

Oasis Petroleum Inc.
Form 10-Q
November 05, 2014
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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, 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: 1-34776

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

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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 October 31, 2014: 101,338,246 shares.

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PART I — FINANCIAL INFORMATION

Item 1. — Financial Statements (Unaudited)

Oasis Petroleum Inc.

Condensed Consolidated Balance Sheet

(Unaudited)

	September 30, 2014	December 31, 2013
	(In thousands, except share data)	
ASSETS		
Current assets		
Cash and cash equivalents	\$67,194	\$91,901
Accounts receivable — oil and gas revenues	191,711	175,653
Accounts receivable — joint interest partners	197,929	139,459
Inventory	24,648	20,652
Prepaid expenses	14,253	10,191
Deferred income taxes	—	6,335
Derivative instruments	33,874	2,264
Advances to joint interest partners	97	760
Other current assets	1,972	391
Total current assets	531,678	447,606
Property, plant and equipment		
Oil and gas properties (successful efforts method)	5,546,424	4,528,958
Other property and equipment	261,665	188,468
Less: accumulated depreciation, depletion, amortization and impairment	(933,237)	(637,676)
Total property, plant and equipment, net	4,874,852	4,079,750
Assets held for sale	—	137,066
Derivative instruments	6,422	1,333
Deferred costs and other assets	44,523	46,169
Total assets	\$5,457,475	\$4,711,924
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$39,550	\$8,920
Revenues and production taxes payable	248,272	146,741
Accrued liabilities	340,480	241,830
Accrued interest payable	24,902	47,910
Derivative instruments	—	8,188
Deferred income taxes	9,625	—
Advances from joint interest partners	6,776	12,829
Total current liabilities	669,605	466,418
Long-term debt	2,550,000	2,535,570
Deferred income taxes	504,735	323,147
Asset retirement obligations	41,052	35,918
Derivative instruments	—	139
Other liabilities	1,996	2,183
Total liabilities	3,767,388	3,363,375
Commitments and contingencies (Note 14)		
Stockholders' equity		
Common stock, \$0.01 par value: 300,000,000 shares authorized; 101,614,588 and 100,866,589 shares issued at September 30, 2014 and	1,000	996

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December 31, 2013, respectively

Treasury stock, at cost: 283,249 and 167,155 shares at September 30, 2014
and December 31, 2013, respectively (10,602) (5,362)

Additional paid-in capital 1,001,424 985,023

Retained earnings 698,265 367,892

Total stockholders' equity 1,690,087 1,348,549

Total liabilities and stockholders' equity \$5,457,475 \$4,711,924

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

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Condensed Consolidated Statement of Operations
(Unaudited)

	Three Months Ended September 30, 2014		Nine Months Ended September 30, 2014	
	2013	2013	2013	2013
	(In thousands, except per share data)			
Revenues				
Oil and gas revenues	\$344,706	\$286,952	\$1,030,735	\$770,445
Well services and midstream revenues	23,953	18,546	59,821	37,939
Total revenues	368,659	305,498	1,090,556	808,384
Expenses				
Lease operating expenses	44,361	21,831	124,903	59,586
Well services and midstream operating expenses	14,922	10,319	34,611	19,877
Marketing, transportation and gathering expenses	7,306	5,688	19,606	19,856
Production taxes	34,584	26,823	100,880	70,309