

BERRY PETROLEUM CO
Form 10-Q
October 29, 2008

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 of 1934
For the quarterly period ended September 30, 2008
 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 1-9735

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

DELAWARE
(State of incorporation or
organization)

77-0079387
(I.R.S. Employer Identification
Number)

1999 Broadway, Suite 3700
Denver, Colorado 80202
(Address of principal executive offices, including zip code)

code: Registrant's telephone number, including area (303) 999-4400

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 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.

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 Act). YES NO

As of October 20, 2008, the registrant had 42,738,091 shares of Class A Common Stock (\$.01 par value) outstanding. The registrant also had 1,797,784 shares of Class B Stock (\$.01 par value) outstanding on October 20, 2008 all of which is held by an affiliate of the registrant.

BERRY PETROLEUM COMPANY
THIRD QUARTER 2008 FORM 10-Q
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BERRY PETROLEUM COMPANY
 Unaudited Condensed Balance Sheets
 (In Thousands, Except Share Information)

	September 30, 2008	December 31, 2007
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 59	\$ 316
Short-term investments	65	58
Accounts receivable	145,701	117,038
Deferred income taxes	38,987	28,547
Fair value of derivatives	2,198	2,109
Assets held for sale	-	1,394
Prepaid expenses and other	19,432	11,557
Total current assets	206,442	161,019
Oil and gas properties (successful efforts basis), buildings and equipment, net	2,196,322	1,275,091
Other assets	17,307	15,996
	\$ 2,420,071	\$ 1,452,106
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 150,750	\$ 90,354
Revenue and royalties payable	35,779	47,181
Accrued liabilities	37,284	21,653
Line of credit	19,300	14,300
Income taxes payable	380	2,591
Fair value of derivatives	110,427	95,290
Total current liabilities	353,920	271,369
Long-term liabilities:		
Deferred income taxes	206,848	128,824
Long-term debt	1,109,300	445,000
Abandonment obligation	40,414	36,426
Unearned revenue	-	398
Other long-term liabilities	6,226	1,657
Fair value of derivatives	106,459	108,458
	1,469,247	720,763
Shareholders' equity:		
Preferred stock, \$.01 par value, 2,000,000 shares authorized; no shares outstanding	-	-
Capital stock, \$.01 par value:		
Class A Common Stock, 100,000,000 shares authorized; 42,737,029 shares issued and outstanding (42,583,002 in 2007)	427	425
Class B Stock, 3,000,000 shares authorized; 1,797,784 shares issued and outstanding (liquidation preference of \$899) (1,797,784 in 2007)	18	18
Capital in excess of par value	77,739	66,590
Accumulated other comprehensive loss	(130,361)	(120,704)
Retained earnings	649,081	513,645
Total shareholders' equity	596,904	459,974
	\$ 2,420,071	\$ 1,452,106

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

BERRY PETROLEUM COMPANY
Unaudited Condensed Statements of Income
Three Month Periods Ended September 30, 2008 and 2007
(In Thousands, Except Per Share Data)

	Three months ended	
	September 30,	
	2008	2007
REVENUES AND OTHER INCOME ITEMS		
Sales of oil and gas	\$	207,863