Atlas Resources Series 28-2010 L.P.
Form 10-Q
November 20, 2017

United States

Securities and Exchange Commission

Washington, D.C. 20549

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2017

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission file number 000-54378

ATLAS RESOURCES SERIES 28-2010 L.P.

(Name of small business issuer in its charter)

Delaware	27-2101952
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

425 Houston Street, Suite 300	
Fort Worth, TX	76102
(Address of principal executive offices)	(zip code)

Issuer's telephone number, including area code: (412)-489-0006

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 Web site, 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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer", "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	Accelerated filer	Non-accelerated filer	Smaller reporting company
			Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

ATLAS RESOURCES SERIES 28-2010 L.P.

(A Delaware Limited Partnership)

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ON FORM 10-Q

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ATLAS RESOURCES SERIES 28-2010 L.P.

CONDENSED BALANCE SHEETS

(Unaudited)

	September 30, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash	$255,400	$171,800
Accounts receivable trade-affiliate	497,900	567,500
Current assets held for sale (Note 3)	-	656,300
Total current assets	753,300	1,395,600
Gas and oil properties, net	4,160,300	4,658,300
Long-term asset retirement receivable-affiliate	306,000	85,200
Non-current assets held for sale (Note 3)	-	19,861,300
Total assets	$5,219,600	$26,000,400
LIABILITIES AND PARTNERS’ CAPITAL		
Current liabilities:		
Accrued liabilities	$164,000	$191,000
Current liabilities held for sale (Note 3)	-	15,300
Total current liabilities	164,000	206,300
Asset retirement obligations	1,767,200	2,258,600
Non-current liabilities held for sale (Note 3)	-	1,698,100
Commitments and contingencies (Note 5)		
Partners’ capital:		
Managing general partner’s interest	1,071,310	3,691,000
Limited partners’ interest (7,500 units)	2,217,090	18,146,400
Total partners’ capital	3,288,400	21,837,400
Total liabilities and partners’ capital	$5,219,600	$26,000,400

See accompanying notes to condensed financial statements.

ATLAS RESOURCES SERIES 28-2010 L.P.

CONDENSED STATEMENTS OF OPERATIONS

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
REVENUES				
Natural gas	$ 653,700	$ 749,500	$ 2,324,100	$ 1,859,700
Gain on mark-to-market derivatives	-	3,500	-	15,400
Total revenues	653,700	753,000	2,324,100	1,875,100
COSTS AND EXPENSES				
Production	571,800	713,200	1,844,300	2,046,500
Depletion	115,800	82,500	365,300	251,300
Accretion of asset retirement obligations	13,900	18,600	52,200	55,500
General and administrative	9,300	19,500	48,400	59,400
Total costs and expenses	710,800	833,800	2,310,200	2,412,700
Operating (loss) income	(57,100)	(80,800)	13,900	(537,600)
Gain on sale of oil and gas properties	-	-	514,500	-
Net (loss) income from continuing operations	(57,100)	(80,800)	528,400	(537,600)
Net income from discontinued operations	295,300	141,200	1,328,200	167,500
Net income (loss)	$ 238,200	$ 60,400	$ 1,856,600	$ (370,100)
Allocation of net income (loss):				
Managing general partner	$ 169,800	$ 108,200	$ 927,600	$ 134,200
Limited partners	$ 68,400	$ (47,800)	$ 929,000	$ (504,300)
Net income (loss) from continuing operations per limited partnership unit	(6)	(9)	43	(98)
Net income (loss) from discontinued operations per limited partnership unit	15	15	80	31

See accompanying notes to condensed financial statements.

ATLAS RESOURCES SERIES 28-2010 L.P.

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net income (loss)	$238,200	$60,400	$ 1,856,600	$ (370,100)
Other comprehensive loss:				
Reclassification adjustment to net loss of mark-to-market gains on cash flow hedges	-	(1,400)	-	(3,400)
Total other comprehensive loss	-	(1,400)	-	(3,400)
Comprehensive income (loss)	$238,200	$59,000	$ 1,856,600	$ (373,500)

See accompanying notes to condensed financial statements.

ATLAS RESOURCES SERIES 28-2010 L.P.

CONDENSED STATEMENT OF CHANGES IN PARTNERS' CAPITAL

(Unaudited)

	Managing General Partner	Limited Partners	Total
Balance at December 31, 2016	$3,691,000	$18,146,400	$21,837,400
Participation in revenues, costs and expenses:			
Net production revenues	180,400	299,400	479,800
Gain on sale of gas and oil properties	178,000	336,500	514,500
Depletion	(118,100)	(247,200)	(365,300)
Accretion of asset retirement obligations	(19,600)	(32,600)	(52,200)
General and administrative	(18,300)	(30,100)	(48,400)
Net income from continuing operations	202,400	326,000	528,400
Participation in net income from discontinued operations	725,200	603,000	1,328,200
Distributions to partners	(922,900)	(1,610,200)	(2,533,100)
Transfer of interests to DGOC Series 28, L.P. (Note 2)	(2,624,390)	(15,248,110)	(17,872,500)
Balance at September 30, 2017	$1,071,310	$2,217,090	$3,288,400

See accompanying notes to condensed financial statements.

ATLAS RESOURCES SERIES 28-2010 L.P.

CONDENSED STATEMENTS OF CASH FLOWS

(Unaudited)

	Nine Months Ended September 30, 2017	2016
Cash flows from operating activities:		
Net income (loss)	$1,856,600	$(370,100)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Net income from discontinued operations	(1,328,200)	(167,500)
Depletion	365,300	251,300
Non-cash loss on derivative value	-	182,100
Accretion of asset retirement obligations	52,200	55,500
Gain on sale of gas and oil properties – Niobrara	(514,500)	-
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable trade-affiliate	69,600	(377,900)
Increase in asset retirement receivable-affiliate	(220,800)	(45,000)
Increase in accrued liabilities	38,200	9,400
Asset retirement obligations settled	(25,600)	-
Net cash provided by (used in) continuing operating activities	292,800	(462,200)
Net cash provided by discontinued operating activities	2,259,900	1,889,100
Net cash provided by operating activities	2,552,700	1,426,900
Cash flows from investing activities:		
Proceeds from the sale of tangible equipment	46,200	-
Proceeds received from sale of wells	17,800	16,300
Net cash provided by continuing investing activities	64,000	16,300
Cash flows from financing activities:		
Distributions to partners	(2,533,100)	(1,507,500)
Net cash used in financing activities	(2,533,100)	(1,507,500)
Net change in cash	83,600	(64,300)
Cash beginning of period	171,800	181,200
Cash at end of period	$255,400	$116,900
Write-off accrued property taxes associated with sale of Colorado properties	$(65,200)	$-

See accompanying notes to condensed financial statements.

ATLAS RESOURCES SERIES 28-2010 L.P.

NOTES TO CONDENSED FINANCIAL STATEMENTS

(Unaudited)

NOTE 1 - DESCRIPTION OF BUSINESS

Atlas Resources Series 28-2010 L.P. (the “Partnership”) is a Delaware limited partnership, formed on April 1, 2010 with Atlas Resources, LLC serving as its Managing General Partner (“Atlas Resources” or the “MGP”). Atlas Resources is an indirect subsidiary of Titan Energy, LLC (“Titan”; OTCQX: TTEN). Titan is an independent developer and producer of natural gas, crude oil, and natural gas liquids, with operations in basins across the United States. Titan also sponsors and manages tax-advantaged investment partnerships, in which it co-invests to finance a portion of its natural gas and oil production activities. Titan is the successor to the business and operations of Atlas Resource Partners, L.P. (“ARP”), a Delaware limited partnership organized in 2012. Unless the context otherwise requires, references below to “the Partnership,” “we,” “us,” “our” and “our company”, refer to Atlas Resources Series 28-2010 L.P.

Atlas Energy Group, LLC (“Atlas Energy Group”; OTCQX: ATLS) is a publicly traded company and manages Titan and the MGP through a 2% preferred member interest in Titan.

The Partnership drilled wells located in Indiana and Colorado and currently operates wells in Indiana. We have no employees and rely on our MGP for management, which in turn, relies on Atlas Energy Group for administrative services.

The Partnership’s operating cash flows are generated from its wells, which produce natural gas. Produced natural gas is then delivered to market through affiliated and/or third-party gas gathering systems. The Partnership intends to produce its wells until they are depleted or become uneconomical to produce at which time they will be plugged and abandoned or sold. The Partnership does not expect to drill additional wells and expects no additional funds will be required for drilling.

The economic viability of the Partnership’s production is based on a variety of factors including proved developed reserves that it can expect to recover through existing wells with existing equipment and operating methods or in which the cost of additional required extraction equipment is relatively minor compared to the cost of a new well; and through currently installed extraction equipment and related infrastructure which is operational at the time of the reserves estimate (if the extraction is by means not involving drilling, completing or reworking a well). There are numerous uncertainties inherent in estimating quantities of proven reserves and in projecting future net revenues.

The prices at which the Partnership’s natural gas will be sold are uncertain and the Partnership is not guaranteed a specific price for the sale of its production. Changes in natural gas prices have a significant impact on the Partnership’s cash flow and the value of its reserves. Lower natural gas prices may not only decrease the Partnership’s revenues, but also may reduce the amount of natural gas that the Partnership can produce economically.

Liquidity, Capital Resources and Ability to Continue as a Going Concern

The Partnership is generally limited to the amount of funds generated by the cash flow from its operations to fund its obligations and make distributions, if any, to its partners. Historically, there has been no need to borrow funds from the MGP to fund operations as the cash flow from the Partnership’s operations had been adequate to fund its obligations and distributions to its partners. Prices for oil and natural gas began to decline significantly during the fourth quarter of 2014 and continue to remain low in 2017. These lower commodity prices have negatively impacted the Partnership’s revenues, earnings and cash flows. Sustained low commodity prices will have a material and adverse effect on the Partnership’s liquidity position and may make it uneconomical for the Partnership to produce its wells until they are depleted as the Partnership originally intended. In addition, the Partnership has experienced significant downward revisions of its natural gas and oil reserves volumes and values due to the declines in commodity prices. The MGP continues to implement various cost saving measures to reduce the Partnership’s operating and general and administrative costs, including renegotiating contracts with contractors, suppliers and service providers, reducing the number of staff and contractors and deferring and eliminating discretionary costs. The MGP will continue to be strategic in managing the Partnership’s cost structure and, in turn, liquidity to meet its operating needs. To the extent commodity prices remain low or decline further, or the Partnership experiences other disruptions in the industry, the Partnership’s ability to fund its operations and make distributions may be further impacted, and could result in the liquidation of the Partnership’s operations.

The uncertainties of Titan's and the MGP's liquidity and capital resources (as further described below) raise substantial doubt about Titan's and the MGP's ability to continue as a going concern, which also raises substantial doubt about the Partnership's ability to continue as a going concern. If Titan is unsuccessful in taking actions to resolve its liquidity issues (as further described below), the MGP's ability to continue the Partnership's operations may be further impacted and may make it uneconomical for the Partnership to produce its wells until they are depleted as originally intended.

If the Partnership is not able to continue as a going concern, the Partnership will liquidate. If the Partnership's operations are liquidated, a valuation of the Partnership's assets and liabilities would be determined by an independent expert in accordance with the partnership agreement. It is possible that based on such determination, the Partnership would not be able to make any liquidation distributions to its limited partners. A liquidation could occur without any further contributions from or distributions to the limited partners.

The financial statements have been prepared on a going concern basis of accounting, which contemplates continuity of operations, realization of assets, and satisfaction of liabilities and commitments in the normal course of business. The financial statements do not include any adjustments that might result from the outcome of the going concern uncertainty. If the Partnership cannot continue as a going concern, adjustments to the carrying values and classification of the Partnership's assets and liabilities and the reported amounts of income and expenses could be required and could be material.

MGP's Liquidity, Capital Resources, and Ability to Continue as a Going Concern

The MGP's primary sources of liquidity are cash generated from operations, capital raised through its drilling partnership program, and borrowings under Titan's credit facilities. The MGP's primary cash requirements are operating expenses, payments to Titan for debt service including interest, and capital expenditures.

The MGP has historically funded its operations, acquisitions and cash distributions primarily through cash generated from operations, amounts available under Titan's credit facilities and equity and debt offerings. The MGP's future cash flows are subject to a number of variables, including oil and natural gas prices. Prices for oil and natural gas began to decline significantly during the fourth quarter of 2014 and continue to remain low in 2017. These lower commodity prices have negatively impacted the MGP's revenues, earnings and cash flows. Sustained low commodity prices could have a material and adverse effect on the MGP's liquidity position. In addition, challenges with the MGP's ability to raise capital through its drilling partnership program, either as a result of downturn in commodity prices or other difficulties affecting the fundraising channel, have negatively impacted Titan's and the MGP's ability to remain in compliance with the covenants under its credit facilities.

Titan was not in compliance with certain of the financial covenants under its credit facilities as of December 31, 2016, as well as the requirement to deliver audited financial statements without a going concern qualification. Titan and the MGP do not currently have sufficient liquidity to repay all of Titan's outstanding indebtedness, and as a result, there is substantial doubt regarding Titan's and the MGP's ability to continue as a going concern.

On April 19, 2017, Titan entered into a third amendment to its first lien credit facility. The amendment provides for, among other things, waivers of non-compliance, increases in certain financial covenant ratios and scheduled decreases in Titan's borrowing base. As part of its overall business strategy, Titan has continued to execute on sales of non-core assets, which include the sale of its Appalachian and Rangely operations. The proceeds of the consummated asset sales were used to repay borrowings under its first lien credit facility. Titan's strategy is to continue to sell non-core assets to reduce its leverage position, which will also help Titan to comply with the requirements of its first lien credit facility amendment.

On April 21, 2017, the lenders under the Titan's second lien credit facility delivered a notice of events of default and reservation of rights, pursuant to which they noticed events of default related to financial covenants and the failure to deliver financial statements without a "going concern" qualification. The delivery of such notice began the 180-day standstill period under the intercreditor agreement, during which the lenders under the second lien credit facility are prevented from pursuing remedies against the collateral securing Titan's obligations under the second lien credit facility. The lenders have not accelerated the payment of amounts outstanding under the second lien credit facility.

On May 4, 2017, Titan entered into a definitive purchase and sale agreement (the "Purchase Agreement") to sell its conventional Appalachia and Marcellus assets to Diversified Gas & Oil, PLC ("Diversified"), for $84.2 million. The transaction includes the sale of approximately 8,400 oil and gas wells across Pennsylvania, Ohio, Tennessee, New York and West Virginia, along with the associated infrastructure (the "Appalachian Assets"). On June 30, 2017, Titan completed a majority of the Appalachian Assets sale for net cash proceeds of $65.6 million, which included customary preliminary purchase price adjustments, all of which was used to repay a portion of the outstanding indebtedness under its first lien credit facility. Effective on June 30, 2017, the MGP delegated operational activities to an affiliate of Diversified for the Partnership's natural gas wells in Pennsylvania.

On June 12, 2017, Titan entered into a definitive agreement to sell its 25% interest in Rangely Field to an affiliate of Merit Energy Company, LLC for $105 million. On August 7, 2017, Titan completed the sale of Rangely Field for net cash proceeds of $103.5 million, which included customary preliminary purchase price adjustments, all of which was used to repay a portion of the outstanding indebtedness under its first lien credit facility and achieve compliance with the requirements to reduce its first lien credit facility borrowings below $360 million as required by August 31, 2017.

On September 27, 2017, the lenders under Titan's second lien credit facility entered into a letter agreement with Titan and its lenders under the first lien credit facility (the "Extension Letter"). Pursuant to the Extension Letter, the second lien credit facility lenders agreed to extend the 180-day standstill period under the intercreditor agreement (during which the lenders under the second lien credit facility are prevented from pursuing remedies against the collateral securing Titan's obligations under the second lien credit facility) by an additional 35 days from October 18, 2017 to November 22, 2017. In addition, the extension of the standstill period extends the waiver of certain defaults under the first lien credit facility, which terminates 15 business days prior to the expiration of the standstill period. The parties agreed to extend the standstill period to provide Titan with additional time to negotiate proposed amendments to each of the first lien credit facility and the second lien credit facility.

On September 29, 2017, Titan completed the remainder of the Appalachia Assets sale for additional cash proceeds of $10.4 million, all of which was used to repay a portion of outstanding borrowings under its first lien credit facility.

Titan continually monitors the capital markets and the MGP's capital structure and may make changes to its capital structure from time to time, with the goal of maintaining financial flexibility, preserving or improving liquidity, strengthening its balance sheet, meeting its debt service obligations and/or achieving cost efficiency. For example, Titan could pursue options such as refinancing, restructuring or reorganizing its indebtedness or capital structure or seek to raise additional capital through debt or equity financing to address its liquidity concerns and high debt levels. Titan is evaluating various options, but there is no certainty that Titan will be able to implement any such options, and cannot provide any assurances that any refinancing or changes in its debt or equity capital structure would be possible or that additional equity or debt financing could be obtained on acceptable terms, if at all, and such options may result in a wide range of outcomes for Titan's stakeholders.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP") and the applicable rules and regulations of the Securities and Exchange Commission regarding interim financial reporting and include all adjustments that are necessary for a fair presentation of our results of operations, financial condition and cash flows for the periods shown, including normal, recurring accruals and other items. The results of operations for the interim periods presented are not necessarily indicative of results for the full year. The year-end condensed balance sheet was derived from audited financial statements but does not include all disclosures required by U.S. GAAP. For a more complete discussion of our accounting policies and certain other information, refer to our financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016.

Titan's Appalachia Divestiture

Among other things, the Purchase Agreement included the sale of Titan's indirect interests in the assets and liabilities associated with the Partnership's natural gas and oil wells in Pennsylvania and Tennessee that were transferred to DGOC Series 28, L.P., a newly formed entity and former subsidiary of the Partnership ("DGOC"), for which Atlas Resources served as its managing general partner. We refer to this transfer as the "separation."

On September 29, 2017, the separation was accomplished through a transaction in which all of the natural gas and oil development and production assets of the Partnership located in Pennsylvania and Tennessee were transferred to DGOC. After the separation, the Partnership distributed to its unit holders, on a pro rata basis, common units representing one hundred percent of the limited partner interest in DGOC. In connection with the completion of the separation and distribution, the MGP transferred its limited partner and general partner interests in DGOC (the "DGOC equity interests") to DGOC Partnership Holdings II, LLC ("DGOC Holdings") formed as a wholly owned subsidiary of Titan to serve as DGOC's new managing general partner (the "DGOC MGP"). Following the completion of the separation and distribution and the transfer of the DGOC equity interests to the DGOC MGP, the equity interests of the DGOC MGP were transferred to Diversified and Diversified owns the managing general partner of the DGOC.

Use of Estimates

The preparation of the Partnership's condensed financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities that exist at the date of the Partnership's condensed financial statements, as well as the reported amounts of revenues and costs and expenses during the reporting periods. The Partnership's condensed financial statements are based on a number of significant estimates, including the revenue and expense accruals, depletion, impairments, fair value of derivative instruments and the probability of forecasted transactions. The natural gas industry principally conducts its business by processing actual transactions as many as 60 days after the month of delivery. Consequently, the most recent two months' financial results were recorded using estimated volumes and contract market prices. Actual results could differ from those estimates.

Derivative Instruments

The Partnership's MGP entered into certain financial contracts to manage the Partnership's exposure to movement in commodity prices. On January 1, 2015, the Partnership discontinued hedge accounting through de-designation for all of its existing commodity derivatives which were qualified as hedges. As such, subsequent changes in fair value after December 31, 2014 of these derivatives were recognized immediately within gain (loss) on mark-to-market derivatives in the Partnership's statements of operations, while the fair values of the instruments recorded in accumulated other comprehensive income as of December 31, 2014 were reclassified to the statements of operations in the periods in which the respective derivative contracts settled. During the three and nine months ended September 30, 2017, the Partnership did not have any derivative activity as all derivative contracts have matured. During the three and nine months ended September 30, 2016, the Partnership recorded $1,400 and $3,400, respectively, as a gain reclassified from accumulated other comprehensive income into natural gas revenues and $3,500 and $15,400, respectively, as a gain subsequent to hedge accounting recognized in loss on mark-to-market derivatives.

Discontinued Operations

A disposal of a component of our entity is classified as discontinued operations if the disposal represents a strategic shift that has (or will have) a major effect on our operations and financial results. For components classified as discontinued operations, the balance sheet amounts and results of operations are reclassified from their historical presentation to assets and liabilities held for sale on the condensed balance sheet and to net income (loss) from discontinued operations on the condensed statement of operations for all periods presented. See Note 3 for additional disclosures regarding discontinued operations.

Gas and Oil Properties

The following is a summary of gas and oil properties at the dates indicated:

	September 30, 2017	December 31, 2016
Proved properties:		

Leasehold interests	$2,257,300	$4,761,200
Wells and related equipment	54,372,800	69,119,400
Total natural gas and oil properties	56,630,100	73,880,600
Accumulated depletion and impairment	(52,469,800)	(69,222,300)
Gas and oil properties, net	$4,160,300	$4,658,300

Upon the sale or retirement of a complete or partial unit of a proved property, the cost is eliminated from the property accounts, and the resultant gain or loss is reclassified to accumulated depletion. During the nine months ended September 30, 2017, one well was plugged and abandoned and the related cost of $1,771,854 was reclassified to accumulated depletion.

Upon the sale of an entire interest where the property had been assessed for impairment, a gain or loss is recognized in the statements of operations. On June 23, 2017, the Partnership sold its oil and gas properties with a net book value of $86,500 in the Niobrara Shale geological formation located in Colorado for $17,800. Cash proceeds from the sale was distributed to the partnership unit holders in accordance with the terms of the partnership agreement. As a result of the sale, $15,432,500 of oil and gas properties, $15,346,000 of accumulated depletion and impairment, $65,200 of accrued property taxes and $518,000 of asset retirement obligations were removed from the partnership accounts resulting in a net gain of $514,500.

Recently Issued Accounting Standards

In February 2016, the Financial Accounting Standards Board ("FASB") updated the accounting guidance related to leases. The updated accounting guidance requires lessees to recognize a lease asset and liability at the commencement date of all leases (with the exception of short-term leases), initially measured at the present value of the lease payments. The updated guidance is effective for us as of January 1, 2019 and requires a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest period presented. We are currently in the process of determining the impact that the updated accounting guidance will have on our condensed financial statements.

In May 2014, the FASB updated the accounting guidance related to revenue recognition. The updated accounting guidance provides a single, contract-based revenue recognition model to help improve financial reporting by providing clearer guidance on when an entity should recognize revenue, and by reducing the number of standards to which an entity has to refer. In July 2015, the FASB voted to defer the effective date by one year to December 15, 2017 for annual reporting periods beginning after that date. We have made progress on our contract reviews and documentation. Substantially all of our revenue is earned pursuant to agreements under which we have currently interpreted one performance obligation, which is satisfied at a point-in-time. We are currently unable to reasonably estimate the expected financial statement impact; however, we do not believe the new accounting guidance will have a material impact on our financial position, results of operations or cash flows. We intend to adopt the new accounting guidance using the modified retrospective method. The new accounting guidance will require that our revenue recognition policy disclosures include further detail regarding our performance obligations as to the nature, amount, timing, and estimates of revenue and cash flows generated from our contracts with customers.

NOTE 3 – DISCONTINUED OPERATIONS

As disclosed in Note 2, on September 29, 2017, Titan completed the remainder of the Appalachia Assets sale, which included the sale of Titan's indirect interests in the assets and liabilities associated with the Partnership's natural gas and oil wells in Pennsylvania and Tennessee that were transferred to DGOC.

The Partnership determined that the natural gas and oil wells in Pennsylvania and Tennessee that were transferred to DGOC represent discontinued operations as they constitute a disposal of a group of components and a strategic shift that will have a major effect on the Partnership's operations and financial results. As a result, the Partnership reclassified the balances and activities of its natural gas and oil wells in Pennsylvania and Tennessee that were transferred to DGOC from their historical presentation to assets and liabilities held for sale on the condensed balance sheet and to net income (loss) from discontinued operations on the condensed statement of operations for all periods presented. Our financial results and cash flows for future periods following the separation, including the Partnership's ability to make distributions, will be different from historical trends and the differences may be material.

The following table reconciles the major classes of line items from the Partnership’s natural gas and oil wells in Pennsylvania and Tennessee that were transferred to DGOC classified as discontinued operations included within net income (loss) from discontinued operations for the periods presented:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2017	2016	2017	2016
Revenues:				
Natural gas and oil	$876,200	$713,000	$3,167,900	$1,911,300
Gain (loss) on mark-to-market derivatives	-	9,400	-	(14,300)
Total revenues	876,200	722,400	3,167,900	1,897,000
Costs and expenses:				
Production	$226,200	$208,500	$789,500	$624,800
Depletion	315,400	335,500	932,900	992,700
Accretion of asset retirement obligations	25,400	23,900	76,100	71,800
General and administrative	13,900	13,300	41,200	40,200
Total costs and expenses	$580,900	$581,200	$1,839,700	$1,729,500
Net income from discontinued operation	$295,300	$141,200	$1,328,200	$167,500

The following table details the major classes of assets and liabilities of the Partnership’s natural gas and oil wells in Pennsylvania and Tennessee that were transferred to DGOC on September 29, 2017 and were classified as held for sale at December 31, 2016:

	December 31, 2016
Accounts receivable trade-affiliate	$656,300
Total current assets of discontinued operations held for sale	656,300
Gas and oil properties, net	19,836,500
Long-term asset retirement receivable-affiliate	24,800
Total non-current assets of discontinued operations held for sale	19,861,300
Total assets classified as held for sale	$20,517,600
Accrued liabilities	$15,300
Total current liabilities of discontinued operations held for sale	15,300
Asset retirement obligations	1,698,100
Total non-current liabilities of discontinued operations held for sale	1,698,100
Total liabilities classified as held for sale	$1,713,400

NOTE 4 - CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The Partnership has entered into the following significant transactions with the MGP and its affiliates as provided under its Partnership Agreement. Administrative costs, which are included in general and administrative expenses in the Partnership's condensed statements of operations, are payable at $75 per well per month. Monthly well supervision fees, which are included in production expense in the Partnership's condensed statements of operations are payable at $1,500 per well per month for New Albany wells and for Colorado wells a fee of $400 is charged per well per month for operating and maintaining the wells. Well supervision fees are proportionately reduced to the extent the Partnership does not acquire 100% of the working interest in a well. Transportation fees are included in production expenses in the Partnership's condensed statements of operations and are generally payable at 16% of the natural gas sales price. Direct costs, which are included in production and general administrative expenses in the Partnership's statements of operations, are payable to the MGP and its affiliates as reimbursement for all costs expended on the Partnership's behalf.

The following table provides information with respect to these costs and the periods incurred.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Administrative fees	$ 3,800	$ 13,600	$ 30,600	$ 41,400
Supervision fees	77,000	140,000	344,400	424,500
Transportation fees	13,200	17,400	36,000	59,100
Direct costs	487,100	561,700	1,481,700	1,580,900
Total	$ 581,100	$ 732,700	$ 1,892,700	$ 2,105,900

The MGP and its affiliates perform all administrative and management functions for the Partnership, including billing revenues and paying expenses. Accounts receivable trade-affiliate on the Partnership's condensed balance sheets includes the net production revenues due from the MGP.

Subordination by Managing General Partner

Under the terms of the Partnership Agreement, the MGP may be required to subordinate up to 50% of its share of net production revenues of the Partnership to the benefit of the limited partners for an amount equal to at least 12% of their net subscriptions in the first 12-month subordination period, 10% of their net subscriptions in each of the next three 12-month subordination periods, and 8% of their net subscriptions in the fifth 12-month subordination period determined on a cumulative basis, in each of the first five years of Partnership operations, commencing with the first distribution to the limited partners (March 2011) and 60 months from that date. The subordination period expired September 2016.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

General Commitments

Subject to certain conditions, investor partners may present their interests beginning in 2015 for purchase by the MGP. The purchase price is calculated by the MGP in accordance with the terms of the partnership agreement. The MGP is not obligated to purchase more than 5% of the total outstanding units in any calendar year. In the event that the MGP is unable to obtain the necessary funds, it may suspend its purchase obligation.

Beginning one year after each of the Partnership's wells has been placed into production, the MGP, as operator, may retain $200 per month per well to cover estimated future plugging and abandonment costs. As of September 30, 2017, the MGP has withheld $306,000 of net production revenue for future plugging and abandonment costs. The decision by the MGP to withhold funds for plugging and abandonment may affect the ability of the Partnership to make distributions to partners in future periods. Effective on June 30, 2017, the MGP delegated operational activities to an affiliate of Diversified for the Partnership's natural gas wells in Pennsylvania.

Legal Proceedings

The Partnership and affiliates of the MGP and their subsidiaries are party to various routine legal proceedings arising out of the ordinary course of its business. The MGP's management believes that none of these actions, individually or in the aggregate, will have a material adverse effect on the Partnership’s or the MGP’s financial condition or results of operations.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (UNAUDITED)

Forward-Looking Statements

When used in this Form 10-Q, the words "believes", "anticipates," "expects" and similar expressions are intended to identify forward-looking statements. Such statements are subject to certain risks and uncertainties, which could cause actual results to differ materially from the results stated or implied in this document. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. We undertake no obligation to publicly release the results of any revisions to forward-looking statements which we may make to reflect events or circumstances after the date of this Form 10-Q or to reflect the occurrence of unanticipated events.

General

Atlas Resources Series 28-2010 L.P. is a Delaware limited partnership, formed on April 1, 2010 with Atlas Resources, LLC serving as its Managing General Partner ("Atlas Resources" or the "MGP"). Atlas Resources is an indirect subsidiary of Titan Energy, LLC ("Titan"; OTCQX: TTEN). Titan is an independent developer and producer of natural gas, crude oil, and natural gas liquids, with operations in basins across the United States. Titan also sponsors and manages tax-advantaged investment partnerships, in which it co-invests to finance a portion of its natural gas and oil production activities. Titan is the successor to the business and operations of Atlas Resource Partners, L.P. ("ARP"), a Delaware limited partnership organized in 2012. Unless the context otherwise requires, references below to "the Partnership," "we," "us," "our" and "our company", refer to Atlas Resources Series 28-2010 L.P.

Atlas Energy Group, LLC ("Atlas Energy Group"; OTCQX: ATLS) is a publicly traded company and manages Titan and the MGP through a 2% preferred member interest in Titan.

The Partnership drilled wells located in Indiana and Colorado and currently operate the wells in Indiana. We have no employees and rely on our MGP for management, which in turn, relies on Atlas Energy Group, for administrative services.

The Partnership's operating cash flows are generated from its wells, which produce natural gas. Produced natural gas is then delivered to market through affiliated and/or third-party gas gathering systems. The Partnership intends to produce its wells until they are depleted or become uneconomical to produce at which time they will be plugged and abandoned or sold. The Partnership does not expect to drill additional wells and expects no additional funds will be required for drilling.

The economic viability of the Partnership's production is based on a variety of factors including proved developed reserves that it can expect to recover through existing wells with existing equipment and operating methods or in which the cost of additional required extraction equipment is relatively minor compared to the cost of a new well; and through currently installed extraction equipment and related infrastructure which is operational at the time of the reserves estimate (if the extraction is by means not involving drilling, completing or reworking a well). There are numerous uncertainties inherent in estimating quantities of proven reserves and in projecting future net revenues.

The prices at which the Partnership's natural gas will be sold are uncertain and the Partnership is not guaranteed a specific price for the sale of its production. Changes in natural gas prices have a significant impact on the Partnership's cash flow and the value of its reserves. Lower natural gas prices may not only decrease the Partnership's revenues, but also may reduce the amount of natural gas that the Partnership can produce economically.

Liquidity, Capital Resources and Ability to Continue as a Going Concern

The Partnership is generally limited to the amount of funds generated by the cash flow from its operations to fund its obligations and make distributions, if any, to its partners. Historically, there has been no need to borrow funds from the MGP to fund operations as the cash flow from the Partnership's operations had been adequate to fund its obligations and distributions to its partners. Prices for oil and natural gas began to decline significantly during the fourth quarter of 2014 and continue to remain low in 2017. These lower commodity prices have negatively impacted the Partnership's revenues, earnings and cash flows. Sustained low commodity prices will have a material and adverse effect on the Partnership's liquidity position and may make it uneconomical for the Partnership to produce its wells until they are depleted as the Partnership originally intended. In addition, the Partnership has experienced significant downward revisions of its natural gas and oil reserves volumes and values due to the declines in commodity prices. The MGP continues to implement various cost saving measures to reduce the Partnership's operating and general and administrative costs, including renegotiating contracts with contractors, suppliers and service providers, reducing the number of staff and contractors and deferring and eliminating discretionary costs. The MGP will continue to be strategic in managing the Partnership's cost structure and, in turn, liquidity to meet its operating needs. To the extent commodity prices remain low or decline further, or the Partnership experiences other disruptions in the industry, the Partnership's ability to fund its operations and make distributions may be further impacted, and could result in the liquidation of the Partnership's operations.

The uncertainties of Titan's and the MGP's liquidity and capital resources (as further described below) raise substantial doubt about Titan's and the MGP's ability to continue as a going concern, which also raises substantial doubt about the Partnership's ability to continue as a going concern. If Titan is unsuccessful in taking actions to resolve its liquidity issues (as further described below), the MGP's ability to continue the Partnership's operations may be further impacted and may make it uneconomical for the Partnership to produce its wells until they are depleted as originally intended.

If the Partnership is not able to continue as a going concern, the Partnership will liquidate. If the Partnership's operations are liquidated, a valuation of the Partnership's assets and liabilities would be determined by an independent expert in accordance with the partnership agreement. It is possible that based on such determination, the Partnership would not be able to make any liquidation distributions to its limited partners. A liquidation could occur without any further contributions from or distributions to the limited partners.

The financial statements have been prepared on a going concern basis of accounting, which contemplates continuity of operations, realization of assets, and satisfaction of liabilities and commitments in the normal course of business. The financial statements do not include any adjustments that might result from the outcome of the going concern uncertainty. If the Partnership cannot continue as a going concern, adjustments to the carrying values and classification of the Partnership's assets and liabilities and the reported amounts of income and expenses could be required and could be material.

MGP's Liquidity, Capital Resources, and Ability to Continue as a Going Concern

The MGP's primary sources of liquidity are cash generated from operations, capital raised through its drilling partnership program, and borrowings under Titan's credit facilities. The MGP's primary cash requirements are operating expenses, payments to Titan for debt service including interest, and capital expenditures.

The MGP has historically funded its operations, acquisitions and cash distributions primarily through cash generated from operations, amounts available under Titan's credit facilities and equity and debt offerings. The MGP's future cash flows are subject to a number of variables, including oil and natural gas prices. Prices for oil and natural gas began to decline significantly during the fourth quarter of 2014 and continue to remain low in 2017. These lower commodity prices have negatively impacted the MGP's revenues, earnings and cash flows. Sustained low commodity prices could have a material and adverse effect on the MGP's liquidity position. In addition, challenges with the MGP's ability to raise capital through its drilling partnership program, either as a result of downturn in commodity prices or other difficulties affecting the fundraising channel, have negatively impacted Titan's and the MGP's ability to remain in compliance with the covenants under its credit facilities.

Titan was not in compliance with certain of the financial covenants under its credit facilities as of December 31, 2016, as well as the requirement to deliver audited financial statements without a going concern qualification. Titan and the MGP do not currently have sufficient liquidity to repay all of Titan's outstanding indebtedness, and as a result, there is substantial doubt regarding Titan's and the MGP's ability to continue as a going concern.

On April 19, 2017, Titan entered into a third amendment to its first lien credit facility. The amendment provides for, among other things, waivers of non-compliance, increases in certain financial covenant ratios and scheduled decreases in Titan's borrowing base. As part of its overall business strategy, Titan has continued to execute on sales of non-core assets, which include the sale of its Appalachian and Rangely operations. The proceeds of the consummated asset sales were used to repay borrowings under its first lien credit facility. Titan's strategy is to continue to sell non-core assets to reduce its leverage position, which will also help Titan to comply with the requirements of its first lien credit facility amendment.

On April 21, 2017, the lenders under the Titan's second lien credit facility delivered a notice of events of default and reservation of rights, pursuant to which they noticed events of default related to financial covenants and the failure to deliver financial statements without a "going concern" qualification. The delivery of such notice began the 180-day standstill period under the intercreditor agreement, during which the lenders under the second lien credit facility are prevented from pursuing remedies against the collateral securing Titan's obligations under the second lien credit facility. The lenders have not accelerated the payment of amounts outstanding under the second lien credit facility.

On May 4, 2017, Titan entered into a definitive purchase and sale agreement (the "Purchase Agreement") to sell its conventional Appalachia and Marcellus assets to Diversified Gas & Oil, PLC ("Diversified"), for $84.2 million. The transaction includes the sale of approximately 8,400 oil and gas wells across Pennsylvania, Ohio, Tennessee, New York and West Virginia, along with the associated infrastructure (the "Appalachian Assets"). On June 30, 2017, Titan completed a majority of the Appalachian Assets sale for net cash proceeds of $65.6 million, which included customary preliminary purchase price adjustments, all of which was used to repay a portion of the outstanding indebtedness under its first lien credit facility. Effective on June 30, 2017, the MGP delegated operational activities to an affiliate of Diversified for the Partnership's natural gas wells in Pennsylvania.

On June 12, 2017, Titan entered into a definitive agreement to sell its 25% interest in Rangely Field to an affiliate of Merit Energy Company, LLC for $105 million. On August 7, 2017, Titan completed the sale of Rangely Field for net cash proceeds of $103.5 million, which included customary preliminary purchase price adjustments, all of which was used to repay a portion of the outstanding indebtedness under its first lien credit facility and achieve compliance with the requirements to reduce its first lien credit facility borrowings below $360 million as required by August 31, 2017.

On September 27, 2017, the lenders under Titan's second lien credit facility entered into a letter agreement with Titan and its lenders under the first lien credit facility (the "Extension Letter"). Pursuant to the Extension Letter, the second lien credit facility lenders agreed to extend the 180-day standstill period under the intercreditor agreement (during which the lenders under the second lien credit facility are prevented from pursuing remedies against the collateral securing Titan's obligations under the second lien credit facility) by an additional 35 days from October 18, 2017 to November 22, 2017. In addition, the extension of the standstill period extends the waiver of certain defaults under the first lien credit facility, which terminates 15 business days prior to the expiration of the standstill period. The parties agreed to extend the standstill period to provide Titan with additional time to negotiate proposed amendments to each of the first lien credit facility and the second lien credit facility.

On September 29, 2017, Titan completed the remainder of the Appalachia Assets sale for additional cash proceeds of $10.4 million, all of which was used to repay a portion of outstanding borrowings under its first lien credit facility.

Titan continually monitors the capital markets and the MGP's capital structure and may make changes to its capital structure from time to time, with the goal of maintaining financial flexibility, preserving or improving liquidity, strengthening its balance sheet, meeting its debt service obligations and/or achieving cost efficiency. For example, Titan could pursue options such as refinancing, restructuring or reorganizing its indebtedness or capital structure or seek to raise additional capital through debt or equity financing to address its liquidity concerns and high debt levels. Titan is evaluating various options, but there is no certainty that Titan will be able to implement any such options, and cannot provide any assurances that any refinancing or changes in its debt or equity capital structure would be possible or that additional equity or debt financing could be obtained on acceptable terms, if at all, and such options may result in a wide range of outcomes for Titan's stakeholders.

Titan's Appalachia Divestiture

Among other things, the Purchase Agreement includes the sale of Titan's indirect interests in the assets and liabilities associated with the Partnership's natural gas and oil wells in Pennsylvania to be transferred to DGOC Series 28, L.P., a newly formed entity and currently a subsidiary of the Partnership ("DGOC"), for which Atlas Resources serves as its managing general partner. We refer to this transfer as the "separation."

On September 29, 2017, the separation was accomplished through a transaction in which all of the natural gas and oil development and production assets of the Partnership located in Pennsylvania and Tennessee were transferred to DGOC. After the separation, the Partnership distributed to its unit holders, on a pro rata basis, common units representing one hundred percent of the limited partner interest in DGOC. In connection with the completion of the separation and distribution, the MGP transferred its limited partner and general partner interests in DGOC (the "DGOC equity interests") to DGOC Partnership Holdings II, LLC ("DGOC Holdings") formed as a wholly owned subsidiary of Titan to serve as DGOC's new managing general partner (the "DGOC MGP"). Following the completion of the separation and distribution and the transfer of the DGOC equity interests to the DGOC MGP, the equity interests of the DGOC MGP were transferred to Diversified and Diversified owns the managing general partner of the DGOC.

Overview

The following discussion provides information to assist in understanding our financial condition and results of operations. Our operating cash flows are generated from our wells, which produce primarily natural gas, but also some oil. Our produced natural gas and oil is then delivered to market through affiliated and/or third-party gas gathering systems. Our ongoing operating and maintenance costs have been and are expected to be fulfilled through revenues from the sale of our natural gas and oil production. We pay our MGP, as operator, a monthly well supervision fee, which covers all normal and regularly recurring operating expenses for the production and sale of natural gas and oil such as:

- well tending, routine maintenance and adjustment;
- reading meters, recording production, pumping, maintaining appropriate books and records; and
- preparation of reports for us and government agencies.

The well supervision fees, however, do not include costs and expenses related to the purchase of certain equipment, materials and brine disposal. If these expenses are incurred, we pay cost for third-party services, materials and a competitive charge for services performed directly by our MGP or its affiliates. Also, beginning one year after each of our wells has been placed into production, our

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MGP, as operator, may retain $200 per month, per well, to cover the estimated future plugging and abandonment costs of the well. As of September 30, 2017, our MGP has withheld $306,000 of net production revenues for this purpose. The decision by the MGP to withhold funds for plugging and abandonment may affect the ability of the Partnership to make distributions to partners in future periods. Effective on June 30, 2017, the MGP delegated operational activities to an affiliate of Diversified for the Partnership's natural gas wells in Pennsylvania.

Markets and Competition

The availability of a ready market for natural gas and oil produced by us, and the price obtained, depends on numerous factors beyond our control, including the extent of domestic production, imports of foreign natural gas and oil, political instability or terrorist acts in gas and oil producing countries and regions, market demand, competition from other energy sources, the effect of federal regulation on the sale of natural gas and oil in interstate commerce, other governmental regulation of the production and transportation of natural gas and oil and the proximity, availability and capacity of pipelines and other required facilities. Our MGP is responsible for selling our production. During 2017 and 2016, we experienced no problems in selling our natural gas and oil. Product availability and price are the principal means of competing in selling natural gas and oil production. While it is impossible to accurately determine our comparative position in the industry, we do not consider our operations to be a significant factor in the industry.

Results of Operations

Discontinued operations. The Partnership determined that the natural gas and oil wells in Pennsylvania and Tennessee that were transferred to DGOC represent discontinued operations as they constitute a disposal of a group of components and a strategic shift that will have a major effect on the Partnership's operations and financial results. As a result, the Partnership reclassified the balances and activities of its natural gas and oil wells in Pennsylvania and Tennessee that were transferred to DGOC from their historical presentation to assets and liabilities held for sale on the condensed balance sheet and to net income (loss) from discontinued operations on the condensed statement of operations for all periods presented. Our financial results and cash flows for future periods following the separation, including the Partnership's ability to make distributions, will be different from historical trends and the differences may be material.

The following table sets forth information relating to our production revenues, volumes, sales prices, production costs and depletion during the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Production revenues (in thousands):				
Gas	$ 654	$ 750	$ 2,324	$ 1,860
Production volumes:				
Gas (mcf/day) (1)	2,433	2,853	2,700	2,922
Average sales prices (2)				
Gas (per mcf) (1) (3)	$ 2.92	$ 2.86	$ 3.15	$ 2.32
Production costs:				
As a percent of revenues	87%	95%	79%	110%
Per mcfe (1)	$ 2.55	$ 2.72	$ 2.50	$ 2.56
Depletion per mcfe	$ 0.52	$ 0.31	$ 0.50	$ 0.31

(1) "Mcf" represents thousand cubic feet, "mcfe" represents thousand cubic feet equivalent, and "bbl" represents barrels. Bbl is converted to mcfe using the ratio of nine mcfs to one bbl.
(2) Average sales prices represent accrual basis pricing.
(3) Average gas prices are calculated by including in total revenue derivative gains previously recognized into income in connection with prior period impairment charges and dividing by the total volume for the period. Previously recognized derivative gains were $18,500 and $144,000 for the three and nine months ended September 30, 2016, respectively.

Revenues

The following tables reconcile the changes in natural gas, oil and total revenue for the respective periods presented by reflecting the effect of changes in volume and in the underlying commodity prices.

Three Months Ended

	September 30, Natural gas
Revenues for the three months ended September 30, 2016	$ 749,500
Volume decrease	(110,400)
Price increase	14,600
Net decrease	(95,800)
Revenues for the three months ended September 30, 2017	$ 653,700

	Nine Months Ended September 30, Natural gas
Revenues for the nine months ended September 30, 2016	$1,859,700
Volume decrease	(148,000)
Price increase	612,400
Net increase	464,400
Revenues for the nine months ended September 30, 2017	$2,324,100

The natural gas and oil volume variances reflected for the periods presented in the tables above relate to (1) wells being temporarily shut-in, (2) which may result in timing differences associated with the production from those wells depending upon when they are placed back into production, and (3) normal and expected declines inherent in the life of a well.

Gain on Mark-to-Market Derivatives. We recognized changes in fair value of our derivatives immediately within gain on mark-to-market derivatives on our condensed statements of operations. As of December 31, 2016, all derivative contracts have matured and we have not entered into any new contracts.

We recognized a gain on mark-to-market derivatives of $3,500 and $15,400 for the three and nine months ended September 30, 2016. These gains were due to mark-to-market gains primarily related to the change in natural gas prices during the period.

Costs and Expenses. Production expenses were $571,800 and $713,200 for the three months ended September 30, 2017 and 2016, respectively, a decrease of $141,400 (20%). Production expenses were $1,844,300 and $2,046,500 for the nine months ended September 30, 2017 and 2016, respectively, a decrease of $202,200 (10%). The decreases are mostly attributable to a decrease in supervision fees and transportation fees as a result of a decrease in natural gas revenues.

Depletion of gas and oil properties as a percentage of gas and oil revenues was 18% and 11% for the three months ended September 30, 2017 and 2016, respectively, and 16% and 14% for the nine months ended September 30, 2017 and 2016, respectively. This change was primarily attributable to changes in gas and oil reserve quantities and to a lesser extent, revenues, product prices and production volumes and changes in the depletable cost basis of gas and oil properties.

General and administrative expenses for the three months ended September 30, 2017 and 2016 were $9,300 and $19,500, respectively, a decrease of $10,200 (52%). For the nine months ended September 30, 2017 and 2016, these expenses were $48,400 and $59,400, respectively, a decrease of $11,000 (19%). These expenses include third-party costs for services as well as the monthly administrative fees charged by our MGP and vary from period to period due to the costs charged to us and services provided to us.

Cash Flows Overview. Cash flows provided by continuing operating activities consists of $292,800 for the nine months ended September 30, 2017. Cash flows used in continuing operating activities consists of $462,200 for the nine months ended September 30, 2016. The change in cash flows provided by (used in) operating activities for the nine months ended September 30, 2017 and 2016 was due to cash receipts and disbursements attributable to our normal monthly operating cycle for gas and oil production, lease operating expenses, gathering, processing and transportation expenses, severance taxes, general and administrative expenses.

Cash flows provided by continuing investing activities consists of $64,000 and $16,300 of net cash provided by the proceeds from the sale of tangible equipment of $46,200 for the nine months ended September 30, 2017 as well as the proceeds from the sale of wells of $17,800 and $16,300 for the nine months ended September 30, 2017 and 2016 respectively.

Cash used in financing activities consists of $2,533,100 and $1,507,500 for the nine months ended September 30, 2017 and 2016 respectively. This increase was due to greater distributions to partners.

Our MGP may withhold funds for future plugging and abandonment costs. Through September 30, 2017, our MGP has withheld $306,000 of funds for this purpose. Any additional funds, if required, will be obtained from production revenues or borrowings from our MGP or its affiliates, which are not contractually committed to make loans to us. The amount that we may borrow at any one time may not at any time exceed 5% of our total subscriptions and we will not borrow from third-parties.

Critical Accounting Policies

See Note 2 to our condensed financial statements for additional information related to recently issues accounting standards.

For a more complete discussion of the accounting policies and estimates that we have identified as critical in the preparation of our condensed financial statements, please refer to our Management’s Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Securities Exchange Act of 1934 reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our general partner's Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Under the supervision of our general partner's Chief Executive Officer and Chief Financial Officer and with the participation of our disclosure committee appointed by such officers, we have carried out an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based upon that evaluation, our general partner's Chief Executive Officer and Chief Financial Officer concluded that, as of September 30, 2017, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There have been no changes in the Partnership's internal control over financial reporting during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Partnership is a party to various routine legal proceedings arising out of the ordinary course of its business. Management believes that none of these actions, individually or in the aggregate, will have a material adverse effect on the Partnership's financial condition or results of operations.

Affiliates of the MGP and their subsidiaries are party to various routine legal proceedings arising in the ordinary course of their respective businesses. The MGP's management believes that none of these actions, individually or in the aggregate, will have a material adverse effect on the MGP's financial condition or results of operations.

ITEM 6. EXHIBITS
EXHIBIT INDEX

Exhibit No.	Description
31.1	Certification Pursuant to Rule 13a-14/15(d)-14
31.2	Certification Pursuant to Rule 13a-14/15(d)-14
32.1	Section 1350 Certification
32.2	Section 1350 Certification
101	Interactive Data File

SIGNATURES

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

ATLAS RESOURCES SERIES 28-2010 L.P.

By: Atlas Resources, LLC, its
Managing General Partner

Date: November 20, 2017 By: /s/ FREDRICK M. STOLERU
Fredrick M. Stoleru,

Chairman of the Board and Chief Executive Officer (principal executive officer)

Date: November 20, 2017 By: /s/JEFFREY M. SLOTTERBACK
Jeffrey M. Slotterback

Chief Financial Officer of the

Managing General Partner

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