

BERRY PETROLEUM CO  
Form 10-Q  
August 09, 2005

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

**FORM 10-Q**

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act

For the quarterly period ended June 30, 2005  
Commission file number 1-9735

**BERRY PETROLEUM COMPANY**  
(Exact name of registrant as specified in its charter)

DELAWARE  
(State or other jurisdiction of  
incorporation or organization)

77-0079387  
(I.R.S. Employer  
Identification No.)

5201 Truxtun Avenue, Suite 300, Bakersfield,  
California  
(Address of principal executive offices)

93309-0640  
(Zip Code)

Registrant's telephone number, including area code (661) 616-3900

Former name, Former Address and Former Fiscal Year, if Changed Since  
Last Report:

NONE

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 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 is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). YES  NO

The number of shares of each of the registrant's classes of capital stock outstanding as of June 30, 2005, was 21,181,208 shares of Class A Common Stock (\$.01 par value) and 898,892 shares of Class B Stock (\$.01 par value). All of the Class B Stock is held by a shareholder who owns in excess of 5% of the outstanding stock of the registrant.

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**BERRY PETROLEUM COMPANY**  
**JUNE 30, 2005**  
**INDEX**

	Page No
<u>PART I. Financial Information</u>	3
<u>Item 1. Financial Statements</u>	3
<u>Unaudited Condensed Consolidated Balance Sheets at June 30, 2005 and December 31, 2004</u>	3
<u>Unaudited Condensed Consolidated Income Statements for the Three Month Periods Ended June 30, 2005 and 2004</u>	4
<u>Unaudited Condensed Consolidated Income Statements for the Six Month Periods Ended June 30, 2005 and 2004</u>	5
<u>Unaudited Condensed Consolidated Statements of Comprehensive Income for the Six Month Periods Ended June 30, 2005 and 2004</u>	5
<u>Unaudited Condensed Consolidated Statements of Cash Flows for the Six Month Periods Ended June 30, 2005 and 2004</u>	6
<u>Notes to Unaudited Condensed Consolidated Financial Statements</u>	7
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	11
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	19
<u>Item 4. Controls and Procedures</u>	21
<u>PART II. Other Information</u>	22
<u>Item 1. Legal Proceedings</u>	22
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	22
<u>Item 3. Defaults Upon Senior Securities</u>	22
<u>Item 4. Submission of Matters to a Vote of Security Holders</u>	22
<u>Item 5. Other Information</u>	23
<u>Item 6. Exhibits</u>	23
<u>SIGNATURE</u>	23



Table of Contents

**BERRY PETROLEUM COMPANY**  
**Part I. Financial Information**  
**Item 1. Financial Statements**  
**Condensed Consolidated Balance Sheets**  
**(In Thousands, Except Per Share Information)**  
**(Unaudited)**

	June 30, 2005	December 31, 2004
<b><u>ASSETS</u></b>		
Current assets:		
Cash and cash equivalents	\$ 9,561	\$ 16,690
Short-term investments available for sale	655	659
Accounts receivable	46,928	34,621
Deferred income taxes	12,678	3,558
Fair value of derivatives	4,447	3,243
Prepaid expenses and other	7,768	2,230
Total current assets	82,037	61,001
Oil and gas properties (successful efforts basis), buildings and equipment, net	487,220	338,706
Deposit on potential property acquisitions	3,322	10,221
Other assets	2,730	2,176
	\$ 575,309	\$ 412,104
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>		
Current liabilities:		
Accounts payable	\$ 35,043	\$ 27,750
Revenue and royalties payable	20,151	23,945
Accrued liabilities	5,925	6,132
Income taxes payable	-	1,067
Fair value of derivatives	30,127	5,947
Total current liabilities	91,246	64,841
Long-term liabilities:		
Deferred income taxes	53,588	47,963
Long-term debt	125,000	28,000
Abandonment obligations	9,420	8,214
Fair value of derivatives	9,865	-
	197,873	84,177
Shareholders' equity:		
Preferred stock, \$.01 par value; 2,000,000 shares authorized; 0 outstanding	-	-
Capital stock, \$.01 par value;		
Class A Common Stock, 50,000,000 shares authorized; 21,181,208 shares issued and outstanding (21,060,420 in 2004)	211	210
Class B Stock, 1,500,000 shares authorized; 898,892 shares issued and outstanding (liquidation preference of \$899)	9	9
Capital in excess of par value	61,644	60,676
Accumulated other comprehensive loss	(21,327)	(987)

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Retained earnings	245,653	203,178
Total shareholders' equity	286,190	263,086
	\$ 575,309	\$ 412,104

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

Table of Contents

**BERRY PETROLEUM COMPANY**  
**Part I. Financial Information**  
**Item 1. Financial Statements**  
**Condensed Consolidated Income Statements**  
**Three Month Periods Ended June 30, 2005 and 2004**  
**(In Thousands, Except Per Share Information)**  
**(Unaudited)**

	Three months ended June 30,	
	2005	2004
<b>Revenues:</b>		
Sales of oil and gas	\$ 80,825	\$ 52,755
Sales of electricity	11,514	11,291
Interest and other income, net	350	90
	92,689	64,136
<b>Expenses:</b>		
Operating costs - oil and gas production	26,374	19,451
Operating costs - electricity generation	10,923	10,590
Exploration costs	225	-
Depreciation, depletion and amortization - oil and gas production	9,461	7,643
Depreciation, depletion and amortization - electricity generation	839	861
General and administrative	5,204	4,844
Dry hole, abandonment and impairment	601	-
Interest	1,740	534
	55,367	43,923
Income before income taxes	37,322	20,213
Provision for income taxes	12,062	4,935
Net income	\$ 25,260	\$ 15,278
Basic net income per share	\$ 1.14	\$ .70
Diluted net income per share	\$ 1.13	\$ .68
Cash dividends per share	\$	