

PETROLEUM DEVELOPMENT CORP

Form 10-Q

November 09, 2007

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**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 September 30, 2007**

**OR**

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the transition period from \_ to

**Commission File Number 000-07246**

**PETROLEUM DEVELOPMENT CORPORATION**  
(Exact name of registrant as specified in its charter)

**Nevada**  
(State of incorporation)

**95-2636730**  
(I.R.S. Employer Identification No.)

**120 Genesis Boulevard**  
**Bridgeport, West Virginia 26330**  
(Address of principal executive offices) (Zip code)

**Registrant's telephone number, including area code: (304) 842-3597**

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 for 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 ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer" and "large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐

Accelerated filer ☒

Non-accelerated filer ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: –

14,902,762 shares of the Company's Common Stock (\$.01 par value) were outstanding as of October 31, 2007.

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PETROLEUM DEVELOPMENT CORPORATION

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## Condensed Consolidated Balance Sheets

*(in thousands, except share data)*

	September 30, 2007	December 31, 2006*
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 28,612	\$ 194,326
Restricted cash - current	14,810	519
Accounts receivable, net	45,199	42,600
Accounts receivable - affiliates	10,288	9,235
Inventories	5,794	3,345
Fair value of derivatives	16,403	15,012
Other current assets	20,440	5,977
Total current assets	141,546	271,014
Properties and equipment, net	782,667	394,217
Restricted cash - long term	1,272	192,451
Other assets	8,266	26,605
Total assets	\$ 933,751	\$ 884,287
<b>Liabilities and shareholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 99,663	\$ 67,675
Short term debt	-	20,000
Production tax liability	12,224	11,497
Other accrued expenses	7,725	9,685
Accounts payable - affiliates	28,035	7,595
Deferred gain on sale of leaseholds	-	8,000
Federal and state income taxes payable	2,512	28,698
Fair value of derivatives	2,773	2,545
Advances for future drilling contracts	2,199	54,772
Funds held for future distribution	43,955	31,367
Total current liabilities	199,086	241,834
Long-term debt	172,000	117,000
Deferred gain on sale of leaseholds	-	17,600
Other liabilities	21,222	19,400
Deferred income taxes	135,680	116,393
Asset retirement obligation	18,148	11,916
Total liabilities	546,136	524,143
<b>Commitments and contingencies</b>		
Minority interest in consolidated limited liability company	776	-
<b>Shareholders' equity:</b>		
Common stock, shares issued: 14,908,656 in 2007 and 14,834,871 in 2006	149	148

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Additional paid-in capital	2,052	64
Retained earnings	384,847	360,102
Treasury shares, at cost: 5,531 in 2007 and 4,706 in 2006	(209)	(170)
Total shareholders' equity	386,839	360,144
Total liabilities and shareholders' equity	\$ 933,751	\$ 884,287

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*\*Derived from audited 2006 balance sheet.*

*See accompanying notes to condensed consolidated financial statements.*

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**PETROLEUM DEVELOPMENT CORPORATION**

Condensed Consolidated Statements of Income

*(unaudited, in thousands except per share data)*

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2007	2006	2007	2006
		<i>Revised*</i>		<i>Revised*</i>
Revenues:				
Oil and gas sales	\$ 44,437	\$ 30,577		