My two variables to change the pet's state
var hunger=0;
var happy=100;

Two timers, the first to update the innerHTML so it is always real-time, the second so he slowly gets hungry.
setInterval(update,10);
setInterval(useEnergy,3000);

A function to increase happiness, it was weird; if I used function pet(), it wouldn't work, hence why it is peet.
function peet(){
if(happy<100)
happy+=5;
}

Lowers the hunger stat, the higher the hunger the worse it it.
function feed(){
if(hunger!=0 && hunger<=10)
hunger--;
}

Increases the hunger stat with the timer.
function useEnergy(){
if(hunger!=10)
hunger+=1;
else if(happy>0)
happy-=5;
}

This function is called ten times a second to keep the stats and picture up to date.
Checks the stats to change the image accordingly.
function update(){
document.getElementById("status").innerHTML="Happy="+happy+"<br">"+"Hunger="+hunger;
if(happy==100 && hunger==0)
document.getElementById("pet").src="http://www.pages.drexel.edu/~hsl39/Sleepy.png";
if(hunger==4 && happy>75)
document.getElementById("pet").src="http://www.pages.drexel.edu/~hsl39/Happy.png";
if(hunger>6 && happy>50)
document.getElementById("pet").src="http://www.pages.drexel.edu/~hsl39/Neutral.png";
if(hunger>5 && happy<50)
document.getElementById("pet").src="http://www.pages.drexel.edu/~hsl39/Angry.png";
if(hunger<5 && happy<50)
document.getElementById("pet").src="http://www.pages.drexel.edu/~hsl39/Sad.png";
}

How the states are calculated.

Happy-If happiness is greater than 75% and moderate hunger  
Sleep-If happiness is 100% and Hunger is 0  
Neutral-Happiness greater than 50% and hungry  
Angry-Happiness less than 50% and hungry  
Sad-Happiness less than 50% and hunger is 0  
Hunger slowly goes up, the happiness is only effected if the hunger counter is full