

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

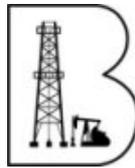
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 22, 2006 (August 22, 2006)



BERRY PETROLEUM COMPANY

(Exact Name of Registrant as Specified in its Charter)

DELAWARE
(State or Other Jurisdiction of
Incorporation or Organization)

1-9735
(Commission File Number)

77-0079387
(IRS Employer
Identification Number)

5201 TRUXTUN AVE., STE. 300, BAKERSFIELD, CA
(Address of Principal Executive Offices)

93309
(Zip Code)

Registrant's telephone number, including area code: **(661) 616-3900**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01**Regulation FD**

On August 22, 2006, Berry Petroleum Company distributed a news release stating that Berry Petroleum Company's board of directors has authorized a \$43 million increase to its 2006 capital budget to \$275 million, up 19% from the previous budget of \$232 million. The board also authorized an increase of \$.04 per share in its annual dividend and a special cash dividend of \$0.02 per share, resulting in a total dividend of \$.30 per share in 2006.

In addition, with the increased budget and two recent Piceance Basin acquisitions, Berry is targeting an increase in 2006 year-end proved reserves of 20 to 25 million barrels of oil equivalent (BOE) after annual production, resulting in proved reserves in excess of 146 million BOE

The information in this Current Report on Form 8-K and Exhibit 99.1 is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

99.1 - News Release by Berry Petroleum Company dated August 22, 2006, titled "Berry Petroleum Increases 2006 Capital Budget, Announces Dividend Increase And Projected Year-End Reserves."

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 hereto duly authorized.

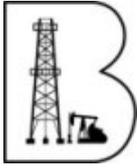
BERRY PETROLEUM COMPANY

By: /s/ Kenneth A. Olson

Kenneth A. Olson

Corporate Secretary

Date: August 22, 2006



News Release

Berry Petroleum Company

5201 Truxtun Avenue, Suite 300
Bakersfield, California 93309-0640

Contacts: Robert F. Heinemann, President and CEO - - Ralph J. Goehring, Executive Vice President and CFO

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BERRY PETROLEUM INCREASES 2006 CAPITAL BUDGET, ANNOUNCES DIVIDEND INCREASE AND PROJECTED YEAR-END RESERVES

Bakersfield, CA - August 22, 2006 - Berry Petroleum Company (NYSE:BRY) announced that its board of directors has authorized a \$43 million increase to its 2006 capital budget to \$275 million, up 19% from the previous budget of \$232 million. The board also authorized an increase of \$.04 per share in its annual dividend and a special cash dividend of \$0.02 per share, resulting in a total dividend of \$.30 per share in 2006, according to Robert F. Heinemann, president and chief executive officer.

2006 Capital Budget and Reserve Update

Mr. Heinemann said, "The \$43 million increase in the 2006 budget will fund 50 additional wells and 11 workovers in California, 27 additional wells and 95 workovers in the Rockies, various facilities, increased costs and other capital expenditures. For 2006 we are drilling over 500 wells, up from 234 wells last year. Our goal is to reinvest our increasing cash flow into our extensive development opportunities and accelerate production. With the additional budget and our two Piceance Basin acquisitions, we are targeting an increase in our 2006 year-end proved reserves of 20 to 25 million barrels of oil equivalent (BOE) after our annual production, resulting in proved reserves in excess of 146 million BOE."

Regular Quarterly Dividend Increased by 15%

The regular quarterly dividend is being increased by 15%, from \$.065 to \$.075 per share, beginning with the September 2006 dividend. The regular quarterly dividend, along with the special dividend of \$.02 per share, will be paid on September 29, 2006 to shareholders of record on September 13, 2006. The total dividend payable on September 29, 2006 will be \$.095 per share.

Mr. Heinemann added, "This is the fourth consecutive year that we have increased our regular quarterly dividend and have distributed a special dividend. This action should result in a total payout in 2006 of \$.30 per share. The Company continues to deliver powerful results to our shareholders."

Berry Petroleum Company is a publicly traded independent oil and gas production and exploitation company with headquarters in Bakersfield, California.

Safe harbor under the "Private Securities Litigation Reform Act of 1995"

Any statements in this news release that are not historical facts are forward-looking statements that involve risks and uncertainties. Words such as "goal," "will," "achieve," "targeting," "should," and forms of those words and others indicate forward-looking statements. Important factors which could affect actual results are discussed in *PART 1, Item 1A. Risk Factors* of Berry's 2005 Form 10-K filed with the Securities and Exchange Commission, under the heading "Other Factors Affecting the Company's Business and Financial Results" in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" as updated in *PART II, Item 1A. Risk Factors* of Berry's June 30, 2006 Form 10-Q filed on August 9, 2006.

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