

Berry Petroleum Company, LLC  
Form 10-Q  
August 07, 2015

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 June 30, 2015

OR

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, LLC

(Successor in interest to Berry Petroleum Company)

(Exact name of registrant as specified in its charter)

Delaware

77-0079387

(State of incorporation or organization)

(I.R.S. Employer Identification Number)

600 Travis, Suite 5100

Houston, Texas 77002

(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code:

(281) 840-4000

600 Travis, Suite 4900

Houston, Texas 77002

(Former address of principal executive offices)

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   
Pursuant to the terms of its senior note indentures, the registrant is a voluntary filer of reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934, and has filed all such reports as required by its senior note indentures during the preceding 12 months.

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The registrant meets the conditions set forth in General Instructions H(1)(a) and (b) of Form 10-Q as it is an indirect wholly owned subsidiary of Linn Energy, LLC, which is a reporting company under the Securities Exchange Act of 1934 and which has filed with the SEC all materials required to be filed pursuant to Section 13, 14 or 15(d) thereof, and the registrant is therefore filing this Form 10-Q with a reduced disclosure format.

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) 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, 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

On December 16, 2013, the registrant was acquired (see Note 1 of Notes to Condensed Financial Statements), as a result of which 100% of its membership interest is currently held by a single member and the registrant deregistered its equity under the Securities Exchange Act of 1934.

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TABLE OF CONTENTS

	Page
<u>Glossary of Terms</u>	<u>ii</u>
<u>Part I – Financial Information</u>	
<u>Item 1. Financial Statements</u>	
<u>Condensed Balance Sheets as of June 30, 2015, and December 31, 2014</u>	<u>1</u>
<u>Condensed Statements of Operations for the three months and six months ended June 30, 2015, and June 30, 2014</u>	<u>2</u>
<u>Condensed Statement of Member’s Equity for the six months ended June 30, 2015</u>	<u>3</u>
<u>Condensed Statements of Cash Flows for the six months ended June 30, 2015, and June 30, 2014</u>	<u>4</u>
<u>Notes to Condensed Financial Statements</u>	<u>5</u>
<u>Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>15</u>
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	<u>33</u>
<u>Item 4. Controls and Procedures</u>	<u>34</u>
<u>Part II – Other Information</u>	
<u>Item 1. Legal Proceedings</u>	<u>36</u>
<u>Item 1A. Risk Factors</u>	<u>36</u>
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>36</u>
<u>Item 3. Defaults Upon Senior Securities</u>	<u>36</u>
<u>Item 4. Mine Safety Disclosures</u>	<u>36</u>
<u>Item 5. Other Information</u>	<u>36</u>
<u>Item 6. Exhibits</u>	<u>37</u>
<u>Signature</u>	<u>38</u>

Table of Contents

GLOSSARY OF TERMS

As commonly used in the oil and natural gas industry and as used in this Quarterly Report on Form 10-Q, the following terms have the following meanings:

Bbl. One stock tank barrel or 42 United States gallons liquid volume.

Bbls/d. Bbls per day.

Bcf. One billion cubic feet.

BOE. Barrel of oil equivalent, determined using a ratio of one Bbl of oil, condensate or natural gas liquids to six Mcf of natural gas.

BOE/d. BOE per day.

Btu. One British thermal unit, which is the heat required to raise the temperature of a one-pound mass of water from 58.5 degrees to 59.5 degrees Fahrenheit.

MBbls. One thousand barrels of oil or other liquid hydrocarbons.

MBbls/d. MBbls per day.

Mcf. One thousand cubic feet.

MMBbls. One million barrels of oil or other liquid hydrocarbons.

MBOE. One thousand barrels of oil equivalent.

MBOE/d. MBOE per day.

MMBOE. One million barrels of oil equivalent.

MMBtu. One million British thermal units.

MMcf. One million cubic feet.

MMcf/d. MMcf per day.

Mwh. One thousand kilowatts of electricity used continuously for one hour.

Mwh/d. Mwh per day.

NGL. Natural gas liquids, which are the hydrocarbon liquids contained within natural gas.

Table of Contents

## PART I – FINANCIAL INFORMATION

## Item 1. Financial Statements

## BERRY PETROLEUM COMPANY, LLC

## CONDENSED BALANCE SHEETS

(Unaudited)

	June 30, 2015 (in thousands)	December 31, 2014
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$2,664	\$1,586
Accounts receivable – trade, net	83,314	100,359
Derivative instruments	15,534	43,694
Other current assets	43,238	59,259
Total current assets	144,750	204,898
Noncurrent assets:		
Oil and natural gas properties (successful efforts method)	4,967,722	4,872,059
Less accumulated depletion and amortization	(923,731	) (525,007
	4,043,991	4,347,052
Other property and equipment	121,511	115,999
Less accumulated depreciation	(13,749	) (8,452
	107,762	107,547
Derivative instruments	976	—
Advance to affiliate	171,044	293,627
Restricted cash	250,162	125
Other noncurrent assets	11,587	14,159
	433,769	307,911
Total noncurrent assets	4,585,522	4,762,510
Total assets	\$4,730,272	\$4,967,408
<b>LIABILITIES AND MEMBER'S EQUITY</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$218,534	\$242,350
Derivative instruments	3,333	—
Other accrued liabilities	17,798	19,087
Total current liabilities	239,665	261,437
Noncurrent liabilities:		
Credit facility	1,173,175	1,173,175
Senior notes, net	860,680	913,777
Derivative instruments	588	—
Other noncurrent liabilities	195,940	200,015
Total noncurrent liabilities	2,230,383	2,286,967
Commitments and contingencies (Note 7)		

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Member's equity:

Additional paid-in capital	2,609,158	2,416,381
Accumulated income (deficit)	(348,934	) 2,623
	2,260,224	2,419,004
Total liabilities and member's equity	\$4,730,272	\$4,967,408

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

1

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Table of Contents

BERRY PETROLEUM COMPANY, LLC  
 CONDENSED STATEMENTS OF OPERATIONS  
 (Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2015	2014	2015	2014
	(in thousands)			
Revenues and other:				
Oil, natural gas and natural gas liquids sales	\$ 173,381	\$ 360,380	\$ 329,967	\$ 693,496
Electricity sales	6,609	10,192	11,760	20,161
Losses on oil and natural gas derivatives	(4,474	) (25,562	) (1,207	) (22,097
Marketing revenues	839	2,242	3,220	7,088
Other revenues	1,535	9	1.8	1.8

1 For Asia and US operations the risk-free rates shown are 10-year government bond yields. For UK operations 15-year gilt rates are shown.

2 For Hong Kong the assumptions shown are for US dollar-denominated business. For other operations, the assumptions are for local currency-denominated business.

3 For US operations the pre-tax expected long-term nominal rate of return for US equities was 7.1 per cent at 30 September 2018 and 6.3 per cent at 30 September 2017.

4 For UK operations, single implied risk discount rates based on the Solvency II yield curve are shown, mostly related to with-profits business.

The Solvency II estimate at 30 September 2018 has been prepared on a consistent basis with that set out in the 2018 Half Year Financial Report under 'Additional Financial Information' Section II (f), which should be read in conjunction with the 'Risk Factors' also set out in the 2018 Half Year Financial Report.

#### About Prudential plc

Prudential plc and its affiliated companies constitute one of the world's leading financial services groups, serving over 26 million customers, with £664 billion of assets under management (as at 30 June 2018). Prudential plc is incorporated in England and Wales and is listed on the stock exchanges in London, Hong Kong, Singapore and New York. Prudential plc is not affiliated in any manner with Prudential Financial, Inc., a company whose principal place of business is in the United States of America.

#### Forward-Looking Statements

This document may contain 'forward-looking statements' with respect to certain of Prudential's plans and its goals and expectations relating to its future financial condition, performance, results, strategy and objectives. Statements that are not historical facts, including statements about Prudential's beliefs and expectations and including, without limitation, statements containing the words 'may', 'will', 'should', 'continue', 'aims', 'estimates', 'projects', 'believes', 'intends', 'expects', 'plans', 'seeks' and 'anticipates', and words of similar meaning, are forward-looking statements. These statements are based on plans, estimates and projections as at the time they are made, and therefore undue reliance should not be placed on them. By their nature, all forward-looking statements involve risk and uncertainty. A number of important factors could cause Prudential's actual future financial condition or performance or other indicated results to differ materially from those indicated in any forward-looking statement. Such factors include, but are not limited to, the timing, costs and successful implementation of the demerger of the M&G Prudential business; the future trading value of the shares of Prudential plc and the trading value and liquidity of the shares of the to-be-listed M&G Prudential business following such demerger; future market conditions, including fluctuations in interest rates and exchange rates the potential for a sustained low-interest rate environment, and the performance of financial markets generally; the policies and actions of regulatory authorities, including, for example, new government initiatives; the political, legal and economic effects of the UK's decision to leave the European Union; the impact of continuing

designation as a Global Systemically Important Insurer or 'G-SII'; the impact of competition, economic uncertainty, inflation and deflation; the effect on Prudential's business and results from, in particular, mortality and morbidity trends, lapse rates and policy renewal rates; the timing, impact and other uncertainties of future acquisitions or combinations within relevant industries; the impact of internal projects and other strategic actions failing to meet their objectives; disruption to the availability, confidentiality or integrity of Prudential's IT systems (or those of its suppliers); the impact of changes in capital, solvency standards, accounting standards or relevant regulatory frameworks, and tax and other legislation and regulations in the jurisdictions in which Prudential and its affiliates operate; and the impact of legal and regulatory actions, investigations and disputes. These and other important factors may, for example, result in changes to assumptions used for determining results of operations or re-estimations of reserves for future policy benefits. Further discussion of these and other important factors that could cause Prudential's actual future financial condition or performance or other indicated results to differ, possibly materially, from those anticipated in Prudential's forward-looking statements can be found under the 'Risk Factors' heading in its most recent Annual Report and the 'Risk Factors' heading of Prudential's most recent annual report on Form 20-F filed with the U.S. Securities and Exchange Commission, as well as under the 'Risk Factors' heading of any subsequent Prudential Half Year Financial Report. Prudential's most recent Annual Report, Form 20-F and any subsequent Half Year Financial Report are available on its website at [www.prudential.co.uk](http://www.prudential.co.uk).

Any forward-looking statements contained in this document speak only as of the date on which they are made. Prudential expressly disclaims any obligation to update any of the forward-looking statements contained in this document or any other forward-looking statements it may make, whether as a result of future events, new information or otherwise except as required pursuant to the UK Prospectus Rules, the UK Listing Rules, the UK Disclosure and Transparency Rules, the Hong Kong Listing Rules, the SGX-ST listing rules or other applicable laws and regulations.

## 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.

Date: 14 November 2018

PRUDENTIAL PUBLIC LIMITED COMPANY

By: /s/ Mark FitzPatrick

Mark FitzPatrick  
Chief Financial Officer