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BERRY PETROLEUM CO

Form 425

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Subject Company: Berry Petroleum Company

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Goldman, Sachs & Co.
Investor Meetings
November 14, 2013

Forward-Looking Statements
and Risk Factors

Statements made in these presentation slides and by representatives of LINN Energy, LLC and LinnCo, LLC (collectively the Company) during the course of this presentation that are not historical facts are forward-looking statements. These statements are based on certain assumptions and expectations made by the Company which reflect management's experience, estimates and perception of historical trends, current

conditions, anticipated future developments, potential for reserves and drilling, completion of current and future acquisitions, future distributions, future growth, benefits of acquisitions, future competitive position and other factors believed to be appropriate. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company, which may cause actual results to differ materially from those implied or anticipated in the forward-looking statements. These include risks relating to financial performance and results, indebtedness under LINN Energy's credit facility and Senior Notes, access to capital markets, availability of sufficient cash flow to pay distributions and execute our business plan, prices and demand for natural gas, oil and natural gas liquids, LINN Energy's ability to replace reserves and efficiently develop LINN Energy's current reserves, LINN Energy's ability to make acquisitions on economically acceptable terms, regulation, availability of connections and equipment and other important factors that could cause actual results to differ materially from those anticipated or implied in the forward-looking statements. See "Risk Factors" in LINN Energy's 2012 Annual Report on Form 10-K, Forms 10-Q, Registration Statement on Form S-4, as amended, and any other public filings. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information or future events. The market data in this presentation has been prepared as of November 4, 2013, except as otherwise noted.

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LINN Operations
Berry Operations
LINN Overview
East Goldsmith
Field Acquisition
LINN Energy IPO in 2006 with initial

enterprise value of ~\$713 million

Large, long-life diversified reserve base

(\$ in billions)

Current

(1)

PF Berry

(1)(2)

Equity market cap

\$7.5

\$10.7

Total net debt

7.0

8.8

Enterprise value

\$14.5

\$19.5

Note: Market data as of November 4, 2013 (LINE and LNCO closing prices of \$31.80 and \$33.36 respectively). Unless noted otherwise, all operational and reserve data as of December 31, 2012. Estimates of proved reserves for the East

Goldsmith Field acquisition were calculated as of the effective date of the acquisition using forward strip oil and natural

gas

prices,

which

differ

from

estimates

calculated

in

accordance

with

SEC rules and regulations. Estimates of proved

reserves for the East Goldsmith Field acquisition based solely on data provided by seller.

(1)

Pro forma for the East Goldsmith Field acquisition and \$500 million term loan facility.

(2)

Pro forma for pending merger with Berry Petroleum (Berry), which remains subject to closing conditions, including completion of SEC review of pending Registration Statement on Form S-4 and subsequent shareholder and unitholder approval.

(3)

Pro forma for the East Goldsmith Field acquisition and Panther divestiture.

(4)

Well count does not include ~2,500 royalty interest wells.

(\$ in billions)

Current

(3)

PF Berry

(2)(3)

Total proved reserves

~5.0 Tcfe

~6.6 Tcfe

% proved developed

64%
62%
% liquids
47%
54%
Reserve life-index
~17 years
~17 years
Gross productive wells
(4)
~16,000
~19,000
Corporate
Headquarters
(Houston)
NM
TX
KS
IL
LA
MI
ND
OK
CA
East Texas
WY
UT
CO
California
Uinta Basin
Piceance
Basin
Permian Basin

MLP and Independent E&P Rankings

Note: Market data as of November 4, 2013 (LINE closing price of \$31.80). Source: Bloomberg.

(1)

Pro forma for pending Berry transaction, which remains subject to closing conditions, including completion of SEC review of shareholder and unitholder approvals.

LINN is one of the largest MLP and independent E&P companies

13

th
largest public MLP / LLC
18
th
largest domestic independent oil & natural gas company
4
Rank
Master Limited Partnership
Enterprise Value (\$MM)
Rank
Independent E&P
Enterprise Value (\$MM)
1.
Enterprise Products Partners
\$76,272
1.
ConocoPhillips
\$107,892
2.
Kinder Morgan Energy Partners
\$56,267
2.
Occidental Petroleum Corp.
\$82,744
3.
Energy Transfer Equity
\$56,048
3.
Anadarko Petroleum Corp.
\$59,803
4.
Energy Transfer Partners
\$46,065
4.
EOG Resources Inc.
\$54,972
5.
Williams Partners
\$31,313
5.
Apache Corp.
\$44,858
6.
Plains All American Pipeline
\$25,659
6.
Chesapeake Energy Corp.
\$36,157
7.
Linn Energy LLC (PF Berry)

(1)
\$19,460
7.
Devon Energy Corporation
\$31,919
8.
ONEOK Partners
\$17,932
8.
Pioneer Natural Resources Co.
\$31,856
9.
Enbridge Energy Partners
\$16,713
9.
Marathon Oil Corporation
\$31,540
10.
Magellan Midstream Partners
\$15,060
10.
Noble Energy Inc.
\$30,817
11.
Markwest Energy Partners
\$14,843
11.
Continental Resources Inc.
\$26,421
12.
Cheniere Energy Partners
\$14,712
12.
Linn Energy LLC (PF Berry)
(1)
\$19,460
13.
LINN Energy LLC
\$14,534
13.
Cabot Oil & Gas Corp.
\$15,949
14.
Access Midstream Partners
\$13,964
14.
EQT Corp.
\$15,879
15.
El Paso Pipeline Partners

\$13,012

15.

Range Resources Corp.

\$15,583

16.

Boardwalk Pipeline Partners

\$11,299

16.

Concho Resources Inc.

\$15,434

17.

Western Gas Equity Partners

\$10,894

17.

Southwestern Energy Co.

\$15,207

18.

Sunoco Logistics Partners

\$9,645

18.

LINN Energy LLC

\$14,534

19.

Buckeye Partners

\$9,601

19.

Murphy Oil Corp.

\$12,749

20.

Regency Energy Partners

\$9,289

20.

Denbury Resources Inc.

\$10,486

21.

Spectra Energy Partners

\$9,080

21.

Cimarex Energy Co.

\$10,065

22.

Targa Resources Partners

\$8,542

22.

Whiting Petroleum Corp.

\$9,949

23.

Western Gas Partners

\$8,260

23.

QEP Resources Inc.

\$9,255

24.

Atlas Energy LP

\$7,657

24.

Cobalt International Energy

\$9,216

25.

Amerigas Partners

\$6,585

25.

MDU Resources Group Inc.

\$7,793

First-ever acquisition of a public C-Corp by a
MLP / LLC

Long-life, low-decline, mature assets

Pending Berry Transaction

Overview

(1)

Reserve estimates for pending Berry transaction based solely on data provided by seller.

Proved Reserves
Q3'13 Production
~41 MBoe/d
~1.65 Tcfe
Corporate
Headquarters
(Denver)
TX
CA
East Texas
CO
Berry Operations
Permian
UT
Uinta
Piceance
Oil
Natural Gas
California
Berry Operations Map
Transaction Update
LINN filed Amendment No. 7 to its Registration
Statement on Form S-4 on November 6
Expect to hold unitholder / shareholder votes
in mid-December
Valued at ~\$4.9 billion, including debt
Transaction Highlights
~15% decline rate
Reserve life of >18 years
Increases LINN's production by ~30%
Increases LINN's liquids exposure
Berry's reserves are ~75% liquids
Dominant California position
Upon
closing,
LINN
will
be
the
5
th
largest
producer
in California
Significant additional resources
Probable and possible reserves total ~3.8 Tcfe
Permian
20%
Uinta
20%

East TX and
Piceance
10%
California
50%
NGLs
7%
Natural
Gas
26%
Oil
67%

6

Excellent MLP

Assets

Low decline rate of ~15% and reserve life of >18 years

Proved reserves of ~1.65 Tcfe

Current production of ~41,000 Boe/d

Significantly

Improves Credit

Metrics

100% stock-for-stock transaction significantly improves leverage

Geographic

Synergies

California, Permian and East Texas assets complement LINN's existing positions in these areas

o

Following

closing,

LINN

will

be

the

5

th

largest

producer

in

California

Attractive entry into new core area in the Uinta Basin

Liquids

Focused

(1)

~75% liquids, high-margin assets with excellent operating margins

Increases liquids exposure to 54% of proved reserves from 47%, as of December 31, 2012

o

Decreases LINN's NGL exposure (as a % of total production)

Strategic-Fit

With LINN

Energy

Expected to be accretive to cash available for distribution

o

Potential for additional operational synergies

Tax efficient for both LinnCo and Berry shareholders

(1)

As of December 31, 2012, pro forma for announced merger.

Pending Berry Transaction

Strategic Rationale

East Goldsmith
Area
Central Basin Platform
Acquisition Acreage
Proved Location Area
PROB Location Area
Asset Overview

Net production ~4,800 Boe/d

Proved reserves of ~30 MMBoe (~70% oil)

o

Large infill drilling inventory

Reserves-to-production ratio of ~17 years

~98% operated working interest

124 producing wells on 6,250 net acres

o

Majority held by production

Platform for Growth

Expect to drill ~300 wells over the next 4-5 years

o

Proven downspacing from 40 acres to 10
acres

Future Clearfork waterflood

o

Additional reserve potential of ~24 MMBoe

CO

2

flood potential in Glorieta, San Andres and
Holt intervals

7

East Goldsmith Field

\$525 million acquisition of
properties located in the Central Basin Platform of
the Permian Basin closed on October 31.

East Goldsmith Field Acquisition

Ector County

LINN Operational Update
8
Granite Wash
8 rigs drilling in the region
0
2
rigs

targeting
the
Hogshooter
interval
in
the
Mayfield
area
of
western
Oklahoma

o
6 rigs focused on developing high-return, liquids-rich opportunities in the Texas Panhandle
12 Hogshooter wells producing in the Mayfield area with gross average IP rates of ~3,800
Boe/d (~74% liquids)

Permian Basin

4 rigs drilling vertical Wolfberry wells

Drilled 68 wells YTD 2013 and have reduced costs by ~15%

Potential for horizontal Wolfcamp and Spraberry

o

Expect to participate in 4 non-operated horizontal Wolfcamp wells beginning in Q4

o

Expect to spud 1 operated horizontal Wolfcamp well in late 2013 or early 2014

Jonah Field

2 rigs drilling in the region

Expect to participate in 19 operated and non-operated wells, with an additional 24 wells
expected to be drilling or awaiting completion by year-end

Hugoton Field

Commenced 1-rig drilling program in Q2 13

~400 potential drilling locations and plan to drill ~80 wells next year

Identified a significant number of locations to sustain program for the next ~5 years

9
Capital Structure (9/30/13)
(\$ in millions)
(1)
Pro
forma
for

the
 East
 Goldsmith
 Field
 acquisition,
 which
 closed
 on
 October
 31.
 LINN
 Berry
 Credit facility
 (1)
 \$1,733
 Credit facility
 \$636
 Term loan due 2018
 (1)
 500
 Senior notes:
 Senior notes:
 6.50% Senior notes due 2019
 750
 10.25% Senior notes due 2014
 205
 6.25% Senior notes due 2019
 1,800
 6.75% Senior notes due 2020
 300
 8.625% Senior notes due 2020
 1,300
 6.375% Senior notes due 2022
 600
 7.75% Senior notes due 2021
 1,000
 1,105
 4,850
 Total debt
 \$7,083
 Total debt
 \$1,741
 Credit facility note amount
 \$4,000
 Credit facility note amount
 \$1,200
 Less: outstanding borrowings + LCs
 (1,738)
 Less: outstanding borrowings + LCs
 (663)

Undrawn capacity
\$2,262
Undrawn capacity
\$537
Debt Summary
Debt Summary
Liquidity
Liquidity

LinnCo Structure
10
LINE
Unitholders
LLC
Units
LNCO

Shareholders

LinnCo

Common

Shares

Current *distribution*

of \$2.90 / unit

(1)

Schedule K-1 (partnership)

LINE

LNCO

Current *dividend*

of \$2.90 / share

(2)

Form 1099 (C-Corp.)

LLC

Units

Investors now have the ability to own LINN Energy two ways:

LINE (Partnership for tax purposes / K-1)

LNCO (C-Corp. for tax purposes / 1099)

Tax liability to LinnCo on LINN

Energy's distribution estimated to

be \$0.00, \$0.01 and \$0.07 per

share for 2013, 2014 and 2015,

respectively.

\$2.90

Distribution

\$2.90

Distribution

\$2.90

Dividend

(1)

Represents the Q3 '13 cash distribution of \$0.725 per unit.

(2)

Represents the Q3 '13 cash dividend of \$0.725 per share.

LINN Energy, LLC

LINN Has Created an Acquisition Machine

Screened 189

opportunities

Bid 41 for ~\$10.1

billion

Closed 13 for

~\$1.4 billion

Screened 122
opportunities
Bid 31 for ~\$7.5
billion

Closed 12 for
~\$1.5 billion

Note:

Asset
Acquisitions
based
on
total
consideration.

(1)

(2)

(2)

Historical Acquisitions and Joint Venture

11

Screened 246
opportunities

Bid 20 for ~\$9.2
billion

Closed 7 for ~\$2.9
billion

2010

2011

2012

Total ~\$11.2 Billion

Since 2010

YTD 2013

(1)

Screened 222
opportunities

Bid 9 for ~\$3.0
billion

Closed 2 for ~\$566
million

Asset Acquisitions

Pending Berry Transaction

\$4,925

\$566

\$1,367

\$1,513

\$2,850

\$5,491

\$0

\$1,000

\$2,000

\$3,000

\$4,000

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\$5,000

\$6,000

2010

2011

2012

2013TD

Data as of November 1, 2013.

Includes pending Berry transaction, with an implied value of ~\$4.9 billion as of November 4, 2013.

Growth Through Accretive Acquisitions

Value of Acquisitions Per Year

(1)

12

~\$15 billion of acquisitions in the Company's history

Includes 60 separate transactions

(1)

- (1)
Includes pending Berry transaction and 15 acquisitions comprising the Appalachian Basin properties sold in July 2008.
- (2)