has not taken any steps at this time to address these weaknesses but expects to formulate a plan before fiscal year ending December 31, 2015.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers, and Corporate Governance of the Registrant

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth information regarding the members of our Board of Directors and our executive officers. All of our directors were appointed on February 10, 2010. All of our directors hold office until the next annual meeting of stockholders and their successors are duly elected and qualify. Executive officers serve at the request of the Board of Directors.

<u>Name</u>	<u>Age ‡</u>	<u>Office(s) Held</u>
Timothy S. Shear	59	President & Chief Executive Officer – Capital City Energy Group and all subsidiaries, Director
Todd E. Crawford	56	Chairman of the Board, Director
William D. Faith*	59	Secretary/Treasurer and Director*
Michael J. McKenzie**	77	Secretary-Treasurer and Director**

‡ The ages of the Company's officers and directors as set forth in the table above reflects the age of said person as of the date of this report.

*William D. Faith, as of May 12, 2014 and continuing to the date of this filing, was appointed by the Board to succeed Michael J. McKenzie as the Company's Secretary-Treasurer, as well as all of the Company's subsidiaries.

**Michael J. McKenzie, as of May (12,) 2014 resigned as the Secretary-Treasurer of the Company. At that time and continuing to the present date, the status of Mr. McKenzie and his position on the Board of Directors was changed to Director Emeritus.

Set forth below is a brief description of the background and business experience of each of our current executive officers and directors.

Timothy S. Shear, President and Chief Executive Officer, joined the firm as a Director pursuant to his election in February 2010, assuming his present roles (as of the date of this filing) as a corporate officer by the appointment of the Board in February 2010. Although he also served as Chairman of the Board (COB), as of February 2010, Todd E. Crawford was appointed as his successor COB in February 2011. Mr. Shear was involved as an investment banker in the Company's original formation and business, as part of his 25 years of professional practice within the

financial services industry and as the holder of various securities licenses. Shear's financial services career continues, in addition to his duties with the Company, and includes service as an investment advisor, presently as Senior Vice President at Capital City Partners, Inc. (a stockholder of the Company) and its FINRA-registered broker/dealer and SEC-registered investment advisor. Previously, his tenure of 11 years at Diamond Hill Capital Management included a focus as a member of its banking team, successfully taking that firm's parent organization to its present status as a public corporation. Shear's earlier career, over nearly two decades in Ohio governmental affairs and political affairs, spanned work from the Ohio Legislature to certain executive branch offices within the State of Ohio. Mr. Shear's baccalaureate and graduate training were at the Ohio State University (B.A., 1984).

Todd E. Crawford, Chairman of the Board of Directors, was elected to the Company's Board in February 2010, pursuant to his leadership of the successful, management take-over of the Company resulting from the special election held at that time. Subsequently appointed by the Board as its Chairman in February 2011 (which service continues to the date of this filing), Mr. Crawford was a founding partner of the financial services company which originally created the Company's Funds and successor entities. Continuing in his tenure at this financial services company, Capital City Partners, Inc., where he serves as Chief Executive Officer and Chairman of the Board, Mr. Crawford provides diversified investment counsel and leadership to the Company. Previously a Vice President at McDonald Investments, a subsidiary of KeyCorp, Mr. Crawford's career in the securities industry has spanned more than 25 years. Crawford was previously a member of the banking team taking the parent of Diamond Hill Capital Management to its present status as a public corporation. A life-time resident of Columbus, Ohio, Mr. Crawford conducted his undergraduate studies at the Ohio State University and was affiliated at the beginning of his career in [year] with Northern Securities, a regional and intra-state brokerage firm with extensive experience in the creation, development and management of fractional interest, oil and gas partnerships.

William D. Faith^{*}, Director, was elected to the Company's Board in February 2010, pursuant to his historic status as an interested shareholder. Mr. Faith has worked across the national affordable housing field since 1980 and continues to lead not-for-profit corporation COHHIO, Ohio's lead advocacy organization in that area, where he has been executive director since 1994. Additionally, Bill Faith is chairman emeritus of the National Low Income Housing Trust, where he continues serving as a board trustee, as well as several additional statewide and local boards such as the Ohio Housing Trust Fund Advisory Board and the Columbus/Franklin County Housing Trust Corporation. He is the recipient of several prestigious awards, including the Fannie Mae Foundation's Community Fellowship Award in 2004, retains an active interest in the energy industry and its role as a driver in local and regional economic development. Mr. Faith, a long-time lobbyist before both state and federal governments, is a lifetime resident of Ohio, where he completed his baccalaureate studies (BSSW, 1978) and further conducted graduate training at the Ohio State University.

Michael J. McKenzie^{**}, Secretary-Treasurer, was elected to the Board of Directors in February 2010, pursuant to his historic status as an interested shareholder. Mr. McKenzie has worked in the financial services industry since the middle 1960s and has served since December 2003 as an original owner of Capital City Partners, Inc., a diversified, regional financial services company and stockholder of the Company. Mr. McKenzie's tenure in the financial services industry, includes significant experience in the creation, development and management of fractional interest, oil and gas partnerships throughout the 1970s at Northern Securities, a regional, intra-state brokerage company based in Columbus and Cleveland, Ohio, where he developed an extensive network of relationships with preferred exploration and production operators which continues to serve the Company.

Family Relationships

None.

Directors and Officers

Our Bylaws authorize no less than one (1) and no more than thirteen (13) directors. We currently have three directors on the Board. Our Directors are appointed for a one-year term to hold office until the next annual general meeting of our shareholders or until such director resigns. Our officers are appointed by our Board and hold office until removed by the Board or pursuant to any of the following:

1. any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
2. any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
3. being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his or her involvement in any type of business, securities or banking activities; or
4. being found by a court of competent jurisdiction (in a civil action), the Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

Meetings of Our Board of Directors

Our Board held their first meeting on April 3, 2008 and continued to meet as frequently as monthly, but no less often than quarterly. In addition to regularly scheduled monthly meetings, our Board of Directors acted by unanimous consent on various matters.

Committees of the Board

We currently do not have nominating, compensation or audit committees or committees performing similar functions nor do we have a written nominating, compensation or audit committee charter. Our Directors believe that it is not necessary to have such committees, at this time, because the functions of such committees can be adequately performed by the Board of Directors.

We do not have any defined policy or procedural requirements for shareholders to submit recommendations or nominations for Directors. Our Board of Directors believe that, given the stage of our development, a specific nominating policy would be premature and of little assistance until our business operations develop to a more advanced level. We do not currently have any specific or minimum criteria for the election of nominees for Directors and we do not have any specific process or procedure for evaluating such nominees. Our Board of Directors will assess all candidates, whether submitted by management or shareholders, and make recommendations for election or appointment. A shareholder who wishes to communicate with our Board of Directors may do so by directing a written request addressed to our Chairman at the address appearing on the first page of this filing

Audit Committee Financial Expert

Our Board of Directors has determined that we do not have a board member that qualifies as an "audit committee financial expert" as defined in Item 407(D)(5) of Regulation S-K, nor do we have a Board member that qualifies as "independent" as the term is used in Item 7(d)(3)(iv)(B) of Schedule 14A under the Securities Exchange Act of 1934, as amended, and as defined by Rule 4200(a)(14) of the FINRA Rules.

We believe that our Board of Directors is capable of analyzing and evaluating our financial statements and understanding internal controls and procedures for financial reporting. The Board of Directors of our Company does not believe that it is necessary to have an audit committee because management believes that the functions of an audit committee can be adequately performed by the Board of Directors. In addition, we believe that retaining an independent Director who would qualify as an "audit committee financial expert" would be overly costly and burdensome and is not warranted in our circumstances given the stage of our development and the fact that we have not generated any positive cash flows from operations to date.

Risk Oversight

Effective risk oversight is an important priority of the Board of Directors. Because risks are considered in virtually every business decision, the Board of Directors discusses risk throughout the year generally or in connection with specific proposed actions. The Board of Directors' approach to risk oversight includes understanding the critical risks in our business and strategy, evaluating our risk management processes, allocating responsibilities for risk oversight among the full Board of Directors, and fostering an appropriate culture of integrity and compliance with legal responsibilities.

We promote accountability for adherence to honest and ethical conduct; endeavors to provide full, fair, accurate, timely and understandable disclosure in reports and documents that we file with the SEC and in other public communications made us; and strive to be compliant with applicable governmental laws, rules and regulations. We have not formally adopted a written code of business conduct and ethics that governs our employees, officers and Directors as we not required to do so at this time.

Our Board of Directors is responsible for reviewing and making recommendations concerning the selection of outside auditors, reviewing the scope, results and effectiveness of the annual audit of our financial statements and other services provided by our independent public accountants. Our Chief Executive Officer and Chief Financial Officer review our internal accounting controls, practices and policies.

Indemnification of Directors and Officers

Our officers and directors are indemnified as provided by the Nevada Revised Statutes and our Bylaws.

Under the governing Nevada statutes, director immunity from liability to a company or its shareholders for monetary liabilities applies automatically unless it is specifically limited by a company's Articles of Incorporation. Our Articles of Incorporation do not contain any limiting language regarding director immunity from liability. Excepted from this immunity are:

1. a willful failure to deal fairly with the company or its shareholders in connection with a matter in which the director has a material conflict of interest;
2. a violation of criminal law (unless the director had reasonable cause to believe that his or her conduct was lawful or no reasonable cause to believe that his or her conduct was unlawful);
3. a transaction from which the director derived an improper personal profit; and
4. willful misconduct.

Our Bylaws provide that we will indemnify our directors and officers to the fullest extent not prohibited by Nevada law; provided, however, that we may modify the extent of such indemnification by individual contracts with our directors and officers; and, provided, further, that we shall not be required to indemnify any director or officer in connection with any proceeding (or part thereof) initiated by such person unless:

1. such indemnification is expressly required to be made by law;
2. the proceeding was authorized by our Board of Directors;
3. such indemnification is provided by us, in our sole discretion, pursuant to the powers vested us under Nevada law; or
4. such indemnification is required to be made pursuant to the Bylaws.

Our Bylaws provide that we will advance to any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director or officer, of the company, or is or was serving at the request of the company as a director or executive officer of another company, partnership, joint venture, trust or other enterprise, prior to the final disposition of the proceeding, promptly following request therefore, all expenses

incurred by any director or officer in connection with such proceeding upon receipt of an undertaking by or on behalf of such person to repay said amounts if it should be determined ultimately that such person is not entitled to be indemnified under our Bylaws or otherwise.

Our Bylaws provide that no advance shall be made by us to an officer of the company, except by reason of the fact that such officer is or was a director of the company in which event this paragraph shall not apply, in any action, suit or proceeding, whether civil, criminal, administrative or investigative, if a determination is reasonably and promptly made: (a) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to the proceeding, or (b) if such quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, that the facts known to the decision-making party at the time such determination is made demonstrate clearly and convincingly that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the company.

CODE OF ETHICS

Code of Ethics and Business Conduct

We adopted a Code of Ethics and Business Conduct which applies to our officers, directors and employees. The Code of Ethics and Business Conduct are written standards that are reasonably designed to deter wrongdoing and to promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships, full, fair, accurate, timely, and understandable disclosure in reports and documents that we file with, or submit to, the Securities and Exchange Commission and in other public communications made by us, compliance with applicable governmental laws, rules and regulations, the prompt internal reporting of violations of the code to an appropriate person or persons identified in the code, and accountability for adherence to the code. We will provide a copy, without charge, to any person desiring a copy of the Code of Ethics and Business Conduct, by written request to the Company, Attention: Corporate Secretary.

Compliance with Section 16(a) of the Exchange Act

The Company is not subject to the requirements of Section 16(a) of the Securities Exchange Act of 1934.

Item 11. Executive Compensation*Summary Compensation Table*

Name and Position	Year	Salary (Cash Payments)	Bonus (Cash Payments)	Stock/Option Awards	All other Comp.	Total
Timothy Shear, President (1)	2014	\$48,500	\$7,500	\$0	\$0	\$56,000
	2013	\$17,500	\$0	\$0	\$0	\$17,500
Todd Crawford, Chief Financial Officer (2)	2014	\$48,000	\$7,500	\$0	\$0	\$55,500
	2013	\$17,500	\$0	\$0	\$3,329	\$17,500

NOTES TO SUMMARY COMPENSATION TABLE

- (1) Mr. Shear began employment with the Company on February 10, 2010. In 2013 the Company's board of directors approved an executive compensation agreement with Mr. Shear whereby Mr. Shear was entitled to a salary of \$120,000 per annum. As of December 31, 2014 and 2013 the Company owes Mr. Shear \$373,000 and \$301,500, respectively, in accrued compensation for the 2014 and 2013 fiscal years pursuant to this agreement.
- (2) Mr. Crawford began employment with the Company on February 10, 2010. In 2013 the Company's board of directors approved an executive compensation agreement with Mr. Crawford whereby Mr. Crawford was entitled to a salary of \$120,000 per annum. As of December 31, 2014 the Company owes Mr. Crawford \$331,500 and \$259,500, respectively, in accrued compensation for the 2014 and 2013 fiscal years pursuant to this agreement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth certain information known to us with respect to the beneficial ownership of the Common Stock and Series A Preferred Stock as of the effective date of the Merger by (1) all persons who are beneficial owners of 5% or more of our voting securities, (2) each director, (3) each executive officer, and (4) all directors and executive officers as a group. The information regarding beneficial ownership of our capital stock has been presented in accordance with the rules of the Securities and Exchange Commission. Under these rules, a person may be deemed to beneficially own any shares of capital stock as to which such person, directly or indirectly, has or shares voting power or investment power, and to beneficially own any shares of our capital stock as to which such person has the right to acquire voting or investment power within 60 days through the exercise of any stock option or other right. The percentage of beneficial ownership as to any person as of a particular date is calculated by dividing (a) the number of shares beneficially owned by such person, which includes the number of shares as to which such person has the right to acquire voting or investment power within 60 days by (b) the total number of shares outstanding as of such date, plus any shares that such person has the right to acquire from us within 60 days. Including those shares in the table does not, however, constitute an admission that the named stockholder is a direct or indirect beneficial owner of those shares. Unless otherwise indicated, each person or entity named in the table has sole voting power and investment power (or shares that power with that person's spouse) with respect to all shares of capital stock listed as owned by that person or entity.

Except as otherwise indicated, all Shares are owned directly and the percentage shown is based on 85,949,061 shares of Common Stock outstanding determined as of December 31, 2014.

Name and address of Beneficial Owner ¹	Common Stock Beneficial Ownership ²	Percent
Todd E. Crawford ²	53,580,247	63%
William D. Faith ³	107,293	*
Michael J. McKenzie ⁴	1,726,646	2%
Timothy S. Shear	2,516,506	3%
All Officers and Directors as a Group (4 persons)	57,930,692	68%

* Less than 1%

1. Unless otherwise indicated, the business address for each of the individuals is 1335 Dublin Road, Suite 122-D, Columbus, Ohio 43215.

2. Figure includes 50,000,000 shares of Common Stock held in the name of Capital City Consulting Group, an entity of which Mr. Crawford owns 98%, and 538,800 shares of common stock held in the name of Mr. Crawford's spouse. In addition, Mr. Crawford owns 174 shares of our Series A Preferred Stock.

3. Figure includes 2,431 shares of Common Stock held in the name of Mr. Faith's spouse. In addition, Mr. Faith owns 4,193 shares of our Series A Preferred stock, and Mr. Faith's spouse owns 2,096 shares of our Series A Preferred Stock.

4. Figure includes 7,450 shares of Common Stock held in the name of Mr. McKenzie's spouse, and 564 shares of Common Stock held jointly by Mr. McKenzie and his spouse.

Other than the shareholders listed above, we know of no other person who is the beneficial owner of more than five percent (5%) of the Common Stock (computed on a fully diluted basis).

Item 13. Certain Relationships and Related Transactions

None.

Item 14. Principal Accountant Fees and Services

The following table shows the fees that were billed for the audit and other services provided by such firm for our 2014 and 2013 audit. However, these fees were billed during the fiscal year ending December 31, 2014.

	2014	2013
Audit Fees	\$57,000	\$75,000
Audit-Related Fees	-	-
Tax Fees	-	-
All Other Fees	-	-
Total	\$57,000	\$75,000

Audit Fees — This category includes the audit of our annual financial statements, review of financial statements included in our Quarterly Reports on Form 10-Q and services that are normally provided by the independent registered public accounting firm in connection with engagements for those fiscal years. This category also includes advice on audit and accounting matters that arose during, or as a result of, the audit or the review of interim financial statements.

Audit-Related Fees — This category consists of assurance and related services by the independent registered public accounting firm that are reasonably related to the performance of the audit or review of our financial statements and

are not reported above under “Audit Fees.” The services for the fees disclosed under this category include consultation regarding our correspondence with the Securities and Exchange Commission and other accounting consulting.

Tax Fees — This category consists of professional services rendered by our independent registered public accounting firm for tax compliance and tax advice. The services for the fees disclosed under this category include tax return preparation and technical tax advice.

All Other Fees — This category consists of fees for other miscellaneous items.

Our Board of Directors has adopted a procedure for pre-approval of all fees charged by our independent registered public accounting firm. Under the procedure, the Board approves the engagement letter with respect to audit, tax and review services. Other fees are subject to pre-approval by the Board, or, in the period between meetings, by a designated member of Board. The audit and tax fees paid to the auditors with respect to the 2014 and 2013 audit periods were pre-approved by the Board of Directors.

Item 15. Exhibits and Financial Statement Schedules

- (a) (1) Financial Statements.

The Consolidated Financial Statements are located beginning on page F-1 of this report.

- (2) Financial Statement Schedules.

None.

- (3) Exhibits.

Part IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.

31.1 Certification of Chief Executive Officer, Principal Executive Officer and Principal Accounting Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 *

32.1 Certification of Chief Executive Officer, Principal Executive Officer and Principal Accounting Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 *

101.INS XBRL INSTANCE DOCUMENT **

101.SCH XBRL TAXONOMY EXTENSION SCHEMA **

101.CAL XBRL TAXONOMY EXTENSION CALCULATION LINKBASE **

101.DEF XBRL TAXONOMY EXTENSION DEFINITION LINKBASE **

101.LAB XBRL TAXONOMY EXTENSION LABEL LINKBASE **

101.PRE XBRL TAXONOMY EXTENSION PRESENTATION LINKBASE **

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Capital City Energy Group, Inc.

Date: July 8, 2015

By: /s/ Timothy S. Shear

Timothy S. Shear
Principal Executive Officer /Chief
Executive Officer

Capital City Energy Group, Inc.

Date: July 8, 2015

By: /s/Timothy S. Shear

Principal Accounting Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signatures	Titles	Date
<u>/s/ Timothy S. Shear</u> Timothy S. Shear	Chief Executive Officer and Director	July 8, 2015
<u>/s/ William D. Faith</u> William D. Faith	Secretary/Treasurer and Director	July 8, 2015
<u>/s/ Todd E. Crawford</u> Todd E. Crawford	Director	July 8, 2015