

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

[X] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the quarterly period ended September 30, 2000

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. Box 925, Taft, California
(Address of principal executive offices)

93268-0925
(Zip Code)

Registrant's telephone number, including area code (661) 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 September 30, 2000 was 21,134,667 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
SEPTEMBER 30, 2000
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BERRY PETROLEUM COMPANY
Part I. Financial Information
Item 1. Financial Statements
Condensed Balance Sheets
(In Thousands, Except Share Information)

	September 30, 2000 (Unaudited)	December 31, 1999
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,689	\$ 980
Short-term investments available for sale	600	596
Accounts receivable	23,320	15,303
Prepaid expenses and other	2,244	2,080
	<hr/>	<hr/>
Total current assets	27,853	18,959
Oil and gas properties (successful efforts basis), buildings and equipment, net	197,361	186,519
Other assets	1,842	2,171
	<hr/>	<hr/>
	\$ 227,056	\$ 207,649
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 18,925	\$ 7,203
Accrued liabilities	4,700	1,999
Federal and state income taxes payable	348	1,322
	<hr/>	<hr/>
Total current liabilities	23,973	10,524
Long-term debt	33,000	52,000
Deferred income taxes	32,917	28,912
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; 21,134,667 shares issued and outstanding at September 30, 2000 (21,112,334 at December 31, 1999)	211	211
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	53,718	53,487
Retained earnings	83,228	62,506
	<hr/>	<hr/>
Total shareholders' equity	137,166	116,213
	<hr/>	<hr/>
	\$ 227,056	\$ 207,649
	=====	=====

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

BERRY PETROLEUM COMPANY
Part I. Financial Information
Item 1. Financial Statements
Condensed Statements of Operations
Three Month Periods Ended September 30, 2000 and 1999
(In Thousands, Except Per Share Data)
(Unaudited)

	2000	1999
Revenues:		
Sales of oil and gas	\$ 32,731	\$ 19,143
Interest and other income (expense), net	118	217
	32,849	19,360
Expenses:		
Operating costs	14,177	5,887
Depreciation, depletion and amortization	3,542	3,090
General and administrative	1,695	1,427
Interest	784	1,028
	20,198	11,432
Income before income taxes	12,651	7,928
Provision for income taxes	3,073	1,829
Net income	\$ 9,578	\$ 6,099
	=====	=====
Basic net income per share	\$.43	\$.28
	=====	=====
Diluted net income per share	\$.43	\$.28
	=====	=====
Cash dividends per share	\$.10	\$.10
	=====	=====
Weighted average number of shares of capital stock outstanding used to calculate basic net income per share	22,033	22,011
Effect of dilutive securities:		
Stock options	246	85
Other	34	8
	22,313	22,104
	=====	=====

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

BERRY PETROLEUM COMPANY
Part I. Financial Information
Item 1. Financial Statements
Condensed Statements of Operations
Nine Month Periods Ended September 30, 2000 and 1999
(In Thousands, Except Per Share Data)
(Unaudited)

	2000	1999
Revenues:		
Sales of oil and gas	\$ 85,235	\$ 42,842
Interest and other income (expense), net	339	735

	85,574	43,577
<hr/>		
Expenses:		
Operating costs	29,166	15,439
Depreciation, depletion and amortization	10,248	8,978
General and administrative	6,003	3,687
Interest	2,575	2,994
	<hr/>	<hr/>
	47,992	31,098
<hr/>		
Income before income taxes	37,582	12,479
Provision for income taxes	10,251	2,589
	<hr/>	<hr/>
Net income	\$ 27,331	\$ 9,890
	=====	=====
Basic net income per share	\$ 1.24	\$.45
	=====	=====
Diluted net income per share	\$ 1.23	\$.45
	=====	=====
Cash dividends per share	\$.30	\$.30
	=====	=====
Weighted average number of shares of capital stock outstanding used to calculate basic net income per share	22,027	22,010
Effect of dilutive securities:		
Stock options	186	31
Other	26	7
	<hr/>	<hr/>
Weighted average number of shares of capital stock used to calculate diluted net income per share	22,239	22,048
	=====	=====

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
Nine Month Periods Ended September 30, 2000 and 1999
(In Thousands)
(Unaudited)

	2000	1999
Cash flows from operating activities:		
Net income	\$ 27,331	\$ 9,890
Depreciation, depletion and amortization	10,248	8,978
Increase (decrease) in deferred income taxes	4,005	(97)
Other, net	(102)	(198)
	<hr/>	<hr/>
Net working capital provided by operating activities	41,482	18,573
Increase in accounts receivable, prepaid expenses and other	(8,181)	(5,944)
Increase in current liabilities	13,449	2,495
	<hr/>	<hr/>
Net cash provided by operating activities	46,750	15,124
Cash flows from investing activities:		
Property acquisitions	(3,034)	(34,692)
Capital expenditures	(17,439)	(6,801)
Proceeds from sale of short-term investments	-	727
Purchase of short-term investments	-	(611)
Other, net	42	(9)
	<hr/>	<hr/>
Net cash used in investing activities	(20,431)	(41,386)
Cash flows from financing activities:		

Dividends paid	(6,609)	(6,603)
Proceeds from issuance of long-term debt	-	34,598
Payment of long-term debt	(19,000)	(5,000)
Other, net	(1)	(87)
	<hr/>	<hr/>
Net cash provided by (used in) financing activities	(25,610)	22,908
	<hr/>	<hr/>
Net increase (decrease) in cash and cash equivalents	709	(3,354)
Cash and cash equivalents, beginning of year	980	7,058
	<hr/>	<hr/>
Cash and cash equivalents, end of period	\$ 1,689	\$ 3,704
	=====	=====

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
Notes to Condensed Financial Statements
September 30, 2000
(Unaudited)

1. All adjustments which are, in the opinion of management, necessary for a fair presentation of the Company's financial position at September 30, 2000 and December 31, 1999 and results of operations for the three and nine month periods ended September 30, 2000 and 1999 and cash flows for the nine month periods ended September 30, 2000 and 1999 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, 1999 financial statements. The December 31, 1999 Form 10-K and the Form 10-Q's for the periods ended June 30 and March 31, 2000 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 accounting principles generally accepted in the United States.

3. The Company is party to various legal proceedings arising in the normal course of business, none of which, in management's opinion, should result in judgments which would have a material adverse effect on the Company's financial condition or liquidity.

4. The Company entered into a sales agreement with a major oil company which took effect in the second quarter of 2000. Due to this agreement, the Company's sales and accounts receivable have become concentrated as follows: For the three and nine month periods ended September 30, 2000, oil and gas sales to this company represented 89% and 65% of the Company's total oil and gas sales, respectively. As of September 30, 2000, this same company accounted for 48% of the total accounts receivable balance.

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 \$27.3 million, or \$1.24 per share (basic), for the first nine months of 2000, 176% higher than \$9.9 million, or \$.45 per share, in the first nine months of 1999. For the third quarter of 2000, the Company earned \$9.6 million, or \$.43 per share, up 57% from \$6.1 million, or \$.28 per share, in the third quarter of 1999 and up 8% from \$8.9 million, or \$.40 per share, earned in the second quarter of 2000.

	Three Months Ended			Nine Months Ended	
	Sept 30, 2000	June 30, 2000	Sept 30, 1999	Sept 30, 2000	Sept 30, 1999
Net production-BOEPD*	15,244	14,494	14,267	14,680	13,681
Per BOE data:					
Average sales price	\$23.28	\$20.19	\$14.58	\$21.22	\$11.46
Operating costs	9.67	5.80	4.01	6.80	3.49
Production taxes	.43	.48	.48	.45	.55
Total operating costs	10.10	6.28	4.49	7.25	4.04
Depreciation/Depletion (DD&A)	2.53	2.57	2.35	2.55	2.40
General & administrative expenses (G&A)	1.21	1.21	1.09	1.49	.99
Interest expense	.56	.65	.78	.64	.80

*Barrel of oil equivalent per day

Operating income for the third quarter of 2000 was \$15.1 million, up from \$14.9 million earned in the second quarter of 2000 and \$10.2 million earned in the third quarter of 1999. For the first nine months of 2000, operating income was \$46.1 million, or 148% higher than \$18.6 million generated in the first nine months of 1999. These improvements reflect strong increases in oil prices from 1999 to 2000 and the Company's success in increasing production from our core producing properties, partially offset by higher operating costs primarily associated with increased steam volumes and higher steam costs. The Company's average sales price in the third quarter and the first nine months of 2000 was \$23.28/BOE and \$21.22/BOE, respectively. These prices were 69% and 85% higher than \$14.58/BOE received in the third quarter of 1999 and \$11.46/BOE for the first nine months of 1999.

As a result of the Company's 2000 development program and increased volume of steam injected, average companywide BOEPD increased to 15,244 for the third quarter of 2000, up 7% from 14,267 in the third quarter of 1999. Year-to-date production of 14,680 was also 7% higher than 13,681 achieved in the first nine months of 1999. The Company continues to see positive results from its 2000 development program with current production at approximately 15,600.

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Operating costs increased to \$14.2 million, or \$10.10/BOE, in the third quarter of 2000, up 141% from \$5.9 million, or \$4.49/BOE in the third quarter of 1999. During the first nine months of 2000, operating costs were \$29.2 million, or \$7.25/BOE, up from \$15.4 million, or \$4.04/BOE, for the first nine months of 1999. The increase is primarily related to sharply higher natural gas fuel costs and the firing of extra field generators (which have a higher cost per barrel of steam produced than cogeneration steam) in order to maximize production in this period of attractive oil prices. For the third quarter of 2000, delivered natural gas costs averaged \$5.34/MMBTU, up 57% from \$3.40/MMBTU in the second quarter of 2000 and 97% from \$2.71/MMBTU in the third quarter of 1999. The Company also incurred higher and unexpected contract services costs related to maintenance of the Company's cogeneration plants and lease facilities and recorded an accrual for a potential environmental settlement.

G&A expenses in the third quarter were \$1.7 million, or \$1.21/BOE, comparable to \$1.6 million, or \$1.21/BOE, in the second quarter of 2000 and up 21% from \$1.4 million, or \$1.09/BOE, in the third quarter of 1999. The increase in the third quarter of 2000 from the same quarter in 1999 was primarily related to higher compensation expenses caused by salary increases

and the hiring of additional employees to handle the technical aspects of the Company's growth opportunities.

The Company experienced an effective tax rate of 27% for the nine month period ending September 30, 2000, up from 21% for the same period in 1999. Income before income taxes was higher due to the increase in oil prices. While the Company continues to invest in qualifying enhanced oil recovery projects (EOR), the increase in the effective tax rate was due to the decrease in EOR credits as a percentage of income before income taxes. The Company anticipates that the effective tax rate will trend upward if oil prices maintain their current levels or improve.

Liquidity and Capital Resources

Working capital at September 30, 2000 was \$3.9 million, down from \$8.3 million in the second quarter of 2000 and \$8.4 million at December 31, 2000. The Company generated cash from operations of \$46.8 million for the first nine months of 2000, up sharply from \$15.1 million for the same period of 1999. Cash was used to retire \$19 million in long-term debt, pay \$17.4 million in capital development, pay dividends of \$6.6 million and make a lease acquisition of \$3 million. Long-term debt at September 30, 2000 was \$33 million, with the retirement of an additional \$6 million so far in the fourth quarter.

Future Developments

The Company currently has two bracketed zero cost collar hedge contracts with two refiners as part of its oil price protection program on a total of 6,500 B/D of its crude oil production. These contracts expire at year-end 2000. While the Company has not yet replaced them with any new hedging arrangements, the Company may elect to do so in the future.

During 2000, it has been apparent that there has been a shortfall between the supply of electricity produced and the increasing demand for power in California. This, combined with the phase-in of the deregulation of the electricity market in California, has resulted in political turmoil between regulatory agencies, electricity producers, electrical transmission companies

and the retail customers. The Company presently has Standard Offer #1 and Standard Offer #2 contracts for selling its electricity production to major transmission companies which begin to expire in 2002. The Company can opt to sell any or all of its electricity on the open market at any time. Although the prices available on the open market are presently attractive, there can be no guarantee that this condition will continue based upon certain future political and market supply/demand conditions.

Forward-Looking Statements

"Safe harbor under the Private Securities Litigation Reform Act of 1995": With the exception of historical information, the matters discussed in this Form 10-Q are forward-looking statements that involve risks and uncertainties. Although the Company believes that its expectations are based on reasonable assumptions, it can give no assurance that its goals will be achieved. Important factors that could cause actual results to differ materially from those in the forward-looking statements herein include, but are not limited to, the timing and extent of changes in commodity prices for oil, gas and electricity, competition, environmental risks, litigation uncertainties, drilling, development and operating risks, uncertainties about the estimates of reserves, the prices of goods and services, the availability of drilling rigs and other support services, Y2k non-compliance by key vendors, customers, the Company, etc., legislative and/or California Public Utilities Commission decisions and government regulation.

Part II. Other Information

Item 6. Exhibits and Reports on Form 8-K

None

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
Chairman, President and
Chief Executive Officer

/s/ Ralph J. Goehring
Ralph J. Goehring
Senior Vice President and
Chief Financial Officer
(Principal Financial Officer)

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

Date: November 8, 2000

9-MOS			
	DEC-31-2000		
	SEP-30-2000		
			1,689
		600	
		23,320	
		0	
		0	
		27,853	
			299,342
		101,981	
		227,056	
	23,973		
			0
	0		
			0
			220
		136,946	
227,056			
			85,235
		85,574	
			0
			39,414
		6,003	
		0	
		2,575	
		37,582	
		10,251	
	27,331		
		0	
		0	
			0
		27,331	
		1.24	
		1.23	