

Edgar Filing: Oasis Petroleum Inc. - Form 10-Q

Oasis Petroleum Inc.
Form 10-Q
November 07, 2013
Table of Contents

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, 2013

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: 1-34776

Oasis Petroleum Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

80-0554627
(I.R.S. Employer
Identification No.)

1001 Fannin Street, Suite 1500
Houston, Texas
(Address of principal executive offices)

77002
(Zip Code)

(281) 404-9500
(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 (Do not check if a smaller reporting company) Smaller reporting company

Edgar Filing: Oasis Petroleum Inc. - Form 10-Q

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 the registrant's common stock outstanding at November 4, 2013: 93,701,254 shares.

Table of Contents

OASIS PETROLEUM INC.
FORM 10-Q
FOR THE QUARTER ENDED SEPTEMBER 30, 2013
TABLE OF CONTENTS

	Page
<u>PART I — FINANCIAL INFORMATION</u>	<u>1</u>
<u>Item 1. — Financial Statements (Unaudited)</u>	<u>1</u>
<u>Condensed Consolidated Balance Sheet at September 30, 2013 and December 31, 2012</u>	<u>1</u>
<u>Condensed Consolidated Statement of Operations for the Three and Nine Months Ended September 30, 2013 and 2012</u>	<u>2</u>
<u>Condensed Consolidated Statement of Changes in Stockholders' Equity for the Nine Months Ended September 30, 2013</u>	<u>3</u>
<u>Condensed Consolidated Statement of Cash Flows for the Nine Months Ended September 30, 2013 and 2012</u>	<u>4</u>
<u>Notes to the Condensed Consolidated Financial Statements</u>	<u>5</u>
<u>Item 2. — Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>22</u>
<u>Item 3. — Quantitative and Qualitative Disclosures About Market Risk</u>	<u>34</u>
<u>Item 4. — Controls and Procedures</u>	<u>35</u>
<u>PART II — OTHER INFORMATION</u>	<u>36</u>
<u>Item 1. — Legal Proceedings</u>	<u>36</u>
<u>Item 1A. — Risk Factors</u>	<u>36</u>
<u>Item 2. — Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>37</u>
<u>Item 6. — Exhibits</u>	<u>38</u>
<u>SIGNATURES</u>	<u>39</u>
<u>EXHIBIT INDEX</u>	<u>40</u>

Table of Contents

PART I — FINANCIAL INFORMATION

Item 1. — Financial Statements (Unaudited)

Oasis Petroleum Inc.

Condensed Consolidated Balance Sheet

(Unaudited)

September 30, 2013 December 31, 2012

(In thousands, except share data)

ASSETS

Current assets

Cash and cash equivalents	\$ 125,440	\$ 213,447
Restricted cash	986,210	—
Short-term investments	—	25,891
Accounts receivable — oil and gas revenues	155,068	110,341
Accounts receivable — joint interest partners	120,058	99,194
Inventory	18,358	20,707
Prepaid expenses	7,440	1,770
Advances to joint interest partners	1,170	1,985
Derivative instruments	374	19,016
Deferred income taxes	8,683	—
Other current assets	473	335
Total current assets	1,423,274	492,686
Property, plant and equipment		
Oil and gas properties (successful efforts method)	3,044,515	2,348,128
Other property and equipment	157,926	49,732
Less: accumulated depreciation, depletion, amortization and impairment	(589,173)	(391,260)
Total property, plant and equipment, net	2,613,268	2,006,600
Derivative instruments	3,405	4,981
Deferred costs and other assets	43,436	24,527
Total assets	\$ 4,083,383	\$ 2,528,794

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities

Accounts payable	\$ 39,468	\$ 12,491
Advances from joint interest partners	13,211	21,176
Revenues and production taxes payable	133,083	71,553
Accrued liabilities	198,493	189,863
Accrued interest payable	22,873	30,096
Derivative instruments	17,060	1,048
Deferred income taxes	—	4,558
Total current liabilities	424,188	330,785
Long-term debt	2,360,000	1,200,000
Asset retirement obligations	26,999	22,956
Derivative instruments	852	380
Deferred income taxes	293,156	177,671
Other liabilities	2,310	1,997
Total liabilities	3,107,505	1,733,789

Commitments and contingencies (Note 13)

Stockholders' equity

Common stock, \$0.01 par value; 300,000,000 shares authorized; 93,854,867 926 issued and 93,690,494 outstanding at September 30, 2013; 93,432,712		925
---	--	-----

Edgar Filing: Oasis Petroleum Inc. - Form 10-Q

issued and 93,303,298 outstanding at December 31, 2012

Treasury stock, at cost; 164,373 and 129,414 shares at September 30, 2013 and December 31, 2012, respectively	(5,220) (3,796)
Additional paid-in-capital	666,770	657,943	
Retained earnings	313,402	139,933	
Total stockholders' equity	975,878	795,005	
Total liabilities and stockholders' equity	\$4,083,383	\$2,528,794	

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

Table of ContentsOasis Petroleum Inc.
Condensed Consolidated Statement of Operations
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
	(In thousands, except per share data)			
Revenues				
Oil and gas revenues	\$286,952	\$178,748	\$770,445	\$461,857
Well services and midstream revenues	18,546	5,963	37,939	10,484
Total revenues	305,498	184,711	808,384	472,341
Expenses				
Lease operating expenses	21,831	16,134	59,586	37,979
Well services and midstream operating expenses	10,319	5,420	19,877	7,104
Marketing, transportation and gathering expenses	5,688	2,744		