

MURPHY OIL CORP /DE
Form 10-Q
November 06, 2013
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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 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 1-8590

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 <input checked="" type="checkbox"/>	Accelerated filer <input type="checkbox"/>
Non-accelerated filer <input type="checkbox"/>	Smaller reporting company <input type="checkbox"/>

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 September 30, 2013 was **186,982,610**.

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MURPHY OIL CORPORATION

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Murphy Oil Corporation and Consolidated Subsidiaries

CONSOLIDATED BALANCE SHEETS

(Thousands of dollars)

	(Unaudited) Sept. 30, 2013	December 31, 2012
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,033,937	947,316
Canadian government securities with maturities greater than 90 days at the date of acquisition	289,793	115,603
Accounts receivable, less allowance for doubtful accounts of \$2,051 in 2013 and \$6,697 in 2012	1,387,986	1,853,364
Inventories, at lower of cost or market		
Crude oil	189,505	226,541
Finished products	126,770	266,307
Materials and supplies	311,558	259,462
Prepaid expenses	371,213	335,831
Deferred income taxes	60,044	89,040
Assets held for sale	0	15,119
Total current assets	3,770,806	4,108,583
Property, plant and equipment, at cost less accumulated depreciation, depletion and amortization of \$8,660,920 in 2013 and \$8,138,587 in 2012	13,543,554	13,011,606
Goodwill	41,482	43,103
Deferred charges and other assets	135,244	151,183
Assets held for sale	0	208,168
Total assets	\$ 17,491,086	17,522,643
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Current maturities of long-term debt	\$ 21,782	46
Accounts payable and accrued liabilities	2,769,454	3,141,717
Income taxes payable	392,990	219,847
Liabilities associated with assets held for sale	0	47,471
Total current liabilities	3,184,226	3,409,081
Long-term debt	2,583,210	2,245,201
Deferred income taxes	1,501,391	1,544,336
Asset retirement obligations	818,433	724,273
Deferred credits and other liabilities	485,780	516,540
Liabilities associated with assets held for sale	0	141,177
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 194,861,200 shares in 2013 and 194,616,470 shares in 2012	194,861	194,616
Capital in excess of par value	894,600	873,934
Retained earnings	8,035,049	7,717,389

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Accumulated other comprehensive income	278,960	408,901
Treasury stock, 7,878,590 shares of Common Stock in 2013 and 3,975,153 shares of Common Stock in 2012, at cost	(485,424)	(252,805)
Total stockholders' equity	8,918,046	8,942,035
Total liabilities and stockholders' equity	\$ 17,491,086	17,522,643

See Notes to Consolidated Financial Statements, page 7.

The Exhibit Index is on page 34.

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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 September 30,		Nine Months Ended September 30,	
	2013	2012*	2013	2012*
REVENUES				
Sales and other operating revenues	\$ 2,904,791	2,655,356	8,276,488	7,979,649
Loss on sale of assets	(34)	(120)	(320)	(69)
Interest and other income (expense)	53,100	(8,508)	61,722	5,407
Total revenues	2,957,857	2,646,728	8,337,890	7,984,987
COSTS AND EXPENSES				
Crude oil and product purchases	1,459,649	1,445,983	4,039,634	4,358,893
Operating expenses	355,004	340,813	1,134,710	1,009,663
Exploration expenses, including undeveloped lease amortization	147,845	94,063	345,110	243,714
Selling and general expenses	106,102	66,143	285,108	197,008
Depreciation, depletion and amortization	406,565	311,255	1,174,500	916,937
Impairment of properties	0	0	21,587	0
Accretion of asset retirement obligations	12,539	9,760	36,396	28,316
Interest expense	33,535	12,941	90,156	36,278
Interest capitalized	(13,011)	(11,461)	(40,877)	(27,360)
Total costs and expenses	2,508,228	2,269,497	7,086,324	6,763,449
Income from continuing operations before income taxes	449,629	377,231	1,251,566	1,221,538
Income tax expense	197,514	165,551	566,646	503,252
Income from continuing operations	252,115	211,680	684,920	718,286
Income from discontinued operations, net of taxes	32,694	15,001	363,132	93,903
NET INCOME	\$ 284,809	226,681	1,048,052	812,189
INCOME PER COMMON SHARE BASIC				
Income from continuing operations	\$ 1.35	1.09	3.63	3.70
Income from discontinued operations	0.17	0.08	1.92	0.48
Net income	\$ 1.52	1.17	5.55	4.18
INCOME PER COMMON SHARE DILUTED				
Income from continuing operations	\$ 1.34	1.08	3.60	3.69
Income from discontinued operations	0.17	0.08	1.91	0.48
Net income	\$ 1.51	1.16	5.51	4.17
Average common shares outstanding				
Basic	186,938,328	194,290,277	188,914,000	194,126,104
Diluted	188,337,511	195,057,952	190,245,166	194,874,572

* Reclassified to conform to current presentation.
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 September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Net income	\$ 284,809	226,681	1,048,052	812,189
Other comprehensive income (loss), net of tax				
Net gain (loss) from foreign currency translation	95,065	127,142	(139,943)	142,844
Retirement and postretirement benefit plan amounts reclassified to net income	1,279			