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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 and Exchange Act of 1934  
For the period ended June 30, 1995

OR

Transition Report Pursuant to Section 13 of 15(d) of  
the Securities and Exchange Act of 1934  
For the transition period from to

Commission file number 0-7246

I.R.S. Employer Identification Number 95-2636730

PETROLEUM DEVELOPMENT CORPORATION  
(A Nevada Corporation)  
103 East Main Street  
Bridgeport, WV 26330  
Telephone: (304) 842-6256

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 the number of shares outstanding of each of the issuers classes of  
common stock, as of the latest practicable date: 11,040,627 shares of the  
Company's Common Stock (\$.01 par value) were outstanding as of June 30, 1995.

PETROLEUM DEVELOPMENT CORPORATION AND SUBSIDIARIES

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PART I - FINANCIAL INFORMATION

Independent Auditors' Review Report

The Board of Directors  
Petroleum Development Corporation

We have reviewed the accompanying condensed consolidated balance sheet of Petroleum Development Corporation and subsidiaries as of June 30, 1995, and the related condensed consolidated statements of operations for the three-month and six-month periods ended June 30, 1995 and 1994 and the related condensed consolidated statements of cash flows for the six-month periods ended June 30, 1995 and 1994. These financial statements are the responsibility of the company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical review procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the condensed consolidated financial statements referred to above for them to be in conformity with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet of Petroleum Development Corporation and subsidiaries as of December 31, 1994 and the related consolidated statements of operations, retained earnings, and cash flows for the year then ended (not presented herein); and in our report dated March 15, 1995, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 1994, is fairly presented, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

KPMG PEAT MARWICK LLP

Pittsburgh, Pennsylvania  
July 31, 1995

Condensed Consolidated Balance Sheets  
June 30, 1995 and December 31, 1994

ASSETS

	1995 (Unaudited)	1994
Current assets:		
Cash and cash equivalents	\$ 2,351,900	\$ 8,906,800
Accounts and notes receivable	1,892,800	1,975,400
Inventories	251,700	390,200
Prepaid expenses	732,400	850,600
Total current assets	5,228,800	12,123,000
Properties and equipment	45,306,100	44,959,900
Less accumulated depreciation, depletion, and amortization	20,195,800	19,204,400
	25,110,300	25,755,500
Other assets	330,800	446,800
	\$30,669,900	\$38,325,300

(Continued)

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PETROLEUM DEVELOPMENT CORPORATION AND SUBSIDIARIES

Condensed Consolidated Balance Sheets, Continued  
June 30, 1995 and December 31, 1994

LIABILITIES AND  
STOCKHOLDERS' EQUITY

	1995 (Unaudited)	1994
Current liabilities:		
Current maturities of long-term debt	\$ 15,600	\$ 36,300
Accounts payable and accrued expenses	3,823,400	4,133,800
Advances for future drilling contracts	1,148,600	9,199,900
Funds held for future distribution	355,500	366,700
Total current liabilities	5,343,100	13,736,700
Long-term debt, excluding current maturities	2,750,000	3,100,000
Other liabilities	439,400	328,600
Deferred income taxes	2,867,500	2,779,500

Stockholders' equity:		
Common stock	110,400	110,400
Additional paid-in capital	6,873,600	6,873,600
Retained earnings	12,285,900	11,396,500
Total stockholders' equity	19,269,900	18,380,500
	\$30,669,900	\$38,325,300

See accompanying notes to condensed consolidated financial statements.

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PETROLEUM DEVELOPMENT CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Operations  
Three and Six Months ended June 30, 1995 and 1994  
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1995	1994	1995	1994
Revenues:				
Oil and gas well drilling operations	\$2,379,400	\$2,624,000	\$ 9,673,100	\$ 9,151,300
Oil and gas sales	1,017,800	1,147,600	2,179,800	2,450,000
Pipeline and well operations income	969,400	996,700	1,972,000	1,954,700
Other income	66,200	76,400	144,900	122,600
	4,432,800	4,844,700	13,969,800	13,678,600
Costs and expenses:				
Cost of oil and gas well drilling operations	1,989,700	2,836,100	8,125,500	8,897,400
Oil and gas purchases and production costs	1,096,500	976,700	2,406,800	2,011,300
General and administrative expenses	520,900	532,300	971,200	1,030,400
Depreciation, depletion, and amortization	535,500	517,600	1,123,900	974,700
Interest	76,300	69,600	159,700	138,200
	4,218,900	4,932,300	12,787,100	13,052,000
Income (loss) before income taxes	213,900	(87,600)	1,182,700	626,600
Income taxes	53,000	(19,700)	293,300	141,000
Net income (loss)	\$ 160,900	\$ (67,900)	\$ 889,400	\$ 485,600
Earnings (loss) per common and common equivalent share	\$ .02	\$ (.01)	\$ .08	\$ .04

See accompanying notes to condensed consolidated financial statements.

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PETROLEUM DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
Six Months Ended June 30, 1995 and 1994  
(Unaudited)

1995

1994

Cash flows from operating activities:		
Net income	\$ 889,400	\$ 485,600
Adjustments to net income to reconcile to cash used in operating activities:		
Deferred federal income taxes	88,000	16,400
Depreciation, depletion & amortization	1,123,900	974,700
Leasehold acreage expired or surrendered	173,500	62,800
(Gain) loss on disposal of assets	(23,600)	24,800
Decrease (Increase) in current assets	339,300	(1,045,200)
Decrease in other assets	100,700	57,700
Decrease in current liabilities	(8,372,900)	(7,152,100)
Increase in other liabilities	110,800	35,200
Total adjustments	(6,460,300)	(7,025,700)
Net cash used in operating activities	(5,570,900)	(6,540,100)
Cash flows from investing activities:		
Capital expenditures	(845,300)	(2,002,600)
Proceeds from sale of leases	207,700	168,600
Proceeds from sale of assets	24,300	27,800
Net cash used in investing activities	(613,300)	(1,806,200)
Cash flows from financing activities:		
Proceeds from debt	-	800,000
Retirement of debt	(370,700)	(553,200)
Net cash (used in) provided by financing activities	(370,700)	246,800
Net changes in cash and cash equivalents	(6,554,900)	(8,099,500)
Cash and cash equivalents, beginning of period	8,906,800	10,578,800
Cash and cash equivalents, end of period	\$ 2,351,900	\$ 2,479,300

See accompanying notes to condensed consolidated financial statements.

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PETROLEUM DEVELOPMENT CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements  
June 30, 1995  
(Unaudited)

1. Accounting Policies

Reference is hereby made to the Company's Annual Report on Form 10-K for 1994, which contains a summary of major accounting policies followed by the Company in the preparation of its consolidated financial statements. These policies were also followed in preparing the quarterly report included herein.

2. Basis of Presentation

The Management of the Company believes that all adjustments (consisting of only normal recurring accruals) necessary to a fair statement of the results of such periods have been made. The results of operations for the six months ended June 30, 1995 are not necessarily indicative of the results to be expected for the full year.

3. Oil and Gas Properties

Oil and Gas Properties are reported on the successful efforts method.

4. Earnings Per Share

Computation of earnings (loss) per common and common equivalent share are as follows for the three months and six months ended June 30, 1995 and 1994

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	1995	1994	1995	1994
Weighted average common shares outstanding	11,756,190	12,247,795	11,683,882	12,232,216
Net income (loss)	\$ 160,900	\$ (67,900)	\$ 889,400	\$ 485,600
Earnings (loss) per common and common equivalent share	\$ .02	\$ (.01)	\$ .08	\$ .04

#### 5. Common Stock

During the quarter ended June 30, 1994, 55,000 shares of common stock were issued at \$2.00 per share as partial consideration of the purchase price of oil and gas properties.

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#### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

##### Results of Operations

##### Three Months Ended June 30, 1995 Compared With June 30, 1994

Total revenues decreased \$411,900 in the second quarter of 1995 compared to the same period in 1994 primarily as a result of decreased drilling activity and oil and gas sales. Drilling revenues decreased 9.3% as a result of lower volumes of drilling and completion activities. Oil and gas sales decreased 11.3% as a result of lower average sales prices offset in part by increased sales volumes.

Costs and expenses decreased \$713,400 primarily as a result of lower well drilling costs offset in part by higher oil and gas purchases and production costs. Well drilling costs decreased 29.8% as a result of the decreased drilling and completion activity referred to above and significantly lower average well costs. Oil and gas purchases and production costs increased 12.3% as a result of higher production costs associated with the higher volumes of natural gas sold.

The foregoing resulted in net income of \$160,900 as compared to a net loss of \$67,900 for the second quarter of 1994. The provision for income taxes in 1995 consists of \$37,100 of current taxes and \$15,900 of deferred income taxes. The provision for income taxes (benefit) in 1994 consisted of \$17,400 of current taxes and \$2,300 of deferred income taxes.

##### Six Months Ended June 30, 1995 Compared with June 30, 1994

Total revenues increased \$291,200 during the first six months of 1995 compared to the same period in 1994 as a result of increased drilling activity offset in part by decreased oil and gas sales. Drilling revenues increased 5.7% during the first six months of 1995 compared to the same period in 1994 as a result of higher volumes of drilling and completion activities. Oil and gas sales decreased 11.0% as a result of lower average sales prices offset in part by increased sales volumes.

Costs and expenses decreased \$264,900 as a result of lower well drilling costs offset in part by higher oil and gas purchases and production costs and depreciation, depletion and amortization. Well drilling costs decreased 8.7% as a result of significantly lower average well costs. Oil and gas purchases and production costs increased 19.7% as a result of increased production costs associated with the increased sales volumes and increased leasehold acreage expiration costs.

The foregoing resulted in net income of \$889,400 compared to a net income of \$485,600 for the first six months of 1994. The provision for income taxes

in 1995 consists of \$205,300 of current taxes payable and \$88,000 of deferred income taxes. The provision for income taxes in 1994 consisted of \$124,600 current taxes payable and \$16,400 of deferred income taxes.

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#### Liquidity and Capital Resources

Sales volumes of natural gas continue to increase while the natural gas prices fluctuated monthly over the past year. The Company's gas sales prices are subject to increase and decrease based on various market sensitive indices. Price levels of natural gas are currently depressed and are not predictable in the coming year. The volumes of gas sales are expected to continue to increase as a result of continued drilling activities.

The Company closed its first drilling program of 1995 in the second quarter and has drilled the wells in the second and third quarters of 1995. The Company will close its second drilling program of 1995 in September, 1995 and will drill the wells during the third and fourth quarters of 1995. The Company's public drilling program continues to receive wide market acceptance.

The Company is party to a credit agreement providing up to \$7.5 million in borrowing capacity. At June 30, 1995 the Company has activated \$5 million of that facility and has \$2.75 million outstanding.

The Company continues to pursue capital investment opportunities in producing gas properties along with its commitment to participate in its sponsored gas drilling partnerships. Management believes that the Company has adequate capital to meet its operating requirements and continues to pursue opportunities for operating improvements and cost efficiencies.

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The June 30, 1995 and 1994 condensed consolidated financial statements included in this filing on Form 10-Q have been reviewed by KPMG Peat Marwick LLP, independent certified public accountants, in accordance with established professional standards and procedures for such reviews. The report of KPMG Peat Marwick LLP commenting upon their review accompanies the condensed consolidated financial statements included in Item 1 of Part I.

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PART II - OTHER INFORMATION

Item 1. Legal Proceedings

The Company is party to various legal actions in the normal course of business which would not materially affect the Company's operations.

Item 6. Exhibits and Reports on Form 8-K

(a) None.

(b) No reports on Form 8-K have been filed during the quarter ended June 30, 1995.

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.

Petroleum Development Corporation



(Registrant)

Date: August 2, 1995

/s/ Steven R. Williams  
Steven R. Williams  
President

Date: August 2, 1995

/s/ Dale G. Rettinger  
Dale G. Rettinger  
Executive Vice President  
and Treasurer