

WHITING PETROLEUM CORP  
Form 10-Q  
October 29, 2010

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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  
OF 1934

For the quarterly period ended September 30, 2010

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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>	Non-accelerated filer	<input type="checkbox"/>
Smaller reporting company	<input type="checkbox"/>				

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 October 15, 2010: 58,548,894 shares.

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GLOSSARY OF 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.

“FASB ASC” - The Financial Accounting Standards Board Accounting Standards Codification.

“GAAP” - Generally accepted accounting principles in the United States of America.

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

“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.

“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, except share and per share data)

	September 30, 2010	December 31, 2009
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 3,211	\$ 11,960
Accounts receivable trade, net	182,355	152,082
Prepaid expenses and other	14,535	11,983
Total current assets	200,101	176,025
Property and equipment:		
Oil and gas properties, successful efforts method:		
Proved properties	5,392,276	4,870,688
Unproved properties	177,638	100,706
Other property and equipment	89,695	100,833
Total property and equipment	5,659,609	5,072,227
Less accumulated depreciation, depletion and amortization	(1,546,476 )	(1,274,121 )
Total property and equipment, net	4,113,133	3,798,106
Debt issuance costs	22,935	24,672
Other long-term assets	30,361	30,739
<b>TOTAL ASSETS</b>	<b>\$ 4,366,530</b>	<b>\$ 4,029,542</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable trade	\$ 55,121	\$ 14,023
Accrued capital expenditures	73,682	29,998
Accrued liabilities and other	113,452	110,320
Revenues and royalties payable	75,548	46,327
Taxes payable	28,403	21,188
Derivative liabilities	33,432	49,551
Deferred income taxes	4,500	11,325
Total current liabilities	384,138	282,732
Long-term debt	700,000	779,585
Deferred income taxes	500,095	341,037
Derivative liabilities	91,250	137,621
Production Participation Plan liability	78,983	69,433
Asset retirement obligations	73,922	66,846
Deferred gain on sale	47,477	58,462
Other long-term liabilities	25,314	23,741
Total liabilities	1,901,179	1,759,457
Commitments and contingencies		
Stockholders' equity:		

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Preferred stock, \$0.001 par value, 5,000,000 shares authorized; 6.25% convertible perpetual preferred stock, 172,500 shares issued and outstanding as of September 30, 2010 and 3,450,000 shares issued and outstanding as of December 31, 2009, aggregate liquidation preference of \$17,250,000	-	3
Common stock, \$0.001 par value, 175,000,000 shares authorized; 58,986,415 issued and 58,548,894 outstanding as of September 30, 2010, 51,363,638 issued and 50,845,374 outstanding as of December 31, 2009	59	51
Additional paid-in capital	1,547,536	1,546,635
Accumulated other comprehensive income	8,014	20,413
Retained earnings	909,742	702,983
Total stockholders' equity	2,465,351	2,270,085
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 4,366,530	\$ 4,029,542

See notes to consolidated financial statements.

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WHITING PETROLEUM CORPORATION  
CONSOLIDATED STATEMENTS OF INCOME (Unaudited)  
(In thousands, except per share data)

Three Months Ended		Nine Months Ended
September 30,		September 30,
2010	2009	