

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, 1996

Commission file number 1-9735

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

DELAWARE
(State or other jurisdiction of
incorporation or organization)

77-0079387
(I.R.S. Employer
Identification No.)

28700 Hovey Hills Road, P.O. Bin X, Taft, California
(Address of principal executive offices)

93268
(Zip Code)

Registrant's telephone number, including area code (805) 769-8811

Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report:

NONE

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 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 (X) NO ()

The number of shares of each of the registrant's classes of capital stock outstanding as of June 30, 1996 was 21,043,333 shares of Class A Common Stock (\$.01 par value) and 898,892 shares of Class B Stock (\$.01 par value). All of the Class B Stock is held by a shareholder who owns in excess of 5% of the outstanding stock of the registrant.

BERRY PETROLEUM COMPANY
JUNE 30, 1996
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REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors
Berry Petroleum Company

We have reviewed the accompanying condensed balance sheet of Berry Petroleum Company as of June 30, 1996, the condensed statements of income for the three and six month periods ended June 30, 1996 and 1995, and the condensed statements of cash flows for the six month periods ended June 30, 1996 and 1995. These interim financial statements are the responsibility of the Company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical review procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying condensed financial statements for them to be in conformity with generally accepted accounting principles.

/s/ COOPERS & LYBRAND L.L.P.

COOPERS & LYBRAND L.L.P.
Los Angeles, California
August 5, 1996

BERRY PETROLEUM COMPANY
Part I. Financial Information
Item 1. Financial Statements
Condensed Balance Sheets
(In Thousands Except Share Information)

	June 30, 1996 (Unaudited)	December 31, 1995
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 29,017	\$ 18,759
Short-term investments - available for sale	7,505	15,695
Accounts receivable	8,524	8,414
Deferred income taxes	753	1,175
Prepaid expenses and other	1,641	1,157
	47,440	45,200
Oil and gas properties (successful efforts basis), buildings and equipment, net	73,699	72,042
Other assets	507	480
	\$ 121,646	\$ 117,722
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 2,736	\$ 3,086
Accrued liabilities	3,522	3,912
Federal and state income taxes payable	1,321	1,696
	7,579	8,694
Deferred income taxes	17,987	16,968
Shareholders' equity:		
Preferred stock, \$.01 par value; 2,000,000 shares authorized; no shares outstanding	-	-
Capital stock, \$.01 par value;		
Class A Common Stock, 50,000,000 shares authorized;		
21,043,333 shares issued and outstanding at		
June 30, 1996 (21,033,055 at December 31, 1995)	210	210
Class B Stock, 1,500,000 shares authorized;		
898,892 shares issued and outstanding		
(liquidation preference of \$899)	9	9
Capital in excess of par value	52,998	52,850
Retained earnings	42,863	38,991
	96,080	92,060
	\$ 121,646	\$ 117,722

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

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BERRY PETROLEUM COMPANY
Part I. Financial Information
Item 1. Financial Statements
Condensed Income Statements
Three Month Periods Ended June 30, 1996 and 1995
(In Thousands Except Per Share Data)
(Unaudited)

	1996	1995
Revenues:		
Sales of oil and gas	\$ 13,219	\$ 12,442
Interest and other income, net	507	526
	13,726	12,968
Expenses:		
Operating costs	3,748	4,935
Depreciation, depletion and amortization	1,688	1,576
Dry hole and abandonment costs	75	88

General and administrative	1,294	1,249
	<u>6,805</u>	<u>7,848</u>
Income before income taxes	6,921	5,120
Provision for income taxes	2,523	2,244
	<u> </u>	<u> </u>
Net income	\$ 4,398	\$ 2,876
	=====	=====
Net income per share	\$.20	\$.13
	=====	=====
Weighted average number of shares of capital stock used to calculate earnings per share	21,939	21,932
	=====	=====
Cash dividends per share	\$.10	\$.10
	=====	=====

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

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BERRY PETROLEUM COMPANY
Part I. Financial Information
Item 1. Financial Statements
Condensed Income Statements
Six Month Periods Ended June 30, 1996 and 1995
(In Thousands Except Per Share Data)
(Unaudited)

	1996	1995
Revenues:		
Sales of oil and gas	\$ 25,364	\$ 22,881
Interest and other income, net	965	1,074
	<u>26,329</u>	<u>23,955</u>
Expenses:		
Operating costs	7,562	9,795
Depreciation, depletion and amortization	3,315	3,277
Dry hole and abandonment costs	75	131
General and administrative	2,393	2,365
	<u>13,345</u>	<u>15,568</u>
Income before income taxes	12,984	8,387
Provision for income taxes	4,725	3,301
	<u> </u>	<u> </u>
Net income	\$ 8,259	\$ 5,086
	=====	=====
Net income per share	\$.38	\$.23
	=====	=====
Weighted average number of shares of capital stock used to calculate earnings per share	21,935	21,932
	=====	=====

Cash dividends per share	\$.20	\$.20
	=====	=====

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

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BERRY PETROLEUM COMPANY
Part I. Financial Information
Item 1. Financial Statements
Condensed Statements of Cash Flows
Six Month Periods Ended June 30, 1996 and 1995
(In Thousands)
(Unaudited)

	1996	1995
Cash flows from operating activities:		
Net income	\$ 8,259	\$ 5,086
Adjustments to reconcile net income to net cash provided by operating activities:		
Depletion, depreciation and amortization	3,315	3,277
Increase (decrease) in deferred income tax liability	1,019	(1,869)
Other, net	184	(52)
Net working capital provided by operating activities	<u>12,777</u>	<u>6,442</u>
Decrease (increase) in accounts receivable, prepaid expenses and other	(172)	3,841
Decrease in current liabilities	(1,115)	(3,213)
Net cash provided by operating activities	<u>11,490</u>	<u>7,070</u>
Cash flows from investing activities:		
Capital expenditures	(5,183)	(6,010)
Maturities of short-term investments	8,190	7,932
Purchase of short-term investments	-	(3,000)
Other, net	-	(33)
Net cash provided by (used in) provided by investing activities	<u>3,007</u>	<u>(1,111)</u>
Cash flows from financing activities:		
Dividends paid	(4,387)	(4,387)
Stock options exercised	148	-
Net cash used in financing activities	<u>(4,239)</u>	<u>(4,387)</u>
Net increase in cash and cash equivalents	10,258	1,572
Cash and cash equivalents at beginning of year	<u>18,759</u>	<u>7,466</u>
Cash and cash equivalents at end of period	<u>\$29,017</u>	<u>\$ 9,038</u>
	=====	=====
Supplemental disclosures of cash flow information:		
Income taxes paid	\$ 3,959	\$ 2,885
	=====	=====

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

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Part I. Financial Information
Item 1. Financial Statements
Notes to Condensed Financial Statements
June 30, 1996
(Unaudited)

1. All adjustments which are, in the opinion of management, necessary for a fair presentation of the Company's financial position at June 30, 1996 and December 31, 1995, results of operations and cash flows for the six month periods ended June 30, 1996 and 1995 and results of operations for the three month periods ended June 30, 1996 and 1995 have been included. All such adjustments are of a normal recurring nature. The results of operations and cash flows are not necessarily indicative of the results for a full year.

2. The accompanying unaudited financial statements have been prepared on a basis consistent with the accounting principles and policies reflected in the December 31, 1995 financial statements. The December 31, 1995 Form 10-K and the Form 10-Q for the period ended March 31, 1996 should be read in conjunction herewith. The year-end condensed balance sheet was derived from audited financial statements, but does not include all disclosures required by generally accepted accounting principles.

3. On December 25, 1993, the Company experienced a crude oil spill on its PRC 735 State lease located in the West Montalvo field in Ventura County, California. The clean-up of the spill was substantially completed in January 1994. The Company negotiated a resolution of the state criminal investigation in August 1994. Governmental investigations continue regarding potential civil and federal criminal penalties, if any.

Management believes the Company has an adequate amount of insurance coverage for the majority of the costs associated with the spill. The Company estimates the total cost of the spill, net of insurance reimbursement, to be a minimum of \$3.3 million and a maximum of \$5.1 million. The minimum amount was expensed by the Company (\$1.3 million in 1994 and \$2 million in 1993). The costs incurred and estimated to be incurred in connection with the spill not yet paid by the Company are included in current liabilities at June 30, 1996, and the probable remaining minimum insurance reimbursement is included in accounts receivable. As of June 30, 1996, the Company had received approximately \$8.1 million under its insurance coverage as reimbursement for costs incurred and paid by the Company associated with the spill.

BERRY PETROLEUM COMPANY
Part I. Financial Information
Item 2. Management's Discussion and Analysis of
Financial Condition and Results of Operations

Results of Operations

The Company had net income of \$8.3 million for the six months ended June 30, 1996 or \$.38 per share, up 63% from net income of \$5.1 million for the six months ended June 30, 1995 or \$.23 per share. For the three months ended June 30, 1996, the Company had net income of \$4.4 million or \$.20 per share, up 13% from \$3.9 million or \$.18 per share earned during the first quarter of 1996 and up 52% from \$2.9 million or \$.13 per share earned in the second quarter of 1995.

	Three Months Ended			Six Months Ended	
	Jun 30 1996	Mar 31 1996	Jun 30 1995	Jun 30 1996	Jun 30 1995
Net Production (BOE/D)	9,465	9,101	9,344	9,276	9,136
Average Sales Price/BOE	\$15.27	\$14.42	\$14.63	\$14.96	\$13.84
Operating Costs/BOE	4.35	4.61	5.80	4.48	5.92

Depreciation/Depletion/ BOE	1.96	1.97	1.85	1.96	1.98
General and Administrative Expenses/BOE	1.50	1.33	1.47	1.42	1.43

Operating income from producing operations was \$7.8 million in the second quarter of 1996, up 15% and 28% from \$6.8 million and \$6.1 million for the three months ended March 31, 1996 and June 30, 1995, respectively.

The improvement in operating income in the second quarter of 1996 was primarily related to higher oil prices, lower operating expenses and higher production. Oil and gas production of 9,465 BOE/day in the second quarter of 1996 was up 364 BOE/day from the first quarter of 1996 and 121 BOE/day from the second quarter of 1995. The increase in production was primarily due to the benefits of the 1995 and 1996 drilling programs. After adjusting the 1995 period for production from the Rincon field which the Company sold in November 1995, production for the second quarter of 1996 was more than 400 BOE/day higher than the second quarter in 1995.

The average sales price for the Company's oil and gas in the second quarter was \$15.27/BOE, 6% and 4% higher than \$14.42 received in the first quarter of 1996 and \$14.63 in the second quarter of 1995, respectively. The average posted price of San Joaquin Valley heavy crude oil, the applicable price for the Company's homebase properties (88% of the Company's total production) began the quarter at \$17.75/bbl, declined to a low of \$13.75/bbl on June 6, 1996 and closed the quarter at \$14.50/bbl.

The price of heavy crude oil, the principal product of the Company, is influenced by many factors including world oil prices, the heating fuel and bunker fuel markets, levels of imports to California of like-kind

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products and the condition and utilization of California's refineries. These factors in combination worked to the Company's favor in the first quarter, resulting in a differential between California heavy crude oil prices and West Texas Intermediate prices of \$4.64/bbl in the first quarter. In the second quarter of 1996, these conditions deteriorated primarily due to lower demand for heavy crude oil caused by an unusually high amount of refinery downtime on the West Coast. This resulted in a differential of \$6.19/bbl in the second quarter. Management believes that as the refinery throughput on the West Coast stabilizes and as Alaska North Slope crude oil is delivered to new markets, the differential should decrease.

Operating costs of \$4.35/BOE were 6% and 25% lower than \$4.61/BOE in the first quarter of 1996 and \$5.80/BOE in the second quarter of 1995, respectively. The decline from the first quarter was due primarily to lower fuel gas prices and higher production. When compared to the second quarter of 1995, the current quarter also benefited from lower steam costs resulting from the acquisition of the cogeneration plant in August 1995 and the sale of the Rincon field which experienced higher operating costs/BOE when compared to other Company operated properties.

The Company drilled and completed 41 development wells on its Midway-Sunset properties during the first seven months of 1996, with plans to drill an additional five wells during the remainder of the year. The positive effect of this drilling program, combined with increased steaming operations, continues to be felt with current production at approximately 9,650 BOE/day, up approximately 10% since the beginning of the year.

General and administrative expenses were \$1.3 million in the second quarter, up from \$1.1 million in the first quarter of 1996 and \$1.2 million in the second quarter of 1995. The increase was primarily related to higher payroll, medical and general insurance costs experienced in the quarter. General and administrative expenses represented approximately \$1.50/BOE for the second quarter, up from \$1.33/BOE in the first quarter of 1996 and comparable to \$1.47/BOE in the second quarter of 1995.

The Company's effective tax rate in the six month period ended June 30, 1996 was 36%, down from 39% in the first six months of 1995. The higher rate experienced in 1995 resulted from an adverse U.S. Tax Court decision which was rendered in May of 1995.

Liquidity & Capital Resources

Working capital at June 30, 1996 was \$39.9 million, up from \$38.1 million at March 31, 1996 and \$36.5 million at December 31, 1995. Net cash provided by operating activities was \$11.5 million for the first six months

of 1996, 62% higher than \$7.1 million provided in the first six months of 1995 due to higher production, higher oil prices and lower operating costs. The 1995 cash flow was also lower due to the payment of approximately \$2 million for federal taxes and accrued interest resulting from a U.S. Tax Court decision rendered in May 1995. Funds were used in the 1996 period to finance capital expenditures of \$5.2 million and to pay dividends of \$4.4 million.

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BERRY PETROLEUM COMPANY
Part II. Other Information

Item 4. Submission of Matters to a Vote of Security Holders

At the annual meeting which was held at the Company's corporate offices on May 17, 1996, one new director was elected and eleven incumbent directors were re-elected. Also, the firm of Coopers & Lybrand L.L.P. was ratified as the Company's independent accountants for 1996. The results of voting as reported by the inspector of elections are noted below:

1. There were 21,931,879 shares of the Company's common stock issued, outstanding and entitled to vote as of the record date, March 25, 1996.
2. There were present at the meeting, in person or by proxy, the holders of 19,332,888 shares, representing 88.15% of the total number of shares outstanding and entitled to vote at the meeting, such percentage representing a quorum.

PROPOSAL ONE: Election of Directors

	VOTES FOR	PERCENT	WITHHELD
Benton Bejach	18,845,702	85.93%	487,186
William F. Berry	19,225,988	87.66%	106,900
Gerry A. Biller	19,314,289	88.06%	18,599
Harvey L. Bryant	19,290,243	87.96%	42,645
Ralph B. Busch, III	19,314,362	88.07%	18,526
William E. Bush, Jr.	18,957,778	86.44%	375,110
William B. Charles	18,953,304	86.42%	379,584
Richard F. Downs	19,309,088	88.04%	23,800
John A. Hagg	19,314,865	88.07%	18,023
Jerry V. Hoffman	19,221,791	87.64%	111,097
Thomas J. Jamieson	19,313,567	88.06%	19,321
Roger G. Martin	19,313,188	88.06%	19,700

PROPOSAL TWO: Ratify the selection of Coopers & Lybrand L.L.P. as the independent accountants for the year 1996.

VOTES FOR	19,292,458	87.97%
AGAINST	10,588	.05%
ABSTAIN	29,842	.13%
BROKER NON-VOTE	0	.00%

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Item 6. Exhibits and Reports on Form 8-K

Exhibit 15 - Accountants' Awareness Letter

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.

BERRY PETROLEUM COMPANY

/s/ Jerry V. Hoffman
Jerry V. Hoffman
President and
Chief Executive Officer

/s/ Ralph J. Goehring
Ralph J. Goehring
Chief Financial Officer
(Principal Financial Officer)

/s/ Donald A. Dale
Donald A. Dale
Controller
(Principal Accounting Officer)

Date: August 6, 1996

COOPERS 350 South Grand Avenue telephone (213) 356-6000
& LYBRAND L.L.P. Los Angeles, CA 90071-3405 facsimile (213) 356-6363

August 5, 1996

Securities and Exchange Commission
450 Fifth Street, N.W.
Washington D.C. 20549

Re: Berry Petroleum Company
Commission File No. 1-9735

We are aware that our report dated August 5, 1996 on our review of the interim condensed financial statements of Berry Petroleum Company for the three and six-month periods ended June 30, 1996, and included in the Company's quarterly report on Form 10-Q for the quarter then ended, is incorporated by reference in the registration statements on Form S-8 (File No. 33-23326 and 33-61337). Pursuant to Rule 436(c) under the Securities Act of 1933, this report should not be considered a part of the registration statements prepared or certified by us within the meaning of Sections 7 and 11 of that Act.

/s/ Coopers & Lybrand L.L.P.

Coopers & Lybrand L.L.P., a registered limited liability partnership, is a member firm of Coopers & Lybrand (International)

3-MOS			
	DEC-31-1996		
	JUN-30-1996		
		29,017	
		7,505	
		8,524	
		0	
		0	
	47,440		143,062
		69,363	
		121,646	
	7,579		0
	0		0
		0	219
		96,080	
121,646			
		13,219	
	13,726		0
		5,511	
		1,294	
		0	
		0	
		6,921	
		2,523	
	4,398		
		0	
		0	
			0
		4,398	
		.20	
		.20	