

MURPHY OIL CORP /DE  
Form 10-Q  
August 05, 2014  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

(Mark one)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2014

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 1-8590

**MURPHY OIL CORPORATION**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**71-0361522**  
(I.R.S. Employer  
Identification Number)

**200 Peach Street**

**P.O. Box 7000, El Dorado, Arkansas**  
(Address of principal executive offices)

**71731-7000**  
(Zip Code)

**(870) 862-6411**

(Registrant's telephone number, including area code)

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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

Number of shares of Common Stock, \$1.00 par value, outstanding at June 30, 2014 was **177,571,522**.

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**MURPHY OIL CORPORATION**

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Murphy Oil Corporation and Consolidated Subsidiaries

**CONSOLIDATED BALANCE SHEETS**

(Thousands of dollars)

	(Unaudited)	
	June 30, 2014	December 31, 2013
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 661,086	750,155
Canadian government securities with maturities greater than 90 days at the date of acquisition	427,372	374,842
Accounts receivable, less allowance for doubtful accounts of \$1,609 in 2014 and 2013	1,053,122	999,872
Inventories, at lower of cost or market		
Crude oil	38,119	40,077
Materials and supplies	251,375	254,118
Prepaid expenses	125,046	83,856
Deferred income taxes	59,619	61,991
Assets held for sale	617,194	943,732
Total current assets	3,232,933	3,508,643
Property, plant and equipment, at cost less accumulated depreciation, depletion and amortization of \$9,318,710 in 2014 and \$8,540,239 in 2013	14,196,884	13,481,055
Goodwill	40,083	40,259
Deferred charges and other assets	101,883	98,123
Assets held for sale	302,151	381,404
Total assets	\$ 17,873,934	17,509,484
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>		
Current liabilities		
Current maturities of long-term debt	\$ 35,100	26,249
Accounts payable and accrued liabilities	2,257,458	2,335,712
Income taxes payable	302,028	222,930
Liabilities associated with assets held for sale	255,935	639,140
Total current liabilities	2,850,521	3,224,031
Long-term debt, including capital lease obligation	3,786,494	2,936,563
Deferred income taxes	1,507,484	1,466,100
Asset retirement obligations	905,467	852,488
Deferred credits and other liabilities	331,144	339,028
Liabilities associated with assets held for sale	93,927	95,544
Stockholders equity		
Cumulative Preferred Stock, par \$100, authorized 400,000 shares, none issued	0	0
Common Stock, par \$1.00, authorized 450,000,000 shares, issued 195,017,103 shares in 2014 and 194,920,155 shares in 2013	195,017	194,920
Capital in excess of par value	886,292	902,633
Retained earnings	8,231,331	8,058,792
Accumulated other comprehensive income	172,531	172,119

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Treasury stock, 17,445,581 shares of Common Stock in 2014 and 11,513,642 shares of Common Stock in 2013, at cost	(1,086,274)	(732,734)
<b>Total stockholders' equity</b>	<b>8,398,897</b>	<b>8,595,730</b>
Total liabilities and stockholders' equity	\$ 17,873,934	17,509,484

See Notes to Consolidated Financial Statements, page 7.

The Exhibit Index is on page 36.

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Murphy Oil Corporation and Consolidated Subsidiaries

**CONSOLIDATED STATEMENTS OF INCOME (unaudited)**

(Thousands of dollars, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013*	2014	2013*
<b>REVENUES</b>				
Sales and other operating revenues	\$ 1,357,905	1,315,600	2,639,113	2,614,526
Interest and other income (loss)	(8,884)	16,386	(3,692)	8,398
Total revenues	1,349,021	1,331,986	2,635,421	2,622,924
<b>COSTS AND EXPENSES</b>				
Lease operating expenses	285,865	251,775	548,120	588,998
Severance and ad valorem taxes	28,893	20,334	55,219	35,397
Exploration expenses, including undeveloped lease amortization	134,812	88,772	273,278	197,265
Selling and general expenses	95,000	86,904	187,026	168,371
Depreciation, depletion and amortization	458,993	381,384	855,242	744,526
Impairment of assets	0	21,587	0	21,587
Accretion of asset retirement obligations	12,327	11,961	24,392	23,857
Interest expense	33,769	29,593	66,655	56,621
Interest capitalized	(5,053)	(14,478)	(13,921)	(27,866)
Other expense	(178)	0	636	0
Total costs and expenses	1,044,428	877,832	1,996,647	1,808,756
Income from continuing operations before income taxes	304,593	454,154	638,774	814,168
Income tax expense	161,925	194,265	326,820	371,596
Income from continuing operations	142,668	259,889	311,954	442,572
Income (loss) from discontinued operations, net of taxes	(13,256)	142,755	(27,289)	320,671
<b>NET INCOME</b>	\$ 129,412	402,644	284,665	763,243
<b>PER COMMON SHARE BASIC</b>				
Income from continuing operations	\$ 0.80	1.38	1.73	2.33
Income (loss) from discontinued operations	(0.08)	0.75	(0.15)	1.69
Net income	\$ 0.72	2.13	1.58	4.02
<b>PER COMMON SHARE DILUTED</b>				
Income from continuing operations	\$ 0.79	1.37	1.72	2.32
Income (loss) from discontinued operations	(0.07)	0.75	(0.15)	1.68
Net income	\$ 0.72	2.12	1.57	4.00
Average common shares outstanding				
Basic	178,500,440	189,002,146	180,003,605	189,753,673
Diluted	180,045,020	189,944,793	181,327,914	190,702,248

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\* Reclassified to conform to current presentation See Note D.  
See Notes to Consolidated Financial Statements, page 7.

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Murphy Oil Corporation and Consolidated Subsidiaries

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (unaudited)**

(Thousands of dollars)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Net income	\$ 129,412	402,644	284,665	763,243
Other comprehensive income (loss), net of tax				
Net gain (loss) from foreign currency translation	133,559	(117,254)	(3,045)	(235,008)
Retirement and postretirement benefit plans				