

Edgar Filing: HELMERICH & PAYNE INC - Form 8-K

HELMERICH & PAYNE INC  
Form 8-K  
October 15, 2002

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K  
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

September 30, 2002  
Date of report  
(Date of earliest event reported)

Helmerich & Payne, Inc.  
(Exact name of Registrant as specified in its charter)

Delaware  
(State of  
Incorporation)

1-4221  
(Commission File No.)

73-0679879  
(IRS Employer  
Identification No.)

Utica at Twenty-First Street  
Tulsa, Oklahoma 74114  
(Address of principal executive offices, including zip code)

(918) 742-5531  
(Registrant's telephone number, including area code)

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

On September 30, 2002, Helmerich & Payne, Inc., a Delaware corporation ("Helmerich & Payne"), distributed to its stockholders 26,591,321 shares of common stock, together with the associated preferred stock purchase rights, of its wholly-owned subsidiary Cimarex Energy Co., a Delaware corporation ("Cimarex"), representing all of the shares of Cimarex owned by Helmerich & Payne. As a result of the distribution, Helmerich & Payne and Cimarex are no longer affiliated entities.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(b) Pro Forma Financial Information

Introduction

The following unaudited pro forma consolidated condensed balance sheet and statements of income are based on the historical consolidated results of operations and financial condition of Helmerich & Payne and reflect the spinoff of its Oil and Gas Division as if the spinoff occurred on June 30, 2002 for purposes of the pro forma balance sheet and as of October 1, 2001 for purposes of the pro forma statements of income. The spinoff of Cimarex actually occurred on September 30, 2002, and therefore the actual consolidated financial statements of Helmerich & Payne will include the results of Cimarex until that date.

The following unaudited pro forma financial information of the Oil and Gas Division is based on its historical balances reflected within Helmerich & Payne's historical financial statements, which utilizes the successful efforts

Edgar Filing: HELMERICH & PAYNE INC - Form 8-K

method of accounting for its oil and gas producing activities. In Cimarex's separate financial statements, Cimarex uses the full cost method of accounting for its oil and gas producing activities, and therefore such balances are not comparable to those of the Oil and Gas Division presented below. Also, general corporate overhead costs previously absorbed by the Oil and Gas Division are not reflected in the Oil and Gas Division pro forma financial information below, but such costs are presented as part of the pro forma Helmerich & Payne financial information.

The pro forma information is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the spinoff had been consummated on the dates and in accordance with the assumptions described herein, nor is it necessarily indicative of future operating results or financial position.

You are urged to read the financial information below, along with Helmerich & Payne's publicly available historical consolidated financial statements and accompanying notes.

2

Pro Forma Condensed Consolidated Balance Sheet (Unaudited) as of June 30, 2002.....

Pro Forma Condensed Consolidated Statement of Income (Unaudited) For the Nine-Month Period  
 Ended June 30, 2002.....

Pro Forma Condensed Consolidated Statement of Income (Unaudited) For the 12-Month Period  
 Ended September 30, 2001.....

3

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HELMERICH & PAYNE, INC.

By: /s/ Steven R. Mackey

-----  
Name: Steven R. Mackey  
Title: Vice President, General  
Counsel and Secretary

Dated: October 15, 2002

4

HELMERICH & PAYNE INC. & SUBSIDIARIES  
BALANCE SHEETS  
JUNE 30, 2002  
(Unaudited)

Consolidated	Oil & Gas Division	H&P, Inc
-----	-----	-----

Edgar Filing: HELMERICH & PAYNE INC - Form 8-K

ASSETS

Current assets

Cash	\$ 48,200	\$ 3,183	\$ 45,017
Accounts & notes receivable, less allowances of \$2,605	122,267	29,273	92,994
Inventories	26,964	4,182	22,782
Other current assets	19,263	3,800	15,463
	-----	-----	-----
Total current assets	216,694	40,438	176,256
	-----	-----	-----

Investments

167,356		167,356
---------	--	---------

Fixed assets, at cost

Property, Plant and Equipment	1,797,706	539,106	1,258,600
Other fixed assets	90,213	8,658	81,555
	-----	-----	-----

Accumulated depreciation	1,887,919	547,764	1,340,155
	(909,505)	(387,699)	(521,806)
	-----	-----	-----

Net fixed assets	978,414	160,065	818,349
	-----	-----	-----

Other assets	12,796	1,442	11,354
	-----	-----	-----

TOTAL ASSETS	\$ 1,375,260	\$ 201,945	\$ 1,173,315
	=====	=====	=====

LIABILITIES AND OWNER'S EQUITY

Current liabilities

Accounts payable	\$ 29,822	\$ 8,340	\$ 21,482
Accrued liabilities	54,131	15,649	38,482
Due to Helmerich & Payne, Inc.	--	2,370	(2,370)
	-----	-----	-----

Total current liabilities	83,953	26,359	57,594
	-----	-----	-----

Noncurrent liabilities

Long-term notes payable	50,000		50,000
Deferred payables	24,784	1,520	23,264
Deferred income taxes	155,056	24,765	130,291
	-----	-----	-----

Total noncurrent liabilities	229,840	26,285	203,555
	-----	-----	-----

Owner's equity

Capital Stock	5,353		5,353
Additional paid-in capital	81,881		81,881
Retained earnings	986,559	149,301	837,260
Unearned compensation	(713)		(713)
Accumulated other comprehensive income	36,453		36,453
Treasury stock	(48,066)		(48,066)
	-----	-----	-----

Total owner's equity	1,061,467	149,301	912,768
	-----	-----	-----

TOTAL LIABILITIES & OWNER'S EQUITY	\$ 1,375,260	\$ 201,945	\$ 1,173,315
	=====	=====	=====

Edgar Filing: HELMERICH & PAYNE INC - Form 8-K

F-1

HELMERICH & PAYNE INC. & SUBSIDIARIES  
STATEMENT OF INCOME--FISCAL 2001  
NINE MONTHS ENDED JUNE 30, 2002  
(Unaudited)

	Consolidated	Oil & Gas Division	H&P, Inc.
	-----	-----	-----
	(in thousands)		
REVENUES:			
Sales and other operating revenues	\$ 486,668	\$ 119,380	\$ 367,288
Income from investments	28,522	159	28,363
	-----	-----	-----
	515,190	119,539	395,651
	-----	-----	-----
COSTS AND EXPENSES:			
Operating costs	290,714	56,187	234,527
Depreciation, depletion and amortization	74,614	30,836	43,778
Dry holes and abandonments	15,751	15,403	348
Taxes, other than income taxes	28,502	7,928	20,574
General and administrative	14,053	727	13,326
Interest	32	223	(191)
	-----	-----	-----
	423,666	111,304	312,362
	-----	-----	-----
Operating income	91,524	8,235	83,289
Provision for income tax	39,354	3,920	35,434
Equity in income of affiliates, net of income taxes	2,524		2,524
	-----	-----	-----
NET INCOME	\$ 54,694	\$ 4,315	\$ 50,379
	=====	=====	=====
EARNINGS PER COMMON SHARE:			
BASIC	\$ 1.10		\$ 1.01
DILUTED	\$ 1.09		\$ 1.00
AVERAGE COMMON SHARES OUTSTANDING:			
BASIC	49,793		49,793
DILUTED	50,306		50,306

F-2

HELMERICH & PAYNE INC. & SUBSIDIARIES  
STATEMENT OF INCOME--FISCAL 2001  
(Unaudited)

Oil & Gas

Edgar Filing: HELMERICH & PAYNE INC - Form 8-K

	Consolidated -----	Division -----	H&P, Inc. -----
	(in thousands)		
<b>REVENUES:</b>			
Sales and other operating revenues	\$ 816,262	\$ 317,305	\$ 498,957
Income from investments	10,592	275	10,317
	-----	-----	-----
	826,854	317,580	509,274
	-----	-----	-----
<b>COSTS AND EXPENSES:</b>			
Operating costs	413,378	125,687	287,691
Depreciation, depletion and amortization	87,309	38,274	49,035
Dry holes and abandonments	34,042	33,546	496
Taxes, other than income taxes	41,640	18,965	22,675
General and administrative	15,415	732	14,683
Interest	(32)	(1,509)	1,477
	-----	-----	-----
	591,752	215,695	376,057
	-----	-----	-----
Operating income	235,102	101,885	133,217
Provision for income tax	93,027	37,382	55,645
Equity in income of affiliates, net on income taxes	2,179		2,179
	-----	-----	-----
<b>NET INCOME</b>	<b>\$ 144,254</b>	<b>\$ 64,503</b>	<b>\$ 79,751</b>
	=====	=====	=====
<b>EARNINGS PER COMMON SHARE:</b>			
BASIC	\$ 2.88		\$ 1.59
DILUTED	\$ 2.84		\$ 1.57
<b>AVERAGE COMMON SHARES OUTSTANDING:</b>			
BASIC	50,096		50,096
DILUTED	50,772		50,772