

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 March 31, 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 March 31, 1996, was 21,032,987 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  
MARCH 31, 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 March 31, 1996, and the condensed statements of income and of cash flows for the three month periods ended March 31, 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  
April 30, 1996

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

	March 31, 1996 (Unaudited)	December 31, 1995
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 22,196	\$ 18,759
Short-term investments - available for sale	14,698	15,695
Accounts receivable	9,242	8,414
Deferred income taxes	957	1,175
Prepaid expenses and other	1,039	1,157
	48,132	45,200
Oil and gas properties (successful efforts basis), buildings and equipment, net	72,724	72,042
Other assets	494	480
	\$ 121,350	\$ 117,722
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 3,911	\$ 3,086
Accrued liabilities	3,862	3,912
Federal and state income taxes payable	2,283	1,696
	10,056	8,694
Deferred income taxes	17,565	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; 21,032,987 shares issued and outstanding at March 31, 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	52,850	52,850
Retained earnings	40,660	38,991
	93,729	92,060
	\$ 121,350	\$ 117,722

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

BERRY PETROLEUM COMPANY  
Part I. Financial Information  
Item 1. Financial Statements  
Condensed Income Statements  
Three Month Periods Ended March 31, 1996 and 1995  
(In Thousands Except Per Share Data)  
(Unaudited)

	1996	1995
<b>Revenues:</b>		
Sales of oil and gas	\$ 12,145	\$ 10,439
Interest and other income, net	458	548
	12,603	10,987
<b>Expenses:</b>		
Operating costs	3,814	4,860

Depreciation, depletion and amortization	1,627	1,701
Exploratory dry hole costs	-	43
General and administrative	1,099	1,116
	<u>6,540</u>	<u>7,720</u>
Income before income taxes	6,063	3,267
Provision for income taxes	2,202	1,057
	<u>3,861</u>	<u>2,210</u>
Net income	\$ 3,861	\$ 2,210
	=====	=====
Net income per share	\$ .18	\$ .10
	=====	=====
Weighted average number of shares of capital stock used to calculate earnings per share	21,932	21,932
	=====	=====
Cash dividends per share	\$ .10	\$ .10
	=====	=====

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 Cash Flows  
Three Month Periods Ended March 31, 1996 and 1995  
(In Thousands)  
(Unaudited)

	1996	1995
Cash flows from operating activities:		
Net income	\$ 3,861	\$ 2,210
Adjustments to reconcile net income to net cash provided by operating activities:		
Depletion, depreciation and amortization	1,627	1,701
Other, net	600	343
	<u>6,088</u>	<u>4,254</u>
Net working capital provided by operating activities	6,088	4,254
(Increase) decrease in accounts receivable, prepaid expenses and other	(492)	2,308
Increase (decrease) in current liabilities	1,362	(1,850)
	<u>6,958</u>	<u>4,712</u>
Net cash provided by operating activities	6,958	4,712
Cash flows from investing activities:		
Capital expenditures	(2,326)	(2,821)
Purchase of short-term investments	-	(1,000)
Maturities of short-term investments	998	5,328
	<u>(1,328)</u>	<u>1,507</u>
Net cash (used in) provided by investing activities	(1,328)	1,507
Cash flows from financing activities:		
Dividends paid	(2,193)	(2,193)
	<u>(2,193)</u>	<u>(2,193)</u>
Net cash used in financing activities	(2,193)	(2,193)
Net increase in cash and cash equivalents	<u>3,437</u>	<u>4,026</u>

Cash and cash equivalents at beginning of year	18,759	7,466
	<u>          </u>	<u>          </u>
Cash and cash equivalents at end of period	\$ 22,196	\$ 11,492
	=====	=====
Supplemental disclosures of cash flow information:		
Income taxes paid	\$ 1,100	\$ 200
	=====	=====

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  
March 31, 1996  
(Unaudited)

1. All adjustments which are, in the opinion of management, necessary for a fair presentation of the Company's financial position at March 31, 1996 and December 31, 1995 and results of operations and cash flows for the three month periods ended March 31, 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 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. Working closely with the appropriate governmental agencies, the Company substantially completed the clean-up of the spill 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 and has received preliminary coverage letters from its insurance carriers tendering coverage, subject to certain reservations. 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 the second quarter of 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 March 31, 1996, and the probable remaining minimum insurance reimbursement is included in accounts receivable. As of March 31, 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.

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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 earned net income of \$3.9 million during the first three months of 1996, or \$.18 per share, up 5% from \$3.7 million, or \$.17 per share, earned during the fourth quarter of 1995, and up 80% from \$2.2 million, or \$.10 per share, earned during the first quarter of 1995.

Three Months Ended

	Mar 31, 1996	Dec 31, 1995	Mar 31, 1995
Net Production - BOE per day	9,101	9,128	8,927
Average Sales Price per BOE	\$14.42	\$12.63	\$13.02
Operating Costs per BOE	\$ 4.61	\$ 4.63	\$ 6.05
Depreciation/Depletion per BOE	\$ 1.82	\$ 1.83	\$ 1.95
General and Administrative Expenses per BOE	\$ 1.33	\$ 1.34	\$ 1.39

Operating income from producing operations increased 28% and 70%, respectively, to \$6.8 million in the first quarter of 1996 from \$5.3 million and \$4.0 million in the three months ended December 31 and March 31, 1995.

This significant improvement in operating income from the fourth quarter of 1995 was due to higher oil prices. The posted price per barrel for the Company's 13 degree API gravity crude oil began 1996 at \$13.25 and increased to a high of \$17.75 at the end of the first quarter. This resulted in an average sales price/BOE of \$14.42 in the first quarter of 1996, which was 14% higher than \$12.63 received in the fourth quarter of 1995.

In addition to an 11% increase in the price received for oil and gas, the operating income in the first quarter of 1996 was significantly higher than the first quarter of 1995 due to lower operating costs and higher production levels. Operating costs/BOE declined 24% from the 1995 quarter due primarily to lower steam costs resulting from the acquisition of the cogeneration plant in August 1995 and lower natural gas prices. Oil and gas production increased 174 BOE/day due primarily to the workover of a number of wells in the Montalvo field and the continuing benefit from the 1995 development program. The increase in production from the 1995 period was actually higher since the Company sold its Rincon properties in November 1995 which had contributed approximately 300 BOE/day to the Company's production.

As part of its 1996 capital budget, the Company plans to drill and complete 43 additional development wells on its Midway Sunset properties. As of April 30, 1996, the Company has drilled and completed 21 of these wells, the majority of which were placed on production late in the first quarter. The Company is now seeing the effects of these new wells with total companywide production increasing to a current level of approximately 9,500 BOE/day.

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General and administrative expenses remained relatively flat at \$1.1 million in all three quarters ended March 31, 1996, December 31, 1995 and March 31, 1995. General and administrative expenses represented approximately \$1.33/BOE during the first quarter of 1996, down from \$1.39 incurred in the first quarter of 1995 due to higher production volumes in the 1996 period.

Liquidity and Capital Resources

Working capital at March 31, 1996 was \$38.1 million, up from \$36.5 million at December 31, 1995 and \$37.5 million at March 31, 1995. Net cash provided by operating activities was \$7.0 million during the 1996 period, up 49% from \$4.7 million in the three month period ended March 31, 1995. Funds were used for capital expenditures of \$2.3 million which included the drilling of 16 development wells in the Company's homebase properties in the Midway Sunset field, and to pay dividends in the amount of \$2.2 million.

Future Developments

President Clinton's administration has determined that there will be no adverse impacts from the export of Alaska North Slope crude oil, therefore, effective April 28, 1996, such exports are allowed. The long term impact may be to reduce the differential between crude oil prices on the West Coast and other parts of the country.

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BERRY PETROLEUM COMPANY  
Part II. Other Information

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: May 1, 1996

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

April 30, 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 April 30, 1996 on our review of the interim condensed financial statements of Berry Petroleum Company for the three-month period ended March 31, 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)

[ARTICLE] 5  
[CIK] 0000778438  
[NAME] BERRY PETROLEUM COMPANY  
[MULTIPLIER] 1,000

[PERIOD-TYPE]	3-MOS	
[FISCAL-YEAR-END]		DEC-31-1996
[PERIOD-START]		JAN-01-1996
[PERIOD-END]		MAR-31-1996
[CASH]		22,196
[SECURITIES]		14,698
[RECEIVABLES]		9,242
[ALLOWANCES]		0
[INVENTORY]		0
[CURRENT-ASSETS]		48,132
[PP&E]		140,504
[DEPRECIATION]		67,780
[TOTAL-ASSETS]		121,350
[CURRENT-LIABILITIES]		10,056
[BONDS]		0
[PREFERRED-MANDATORY]		0
[PREFERRED]		0
[COMMON]		219
[OTHER-SE]		93,510
[TOTAL-LIABILITY-AND-EQUITY]		121,350
[SALES]		12,145
[TOTAL-REVENUES]		12,603
[CGS]		0
[TOTAL-COSTS]		5,441
[OTHER-EXPENSES]		1,099
[LOSS-PROVISION]		0
[INTEREST-EXPENSE]		0
[INCOME-PRETAX]		6,063
[INCOME-TAX]		2,202
[INCOME-CONTINUING]		3,861
[DISCONTINUED]		0
[EXTRAORDINARY]		0
[CHANGES]		0
[NET-INCOME]		3,861
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[EPS-DILUTED]		.18