

PETROLEUM DEVELOPMENT CORP
Form 10-Q
November 05, 2009

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, 2009

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: 000-07246

PETROLEUM DEVELOPMENT CORPORATION
(Exact name of registrant as specified in its charter)

Nevada
(State of incorporation)

95-2636730
(I.R.S. Employer Identification No.)

1775 Sherman Street, Suite 3000
Denver, Colorado 80203
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (303) 860-5800

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, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
filer T

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Non-accelerated Smaller reporting
filer company

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 19,224,897 shares of the Company's Common Stock (\$.01 par value) were outstanding as of October 31, 2009.

PETROLEUM DEVELOPMENT CORPORATION

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

Petroleum Development Corporation
Condensed Consolidated Balance Sheets
(in thousands, except share data)

	September 30, 2009	December 31, 2008*
Assets		
Current assets:		
Cash and cash equivalents	\$ 22,140	\$ 50,950
Restricted cash	2,530	19,030
Accounts receivable, net	40,392	69,688
Accounts receivable affiliates	6,870	16,742
Inventory	886	4,310
Fair value of derivatives	69,112	116,881
Prepaid expenses and other assets	9,449	14,836
Total current assets	151,379	292,437
Properties and equipment, net	1,017,519	1,033,078
Fair value of derivatives	9,106	47,155
Accounts receivable affiliates	14,359	1,605
Other assets	31,791	28,429
Total Assets	\$ 1,224,154	\$ 1,402,704
Liabilities and Equity		
Liabilities		
Current liabilities:		
Accounts payable	\$ 31,601	\$ 90,532
Accounts payable affiliates	18,419	40,540
Production tax liability	22,149	18,226
Fair value of derivatives	17,045	4,766
Funds held for future distribution	23,411	50,361
Deferred income taxes	2,665	28,355
Other accrued expenses	13,998	28,391
Total current liabilities	129,288	261,171
Long-term debt	351,584	394,867
Deferred income taxes	154,754	162,593
Asset retirement obligation	24,298	23,036
Fair value of derivatives	43,390	5,720
Accounts payable affiliates	1,383	10,136
Other liabilities	19,046	32,906
Total liabilities	723,743	890,429

COMMITMENTS AND CONTINGENT LIABILITIES

Equity

Shareholders' equity:

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Preferred shares, par value \$.01 per share; authorized 50,000,000 shares;issued: none	-	-
Common shares, par value \$.01 per share; authorized 100,000,000 shares;issued: 19,231,330 shares in 2009 and 14,871,870 in 2008	192	149
Additional paid-in capital	57,516	5,818
Retained earnings	442,648	505,906
Treasury shares, at cost; 8,017 shares in 2009 and 7,066 in 2008	(308)	(292)
Total shareholders' equity	500,048	511,581
Noncontrolling interest in WWWV, LLC	363	694
Total equity	500,411	512,275
Total Liabilities and Equity	\$ 1,224,154	\$ 1,402,704

*Derived from audited 2008 balance sheet.

See accompanying notes to condensed consolidated financial statements.

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Petroleum Development Corporation
Condensed Consolidated Statements of Operations
(unaudited; in thousands, except per share data)

Three Months Ended September 30,		Nine Months Ended September 30,	
2009	2008	2009	2008

Revenues: