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, 2001
Commission file number 1-9735

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

DELAWARE	77-0079387
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
28700 Hovey Hills Road, P.O. Box 925, Taft, California	93268-0925
(Address of principal executive offices)	(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 March 31, 2001, was 21,134,655 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, 2001
INDEX

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

	March 31, 2001 (Unaudited)	December 31, 2000
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 31,549	$ 2,731
Short-term investments available for sale	582	582
Accounts receivable	31,266	26,420
Prepaid expenses and other	4,591	5,190
Total current assets	67,988	34,923
Oil and gas properties (successful efforts basis), buildings and equipment, net	199,406	201,643
Other assets	993	1,793
	$ 268,387	$ 238,359
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 7,526	$ 28,678
Accrued Liabilities	5,318	2,288
Federal and state income taxes payable	5,734	5,110
Total current liabilities	18,578	36,076
Long-term debt	70,000	25,000
Deferred income taxes	32,165	32,059
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; 21,134,655 shares issued and outstanding at March 31, 2001 (21,134,667 at December 31, 2000)	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	53,728	53,686
Accumulated other comprehensive income	-	441
Retained earnings	93,696	90,877
Total shareholders' equity	147,644	145,224
	$ 268,387	$ 238,359

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, 2001 and 2000
(In Thousands, Except Per Share Information)
(Unaudited)

	2001	2000
Revenues:		
Sales of oil and gas	$ 30,697	$ 25,990
Sales of electricity	17,218	9,110
Interest and other income, net	622	147
	48,537	35,247
Expenses:		
Operating costs - oil and gas production	11,005	8,385
Operating costs - electricity generation	16,654	7,430
Depreciation, depletion and amortization	4,779	3,312
General and administrative	1,917	2,710
Write-off of electricity receivables	6,645	-
Interest	1,157	935
	42,157	22,772
Income before income taxes	6,380	12,475
Provision for income taxes	1,358	3,616
Net income	$ 5,022	$ 8,859
Basic net income per share	$ .23	$ .40
Diluted net income per share	$ .23	$ .40
Cash dividends per share	$ .10	$ .10
Weighted average number of shares of capital stock outstanding (used to calculate basic net income per share)	22,034	22,018
Effect of dilutive securities:		
Stock options	46	160
Other	17	20
Weighted average number of shares of capital stock used to calculate diluted net income per share	22,097	22,198

Condensed Statements of Comprehensive Income
Three Month Periods Ended March 31, 2001 and 2000
(in Thousands)

	2001	2000
Net income	$ 5,022	$ 8,859
Reclassification adjustment for realized gains included in net income	(441)	-
Comprehensive income	$ 4,581	$ 8,859

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, 2001 and 2000
(In Thousands)
(Unaudited)

	2001	2000
Cash flows from operating activities:		
Net income	$ 5,022	$ 8,859
Depreciation, depletion and amortization	4,779	3,312
Deferred income tax liability	106	1,388
Other, net	(476)	(70)

Net working capital provided by operating activities	9,431	13,489
Increase in accounts receivable, prepaid expenses and other	(4,246)	(2,412)
Increase (decrease) in current liabilities	(17,498)	6,471
Net cash provided by (used in) operating activities	(12,313)	17,548
Cash flows from investing activities:		
Capital expenditures	(1,666)	(4,053)
Property acquisitions	-	(3,034)
Other, net	-	12
Net cash used in investing activities	(1,666)	(7,075)
Cash flows from financing activities:		
Payment of long-term debt	-	(8,000)
Proceeds from issuance of long-term debt	45,000	-
Dividends paid	(2,203)	(2,203)
Other	-	133
Net cash provided by (used in) financing activities	42,797	(10,070)
Net increase in cash and cash equivalents	28,818	403
Cash and cash equivalents at beginning of year	2,731	980
Cash and cash equivalents at end of period	$ 31,549	$ 1,383

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

BERRY PETROLEUM COMPANY
Part I. Financial Information
Item 1. Financial Statements
Notes to Condensed Financial Statements
March 31, 2001
(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, 2001 and December 31, 2000 and results of operations and cash flows for the three month periods ended March 31, 2001 and 2000 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, 2000 financial statements. The December 31, 2000 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 accounting principles generally accepted in the United States Of America.

3. The Company performed a review of its receivables due from electricity sales. As of March 31, 2001, Southern California Edison Company (Edison) owed the Company $14.8 million for sales from November 2000 forward. Pacific Gas and Electric Company (PG&E), which filed for bankruptcy protection on April 6, 2001, owed the Company $12.1 million related to sales from December 2000 forward. The total due from both companies at the end of March was $26.9 million. The Company has deemed it necessary to write-off $6.6 million of the receivables at March 31, 2001 due to the bankruptcy of PG&E and the insolvency of Edison. This amount is netted in the Increases in accounts receivable, prepaid expenses and other in the Condensed Statements of Cash Flows.

4. The Company has terminated all of its four power sale

contracts related to its three cogeneration facilities. Two contracts were with PG&E and two contracts were with Edison. The PG&E contracts were terminated April 2, 2001 and one contract with Edison was terminated on March 19, 2001 and the other on April 6, 2001. As of May 2, 2001, the Company had commenced proceedings in the bankruptcy court with respect to PG&E and filed litigation against Edison for the courts' confirmation of the prior terminations of the contracts.

5. In December 2000, the Company entered into a series of derivative contracts to reduce exposure to unfavorable changes in natural gas prices. These contracts limited the price the Company paid for 4,500 Mmbtu/day of natural gas used in its cogeneration operations for the three-month period ended March 31, 2001. The Company recorded a $1.7 million pre-tax realized gain related to these contracts in the first quarter. The Company has not entered into any similar contracts since their expiration.

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 $5.0 million, or $.23 per share, on revenues of $48.5 million in the first quarter of 2001. These results were 44% lower than $8.9 million, or $.40 per share, on revenues of $35.2 million in the first quarter of 2000 and 49% lower than $9.9 million, or $.45 per share, on revenues of $54.2 million in the fourth quarter of 2000.

The following table presents certain comparative operating data for the three month periods:

	Three Months Ended		
	Mar 31, 2001	Mar 31, 2000	Dec 31, 2000
Net Production - BOE per day	15,289	14,297	15,701
Per BOE:			
Average sales price	$22.19	$19.99	$23.11
Operating costs	8.00	5.70	9.27
Production taxes	.41	.45	.37
Total operating costs	8.41	6.15	9.64
Depreciation, depletion and amortization (DD&A)	3.47	2.48	2.62
General and administrative expenses (G&A)	1.39	2.08	1.05
Interest expense	.84	.72	.42

Operating income in the first quarter of 2001 was $15.6 million, down 3% from $16.1 million in the first quarter of 2000 and 5% from $16.4 million in the fourth quarter of 2000.

Operating income from oil and gas producing operations was $15.0 million, up 4% from $14.4 million in the first quarter of 2000, but down 6% from $16.0 million in the fourth quarter of 2000. The largest factor in the increase from the first quarter of 2000 was oil and gas revenues which increased by $4.7 million, or 18%, to $30.7 million in the first quarter of 2001 from $26.0 million in the first quarter of 2000 due to higher production and higher realized oil prices. Average posting for the Company's 13 degree gravity crude for the current quarter was $20.38, down from $22.59 in the first quarter of 2000. Higher realized prices for the Company's heavy crude oil were primarily due to more favorable crude contracts which allowed the Company to realize $2.20 per barrel over applicable postings for the period. In addition, the Company's realized price of $19.99 in the first quarter of 2000 was 12% lower than the average posted price due primarily to the Company's hedging agreements which expired December 31, 2000. However, oil and gas revenues in the first quarter of 2001 were down 9% from $33.6 million earned in the fourth quarter of 2000 due to a 4% decline in oil prices and a 3% decline in average daily production volume.

The effect of higher oil and gas revenues on operating income from oil and gas operations was partially offset by higher operating costs, which were $11 million, or $8.41 per BOE, up 31% from $8.4 million, or $6.15 per BOE, in the first quarter of 2000, but down from $13.9 million, or $9.64 per BOE in the fourth quarter of 2000. Steam costs, which represent the most significant component of the Company's overall cost structure, were impacted by significantly higher natural gas prices which averaged $14.15/Mmbtu in the 2001 period compared to $2.61/Mmbtu in the first quarter of 2000. The Company injected 2.1 million barrels of steam in the 2001 period, down from 4.7 million barrels in the first quarter of 2000.

As the California electricity crisis unfolded during the quarter, the Company took significant steps to safeguard the assets of its shareholders and preserve capital. The two major utility customers breached the Company's electricity sales contracts by refusing to pay for electricity generation dating back as far as November 2000. The Company has, therefore, suspended all cogeneration operations with 77 megawatts of electricity generation capacity shut-in in February 2001 and the remaining 21 megawatts being shut-in on April 6, 2001. In addition, the Company has terminated all of its four power sale contracts related to its three cogeneration facilities. Two contracts were with Pacific Gas and Electric Company (PG&E) and two contracts were with Southern California Edison Company (Edison). The PG&E contracts were terminated April 2, 2001 and one contract with Edison was terminated on March 19, 2001 and the other on April 6, 2001. As of May 2, 2001, the Company had commenced proceedings in the bankruptcy court with respect to PG&E and filed litigation against Edison for the courts' confirmation of the prior terminations of the contracts.

Management is diligently pursuing alternative purchasers for the Company's power generation and anticipates resumption of operations at the Company's cogeneration plants in the second quarter of 2001. The Company also anticipates that power can be sold at a price which will result in both profitable cogeneration operations and, as long as a healthy crude oil market is maintained in California, acceptable steam costs for its heavy oil operations. Although the electricity sale contracts have been terminated, the Company cannot enter into new sales contracts until the generator scheduling coordinator I.D. number on file with the California Independent System Operator and associated with each cogeneration facility is released by the previous buyer, PG&E or Edison, as the case may be. The Company has scheduled a hearing in May 2001 before the bankruptcy court handling the PG&E Chapter 11 bankruptcy in an effort to obtain the releases related to the 38 megawatt and 18 megawatt cogeneration facilities located on the Company's Midway-Sunset properties. Edison, the purchaser of electricity from the Company's 42 megawatt facility in the Placerita field, has been unwilling to sign a release. The Company has filed litigation against Edison seeking a court order confirming the terminations and ordering Edison's full cooperation. The Company is hopeful that the resolution of these terminations will occur in the second quarter of 2001, however, there can be no guarantee that this will occur. Because the electricity crisis in California has been impacted by various federal and state regulatory agencies and the political process, it is possible that resolution will not occur for some time.

Conventionally generated steam is uneconomic at current natural gas prices. Therefore, it is not anticipated that conventional steaming will resume in the near future. In order to replace this source of steam, the Company is investigating the viability of expansion of its cogeneration capacity at both its Midway-Sunset and Placerita operating areas.

Oil and gas production (BOE per day) in the first quarter was 15,289, up from 14,297 in the first quarter of 2000, but down from 15,701 in the fourth quarter of 2000. Management estimates production may decrease another 20% in the next few months as the oil reservoirs cool. Consequently, it is of vital importance that the Company resume its cogeneration operations including electricity sales as soon as possible so that it can resume steam injection into the Company's oil properties to arrest this decline.

DD&A for the first quarter was $4.8 million, or $3.47/BOE, up from $3.3 million, or $2.48/BOE, in the first quarter of 2000 and $3.8 million, or $2.62/BOE, in the fourth quarter of 2000. The increase was due primarily to a $.7 million write-off of the remaining unamortized costs of the Company's power sale contracts and depreciation of the capital projects completed in 2000.

G&A expenses were $1.9 million in the first quarter of 2001, down from $2.7 million in the first quarter of 2000, but up slightly from $1.8 million in the fourth quarter of 2000. The decrease from the first quarter of 2000 was due primarily to lower legal costs in the current quarter. Unusually high legal costs in the first quarter of 2000 were due primarily to the Company's defense in a lawsuit in Los Angeles Superior Court which was settled in March 2000. The Company anticipates that legal costs may again impact G&A costs in future quarters due to the numerous legal issues related to California's electricity crisis.

The Company performed a review of its receivables due from electricity sales. As of March 31, 2001, Edison owed the Company $14.8 million for sales from November 2000 forward. PG&E owed the Company $12.1 million related to sales from December 2000 to the present. The total due from both companies at the end of March was $26.9 million. Due to the bankruptcy filing by PG&E and the potential insolvency of Edison, the Company has deemed it necessary to write-off $6.6 million of the receivables due from the utilities at March 31, 2001. After the write-off, the Company is carrying $9 million and $11.2 million in receivables from PG&E and Edison, respectively.

The Company experienced an effective tax rate of 21% for the three-month period ending March 31, 2001 compared to an effective tax rate of 29% for the same period last year. The decrease was primarily due to the write-off of the electricity receivables.

On April 18, 2001, the Company completed its acquisition of a 15.833% non-operated working interest in the Fort Union coalbed methane leases in the South Joe Creek field in the Powder River Basin, Wyoming for $2.1 million. The Company estimates the proved reserves, net to its interest, to be approximately 2.2 Bcf. This small acquisition was made as an entry into the developing area of coalbed methane gas production in the mid-continent area.

Liquidity and Capital Resources

Working capital at March 31, 2001 was $49.4 million, up from $4.8 million at March 31, 2000 and negative $1.2 million at December 31, 2000. Working capital increased primarily due to a $45 million drawdown of the Company's available line of credit. Net cash used in operations was $12.3 million for the first three months of 2001, down dramatically from $17.5 million provided by operations in the first quarter of 2000 and $19.2 million provided by operations in the fourth

quarter of 2000. The largest factors in the decrease were the increase in the outstanding receivable from the non-performing major utility customers of $11 million and the payment in early 2001 of an annual revenue sharing royalty of $9.4 million. Other uses of cash included $1.7 million in capital expenditures and a quarterly dividend payment of $2.2 million.

The Company entered 2001 poised to implement a very aggressive capital budget of $25 million. However, due to the restraints placed on Berry's operating capabilities by the current outcome of California's electricity crisis and extremely high natural gas prices in California, management has decided that it is prudent to postpone much of the current capital program until electricity generation and steaming operations resume. The Company currently anticipates a much lower budget under $10 million.

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, So Cal border pricing for natural gas, pipeline capacity for natural gas to and within California, the non-existence of a liquid marketplace for electricity purchases and sales within California, 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, legislative, California Public Utilities Commission, Federal Energy Regulatory Commission, and/or judicial decisions and other government regulations.

Part II. Other Information

Item 6. Exhibits and Reports on Form 8-K

On April 16, 2001, the Company filed a Form 8-K reporting on Item 5. Other Events to disclose the fact that Berry Petroleum Company ("Berry" or "Company") was a party to four power sale contracts related to its three cogeneration facilities. Two contracts were with Pacific Gas and Electric Company ("PG&E") and two contracts were with Southern California Edison Company ("Edison"), collectively the "Utilities". Berry has terminated all four contracts (two contracts with PG&E effective on April 2, 2001, and two contracts with Edison - one effective on March 19 and one effective on April 6, 2001) by delivering the required notice under the contracts.

As of March 31, 2001, Berry is owed $12.1 million from PG&E and $14.8 million from Edison for power deliveries as far back as November in the case of Edison, and December in the case of PG&E. Considering PG&E's filing for bankruptcy ("PG&E bankruptcy") on April 6, 2001 and the signed Memorandum of Understanding between Edison and the California Department of Water Resources ("Edison MOU") dated April 9, 2001, the Company is uncertain as to the impact of these developments on the collectibility of these receivables.

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: May 8, 2001