

WHITING PETROLEUM CORP
Form 10-Q
April 30, 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 March 31, 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: 001-31899

WHITING PETROLEUM
CORPORATION

(Exact name of registrant as specified in its
charter)

Delaware
(State or other jurisdiction
of incorporation or
organization)

20-0098515
(I.R.S. Employer
Identification No.)

1700 Broadway, Suite 2300
Denver, Colorado
(Address of principal
executive offices)

80290-2300
(Zip code)

(303) 837-1661

(Registrant's telephone number, including
area code)

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

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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. (Check one):

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 Exchange Act).
Yes No

Number of shares of the registrant’s common stock outstanding at April 15, 2009: 50,841,400 shares.

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CERTAIN DEFINITIONS

Unless the context otherwise requires, the terms “we,” “us,” “our” or “ours” when used in this report refer to Whiting Petroleum Corporation, together with its consolidated subsidiaries. When the context requires, we refer to these entities separately.

We have included below the definitions for certain terms used in this report:

“Bbl” - One stock tank barrel, or 42 U.S. gallons liquid volume, used in this report in reference to oil and other liquid hydrocarbons.

“Bcf” - One billion cubic feet of natural gas.

“BOE” - One stock tank barrel equivalent of oil, calculated by converting natural gas volumes to equivalent oil barrels at a ratio of six Mcf to one Bbl of oil.

“MBbl” - One thousand barrels of oil or other liquid hydrocarbons.

“MBOE” - One thousand BOE.

“MBOE/d” - One thousand BOE per day.

“Mcf” - One thousand cubic feet of natural gas.

“MMBbl” - One million barrels of oil or other liquid hydrocarbons.

“MMBOE” - One million BOE.

“MMBtu” - One million British Thermal Units.

“MMcf” - One million cubic feet of natural gas.

“MMcf/d” - One MMcf of natural gas per day.

“plugging and abandonment” - Refers to the sealing off of fluids in the strata penetrated by a well so that the fluids from one stratum will not escape into another or to the surface. Regulations of many states require plugging of abandoned wells.

“working interest” - The interest in a crude oil and natural gas property (normally a leasehold interest) that gives the owner the right to drill, produce and conduct operations on the property; to share in production, subject to all royalties, overriding royalties and other burdens; and to share in all costs of exploration, development, operations and all risks in connection therewith.

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PART I – FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

WHITING PETROLEUM CORPORATION
CONSOLIDATED BALANCE SHEETS (Unaudited)
(In thousands)

	March 31, 2009	December 31, 2008
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 7,013	\$ 9,624
Accounts receivable trade, net	94,225	123,386
Derivative assets	44,647	46,780
Deposits on oil field equipment	11,317	17,170
Prepaid expenses and other	17,035	20,114
Total current assets	174,237	217,074
PROPERTY AND EQUIPMENT:		
Oil and gas properties, successful efforts method:		
Proved properties	4,604,617	4,423,197
Unproved properties	104,109	106,436
Other property and equipment	106,813	91,099
Total property and equipment	4,815,539	4,620,732
Less accumulated depreciation, depletion and amortization	(984,652)	(886,065)
Total property and equipment, net	3,830,887	3,734,667
DEBT ISSUANCE COSTS	9,741	10,779
DERIVATIVE ASSETS	39,214	38,104
OTHER LONG-TERM ASSETS	26,116	28,457
TOTAL	\$ 4,080,195	\$ 4,029,081

See notes to consolidated financial statements.

(Continued)

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WHITING PETROLEUM CORPORATION
CONSOLIDATED BALANCE SHEETS (Unaudited)
(In thousands, except share and per share data)

	March 31, 2009	December 31, 2008
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 46,752	\$ 64,610
Accrued capital expenditures	47,592	84,960
Accrued liabilities	47,107	45,359
Accrued interest	19,919	9,673
Oil and gas sales payable	23,045	35,106
Accrued employee compensation and benefits	4,958	41,911
Production taxes payable	14,487	20,038
Deferred gain on sale	14,017	14,650
Derivative liabilities	13,456	17,354
Deferred income taxes	15,835	15,395
Tax sharing liability	2,112	2,112
Total current liabilities	249,280	351,168
NON-CURRENT LIABILITIES:		
Long-term debt	1,189,556	1,239,751
Deferred income taxes	376,625	390,902
Deferred gain on sale	69,834	73,216
Production Participation Plan liability	66,562	66,166
Asset retirement obligations	59,838	47,892