

WHITING PETROLEUM CORP

Form 424A

November 05, 2004

Table of Contents

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Filed Pursuant to Rule 424(a)

Registration No. 333-118261

Subject to Completion

Preliminary Prospectus Dated November 4, 2004

PROSPECTUS

7,500,000 Shares

Whiting Petroleum Corporation

Common Stock

We are offering 7,500,000 shares of our common stock. Our common stock trades on the New York Stock Exchange under the symbol WLL. On November 3, 2004, the last sale price of our common stock as reported on the New York Stock Exchange was \$29.85 per share.

Investing in our common stock involves risks that are described in the Risk Factors section beginning on page 16 of this prospectus.

	<u>Per Share</u>	<u>Total</u>
Public offering price	\$	\$
Underwriting discount	\$	\$

Proceeds, before expenses, to us \$ \$

The underwriters may also purchase up to an additional 1,125,000 primary shares from us at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus to cover

overallotments.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares will be ready for delivery on or about _____, 2004.

Merrill Lynch & Co.

Sole Book-Running Manager

A.G. Edwards

Banc of America Securities LLC

JPMorgan

Raymond James

KeyBanc Capital Markets

Petrie Parkman & Co.

Simmons & Company International

The date of this prospectus is _____, 2004.

Table of Contents

Table of Contents**TABLE OF CONTENTS**

	Page
<u>Prospectus Summary</u>	1
<u>Risk Factors</u>	16
<u>Special Note Regarding Forward-Looking Statements</u>	25
<u>Use of Proceeds</u>	26
<u>Capitalization</u>	26
<u>Price Range of Common Stock and Dividends</u>	27
<u>Unaudited Pro Forma Financial Statements</u>	28
<u>Selected Historical Financial Information</u>	33
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	35
<u>Business and Properties</u>	49
<u>Management</u>	66
<u>Principal Holders of Common Stock</u>	71
<u>Relationship with Alliant Energy Corporation</u>	73
<u>Description of Capital Stock</u>	75
<u>Underwriting</u>	77
<u>Legal Matters</u>	80
<u>Experts</u>	80
<u>Where You Can Find More Information</u>	81
<u>Index to Financial Statements</u>	F-1
<u>Glossary of Oil and Natural Gas Terms</u>	A-1

Unless the context otherwise requires, references in this prospectus to Whiting, we, us, our or ours refer to Whiting Petroleum Corporation, together with its operating subsidiaries. When the context requires, we refer to these entities separately. References in this prospectus to Resources refer to Alliant Energy Resources, Inc., a wholly-owned subsidiary of Alliant Energy Corporation. References in this prospectus to Alliant Energy refer to Alliant Energy Corporation.

You should rely only on the information contained in this prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

Table of Contents

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. You should read this entire prospectus carefully, including Risk Factors and our financial statements and the notes to those financial statements included elsewhere in this prospectus. We have provided definitions for the oil and natural gas terms used in this prospectus in the Glossary of Oil and Natural Gas Terms included in this prospectus. The reserve information and other related operating statistics contained in this prospectus are as of January 1, 2004 unless otherwise indicated.

About Our Company

We are engaged in oil and natural gas exploitation, acquisition, exploration and production activities primarily in the Rocky Mountains, Permian Basin, Gulf Coast, Michigan, Mid-Continent and California regions of the United States. Our focus is on pursuing growth projects that we believe will generate attractive rates of return and maintaining a balanced portfolio of lower risk, long-lived oil and natural gas properties that provide stable cash flows.

Since our inception in 1980, we have built a strong asset base and achieved steady growth through both property acquisitions and exploitation activities. As of January 1, 2004, our estimated proved reserves totaled 438.8 Bcfe, of which 75% were classified as proved developed. These estimated reserves had a pre-tax PV10% value of approximately \$784.6 million, of which approximately 85% came from properties located in three states: Texas, North Dakota and Michigan. During 2003, we spent approximately \$52.0 million on capital projects, including \$38.8 million for the drilling of 72 gross (24.8 net) wells (64 successful completions and eight uneconomic wells), representing an 89% success rate. We have budgeted approximately \$80.0 million for capital expenditures in 2004. Through September 30, 2004, we have invested \$52.8 million of our budgeted expenditures for the drilling of 116 gross (49.7 net) wells with 108 successful completions and eight uneconomic wells, representing a 93% success rate.

As of January 1, 2004, we had a balanced portfolio of oil and natural gas reserves, with approximately 53% of our proved reserves consisting of natural gas and approximately 47% consisting of oil. Our properties generally have long reserve lives and reasonably stable and predictable well production characteristics with a ratio of proved reserves to trailing 12 month production ending December 31, 2003 of approximately 11.8 years.

During 2004, we completed five separate acquisitions of producing properties with a combined purchase price of \$516.1 million for estimated proved reserves as of the effective dates of the acquisitions of approximately 421.9 Bcfe, representing an average cost of approximately \$1.22 per Mcfe of estimated proved reserves. We will continue to seek property acquisition opportunities that complement our existing core properties. We believe that our exploitation and acquisition expertise and our drilling inventory, together with our operating experience and efficient cost structure, provide us with the potential to continue our growth.

As of October 1, 2004, which includes the impact of these five acquisitions, our estimated proved reserves totaled 867.3 Bcfe, representing a 98% increase in proved reserves since January 1, 2004. Natural gas made up 39.0% of total proved reserves and 72% were classified as proved developed. Of these reserves, 38.8% were located in the Rocky Mountain region, 31.6% in the Permian Basin, 13.4% in the Gulf Coast, 11.4% in Michigan, 3.2% in the Mid-Continent region and 1.6% in California. Our estimated October 2004 average daily production is 177.7 MMcfe, representing a 75% increase over December 2003 average daily production and implying an average reserve life of approximately 13.4 years.

Table of Contents

The following table summarizes our estimated proved reserves and pre-tax PV10% value within our core areas as of October 1, 2004 and our estimated October 2004 average daily production, each of which includes the impact of these five acquisitions.

Core Area	Proved Reserves					Pre-Tax PV10% Value (In millions)	October 2004 Average Daily Production (MMcfe)
	Oil (MMbbl)	Natural Gas (Bcf)	Total (Bcfe)	% Natural Gas			
Permian Basin	37.7	47.9	274.2	17.5%	\$ 731.5	41.4	
Rocky Mountains ⁽¹⁾	43.3	76.3	336.4	22.7%	\$ 716.1	65.1	
Gulf Coast	3.3	96.2	115.8	83.0%	\$ 324.2	39.2	
Michigan	1.9	87.8	99.1	88.6%	\$ 219.1	21.0	
Mid-Continent	2.0	15.7	27.9	56.4%	\$ 61.8	6.2	
California	0.0	14.0	14.0	100.0%	\$ 35.2	4.9	
Total	88.2	337.9	867.3	39.0%	\$ 2,087.9	177.7	

⁽¹⁾ Includes one field in Canada with total estimated proved reserves of 5.2 Bcfe and a pre-tax PV10% value of \$14.0 million.

Recent Acquisitions

The following table summarizes certain information about the purchase price, estimated proved reserves and pre-tax PV10% value as of October 1, 2004 and estimated October 2004 average daily production for the five recent acquisitions described below.

	Purchase Price (In millions)	Proved Reserves					Pre-Tax PV 10% Value (In millions) ⁽⁶⁾	October 2004 Average Daily Production (MMcfe)
		Oil	Natural Gas	Total	% Natural Gas	% Developed		
		(MMbbl)	(Bcf)	(Bcfe)				
Permian Basin ⁽¹⁾ Properties	\$ 345.0	34.2	44.6	250.0	17.8%	59%	\$ 673.6	36.4
Equity Oil Company ⁽²⁾	\$ 72.6	10.2	42.1	103.6	40.6%	69%	\$ 217.6	16.1
Colorado/ Wyoming ⁽³⁾	\$ 44.2	3.4	19.4	40.1	48.4%	82%	\$ 76.6	8.6
Wyoming/Utah ⁽⁴⁾	\$ 35.0	3.6	11.1	32.6	34.1%	92%	\$ 64.5	6.1
Louisiana/Texas ⁽⁵⁾	\$ 19.3	0.5	10.7	13.9	76.9%	57%	\$ 39.5	3.5
Subtotal Acquisitions	\$ 516.1	52.0	127.9	440.1	29.1%	66%	\$ 1,071.8	70.7
Whiting Historical		36.2	210.0	427.2	49.2%	78%	\$ 1,016.1	107.0

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Total	88.2	337.9	867.3	39.0%	72%	\$ 2,087.9	177.7
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- (1) Proved reserves are based on the reserve report prepared by Cawley, Gillespie & Associates, Inc., independent petroleum engineers, as of July 1, 2004. Revenues and volumes are included in our results beginning September 23, 2004.
- (2) Proved reserves are based on the reserve report prepared by Ryder Scott Company, L.P., independent petroleum engineers, as of December 31, 2003. Equity's results of operations and volumes are included in our results beginning July 20, 2004.
- (3) Proved reserves are based on reserve reports prepared by our engineering staff. Revenues and volumes are included in our results beginning August 13, 2004.

Table of Contents

- (4) Proved reserves are based on reserve reports prepared by our engineering staff. Revenues and volumes are included in our results beginning September 30, 2004.
- (5) Proved reserves are based on reserve reports prepared by our engineering staff. Revenues and volumes are included in our results beginning August 16, 2004.
- (6) These amounts were calculated using a period end average realized oil price of \$45.87 per barrel and a period end average realized natural gas price of \$5.64 per Mcf.

Permian Basin Properties

On September 23, 2004, we acquired interests in seventeen fields in the Permian Basin of West Texas and Southeast New Mexico, including interests in key fields such as Parkway Field in Eddy County, New Mexico; Would Have and Signal Peak Fields in Howard County, Texas; Keystone Field in Winkler County, Texas; and the DEB Field in Gaines County, Texas. The purchase price was \$345.0 million in cash and was funded through borrowings under our bank credit agreement.

For the year ended December 31, 2003, these properties reported revenues in excess of direct operating expenses of \$72.1 million. As of October 1, 2004, these properties had 250.0 Bcfe of estimated proved reserves, of which 17.8% were natural gas and 59% were classified as proved developed, and had a pre-tax PV10 value of estimated proved reserves of \$673.6 million. The estimated October 2004 average daily production for these properties is approximately 36.4 MMcfe, implying an average reserve life of 18.8 years. We operate approximately 72% of the average daily production from these properties.

Low Cost Acquisition in Core Operational Area. Based on the purchase price of \$345.0 million and estimated proved reserves of 251.6 Bcfe on the effective date of the acquisition, we acquired these properties for approximately \$1.37 per Mcfe of estimated proved reserves. We added approximately 300 operated producing wells in our Permian Basin core area with this acquisition.

Attractive Operating Cost Profile. The acquired Permian Basin properties' operating performance is characterized by low operating costs. This acquisition was also attractive because average lease operating expense for these properties over the past three years was \$0.68 per Mcfe in contrast to our historical lease operating expense of \$1.01 per Mcfe for the same period. Additionally, we expect the anticipated incremental general and administrative expense for these properties to be lower than that of our existing operations given its overlap with our current operations in the Permian Basin. Including the impact of this acquisition, our Permian Basin region is now nearly as large as our Rocky Mountains core area, representing 31.6% and 38.8% of our total proved reserves as of October 1, 2004, respectively.

Additional Development Opportunities. We expect to leverage our operational and technical expertise in this core area to fully exploit the potential these properties present. We plan to continue the development of the PUD and other non-producing reserves we have acquired through this acquisition, and believe that this development offers us the opportunity to increase the current rate of production.

Equity Oil Company

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We acquired 100% of the outstanding stock of Equity Oil Company on July 20, 2004. In the merger, we issued approximately 2.2 million shares of our common stock to Equity's shareholders and repaid all of Equity's outstanding debt of \$29.0 million under its credit facility. Equity's operations are focused primarily in California, Colorado, North Dakota and Wyoming.

For the year ended December 31, 2003, Equity reported income from continuing operations of \$2.4 million, net cash provided by operating activities of \$11.5 million and production of 6.6 Bcfe (45% natural gas). As of

- 3 -

Table of Contents

October 1, 2004, Equity had 103.6 Bcfe of estimated proved reserves, of which 40.6% were natural gas and 69% were classified as proved developed, and had a pre-tax PV10% value of estimated proved reserves of approximately \$217.6 million. The estimated October 2004 average daily production from these properties is approximately 16.1 MMcfe, implying an average reserve life of 17.6 years.

Based on the purchase price of \$72.6 million and estimated proved reserves of 87.7 Bcfe on the effective date of the acquisition, we acquired these properties for approximately \$0.83 per Mcfe of estimated proved reserves.

Addition of Long-life, Stable Reserves. With a reserve life index of over 17 years, the long-life Equity reserves are predominately in mature and predictable fields.

Expansion of Exploration and Exploitation Opportunities. With over 75,000 net undeveloped acres and 375 square miles of 3-D seismic, the Equity properties have added to our inventory of exploration, development and exploitation opportunities. We expect our strong financial position to allow more rapid development of these opportunities than Equity's cash flow permitted.

Creates Synergies and Cost Savings. We anticipate that combining the complementary operations of the two companies will allow us to take advantage of synergies and to realize cost savings.

Other Cash Acquisitions of Properties

On August 13, 2004, we acquired interests in four producing oil and gas fields in Colorado and Wyoming from an undisclosed seller. The purchase price was \$44.2 million in cash and was funded under our bank credit agreement. We operate two of the fields and have an 84% average working interest in those fields. As of October 1, 2004, these interests had 40.1 Bcfe of estimated proved reserves and estimated October 2004 average daily production of 8.6 MMcfe, implying an average reserve life of 12.7 years. Based on the purchase price of \$44.2 million and estimated proved reserves of 39.8 Bcfe on the effective date of the acquisition, we acquired these properties for approximately \$1.11 per Mcfe of estimated proved reserves.

On September 30, 2004, we acquired interests in three operated fields in Wyoming and Utah from an undisclosed seller. The purchase price was \$35.0 million in cash and was funded under our bank credit agreement. As of October 1, 2004, these interests had 32.6 Bcfe of estimated proved reserves and estimated October 2004 average daily production of 6.1 MMcfe, implying an average reserve life of 14.7 years. Based on the purchase price of \$35.0 million and estimated proved reserves of 30.8 Bcfe on the effective date of the acquisition, we acquired these properties for approximately \$1.14 per Mcfe of estimated proved reserves.

On August 16, 2004, we acquired interests in five fields in Louisiana and South Texas from Delta Petroleum Corporation. The purchase price was \$19.3 million in cash and was funded under our bank credit agreement. We operate two of the fields and have a 93% average working interest in those fields. As of October 1, 2004, these interests had 13.9 Bcfe of estimated proved reserves and estimated October 2004 average daily production of 3.5 MMcfe, implying an average reserve life of 11.0 years. Based on the purchase price of \$19.3 million and estimated proved reserves of 12.0 Bcfe on the effective date of the acquisition, we acquired these properties for approximately \$1.61 per Mcfe of estimated proved reserves.

Business Strategy

Our goal is to increase stockholder value by investing in oil and gas projects with attractive rates of return on capital employed. We plan to achieve this goal by exploiting and developing our existing oil and natural gas properties and pursuing acquisitions of additional properties. Specifically, we have focused, and plan to continue to focus, on the following:

- 4 -

Table of Contents

Developing and Exploiting Existing Properties. We believe that there is significant value to be created by drilling the numerous identified undeveloped opportunities on our properties. As of January 1, 2004, we owned interests in a total of 517,000 gross (206,000 net) developed acres. In addition, as of December 31, 2003, we owned interests in approximately 386,000 gross (188,000 net) undeveloped acres that contain many exploitation opportunities. During the three years ended December 31, 2003, we invested \$94 million to participate in the drilling of 169 gross (60.6 net) wells, the majority of which were developmental wells, and 85.2% were successful completions. As of January 1, 2004, we had identified a total of 171 proved undeveloped drilling locations on our properties. We drilled or participated in the drilling of 72 gross (24.8 net) wells during the year ended December 31, 2003 and have budgeted approximately \$80.0 million for the further development of our properties in 2004. Through September 30, 2004, we have invested \$52.8 million of our budgeted expenditures for the drilling of 116 gross (49.7 net) wells with 108 successful completions and eight uneconomic wells, representing a 93% success rate.

Pursuing Profitable Acquisitions. We have pursued and intend to continue to pursue acquisitions of properties that we believe to have exploitation and development potential comparable to our existing inventory of drilling locations. We have developed and refined an acquisition program designed to increase reserves and complement our existing core properties. We have an experienced team of management, engineering and geoscience professionals who identify and evaluate acquisition opportunities, negotiate and close purchases and manage acquired properties. During the first nine months of 2004, we completed five separate acquisitions of producing properties with a combined purchase price of \$516.1 million for estimated proved reserves as of the effective dates of the acquisitions of approximately 421.9 Bcfe, representing a cost of \$1.22 per Mcfe of estimated proved reserves. To secure attractive realized commodity prices on a portion of our volumes, we periodically enter into derivative contracts, typically no-cost collars. Given our recent acquisitions discussed above, and as an additional step toward realizing our profit potential from these acquisitions, we have increased our volumes subject to these collars to cover approximately 56% to 58% (excluding fixed price marketing contracts) of our natural gas volumes as of October 1, 2004 through December 2005 and between 55% and 75% of our crude oil volumes as of October 1, 2004 through December 2005. The average floor and ceiling for these volumes are approximately \$4.60 and \$9.59 per Mcf of natural gas, respectively, and \$35.45 and \$50.98 per bbl of crude oil, respectively.

Focusing on High Return Operated and Non Operated Properties. We have historically acquired operated as well as non operated properties that meet or exceed our rate of return criteria. For acquisitions of properties with additional development, exploitation and exploration potential, our focus has been on acquiring operated properties so that we can better control the timing and implementation of capital spending. In some instances, we have been able to acquire non operated property interests at attractive rates of return that provided a foothold in a new area of interest or complemented our existing operations. We intend to continue to acquire both operated and non operated interests to the extent they meet our return criteria and further our growth strategy.

Controlling Costs through Efficient Operation of Existing Properties. We operate approximately 60% of the pre-tax PV10% value of our total proved reserves and approximately 82% of the pre-tax PV10% value of our proved undeveloped reserves, which we believe enables us to better manage expenses, capital allocation and the decision making processes related to our exploitation and exploration activities. For the year ended December 31, 2003, our lease operating expense per Mcfe averaged \$1.16 and general and administrative costs averaged \$0.34 per Mcfe produced, net of reimbursements.

Competitive Strengths

We believe that our key competitive strengths lie in our diversified asset base, our experienced management and technical team and our commitment to efficient utilization of new technologies.

Diversified Asset Base. As of January 1, 2004, we had interests in 5,006 wells in 16 states across our four core geographical areas of the United States. This property base, as well as our continuing business strategy of

Table of Contents

acquiring and developing properties in our core operating areas, presents us with a large number of opportunities for successful development and exploitation and additional acquisitions.

Experienced Management Team. Our management team averages 27 years of experience in the oil and natural gas industry. Our personnel have extensive experience in each of our core geographical areas and in all of our operational disciplines. In addition, each of our acquisition professionals has at least 20 years of experience in the evaluation, acquisition and operational assimilation of oil and natural gas properties.

Commitment to Technology. In each of our core operating areas, we have accumulated detailed geologic and geophysical knowledge and have developed significant technical and operational expertise. In recent years, we have developed considerable expertise in conventional and 3-D seismic imaging and interpretation. Our technical team has access to approximately 575 square miles of 3-D seismic data that we have assembled primarily over the past five years. A team with access to state of the art geophysical/ geological computer applications and hardware analyzes this information. Computer applications, such as the WellView® software system, enable us to quickly generate reports and schematics on our wells. In addition, our information systems enable us to update our production databases through daily uploads from hand held computers in the field. This technology and expertise has greatly aided our pursuit of attractive development projects.

Recent Developments

New Credit Agreement

On September 23, 2004, Whiting Oil and Gas Corporation entered into a new \$750.0 million credit agreement with a syndicate of banks. The new credit agreement increased our borrowing base to \$480.0 million from \$195.0 million under our prior credit agreement. On September 23, 2004, we borrowed \$400.0 million under the credit agreement to refinance the entire outstanding balance under the prior credit agreement and to fund our \$345.0 million acquisition of oil and natural gas producing properties in the Permian Basin. For more information about our credit agreement, see Management's Discussion and Analysis of Financial Condition and Results of Operation Liquidity and Capital Resources Credit Facility.

Recent Drilling Activity

During the first nine months of 2004, we have invested \$52.8 million of our \$80.0 million development budget for 2004 for the drilling of 116 gross (49.7 net) wells with 108 successful completions and eight uneconomic wells, representing a 93% success rate. During the first nine months of 2004, our drilling activity has been primarily focused within our Northern Rocky Mountain and Gulf Coast core areas.

In South Texas, we have completed two successful Edwards wells in our Stuart City Reef Trend properties which are producing at a combined rate 5.9 MMcf per day. Also in this area, we completed three new Wilcox wells, which have a combined rate of 3.9 MMcf per day. Since June 30, 2004, production volumes in our Stuart City fields have increased by 62% to 14.6 MMcf per day.

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In the Williston Basin, we have a new exploration program in western Billings County, North Dakota, targeting the Nisku Formation. Since June 30, 2004, we have drilled three new producing wells, which have a combined rate of 1,180 barrels of oil and 1.2 MMcf of natural gas per day as of October 11, 2004. We have an average 92.8% net revenue interest in these wells and we plan to drill five additional wells during 2004.

Corporate Information

Whiting Petroleum Corporation was incorporated in Delaware on July 18, 2003 for the sole purpose of becoming a holding company of Whiting Oil and Gas Corporation in connection with our initial public offering. Whiting Oil and Gas Corporation was incorporated in Delaware in 1983.

Our principal executive offices are located at 1700 Broadway, Suite 2300, Denver, Colorado 80290-2300, and our telephone number is (303) 837-1661.

Table of Contents

The Offering

Common stock offered	7,500,000 shares
Shares outstanding after the offering	28,600,347 shares
Concurrent offering by Resources	Resources is concurrently offering 1,080,000 shares of our outstanding common stock. Prior to our initial public offering in November 2003, we were a wholly-owned subsidiary of Resources, which is a wholly-owned subsidiary of Alliant Energy. Resources is offering all of the 1,080,000 shares of our common stock that it did not sell in our initial public offering and will own no shares of our common stock following its concurrent offering. The offering of our shares being made pursuant to this prospectus is not contingent on the successful completion of the concurrent offering of our shares by Resources.
Use of proceeds	We will use the net proceeds we receive from this offering to repay debt incurred in connection with the acquisitions described under Recent Acquisitions. We will not receive any proceeds from the concurrent sale of our shares by Resources.
Risk factors	Please read Risk Factors for a discussion of factors you should consider carefully before deciding to invest in shares of our common stock.
New York Stock Exchange symbol	WLL

The number of shares outstanding after the offering is based on 21,100,347 shares outstanding as of September 30, 2004. This number assumes that the underwriters' over-allotment option is not exercised. If the over-allotment option is exercised in full, we will issue and sell an additional 1,125,000 primary shares.

Table of Contents**Summary Historical and Unaudited Pro Forma Financial Information**

The summary historical financial information for the year ended December 31, 2003 has been derived from our audited consolidated financial statements and related notes. The summary historical financial information for the nine months ended September 30, 2004 has been derived from our unaudited consolidated financial statements and related notes. This information is only a summary and you should read it in conjunction with material contained in Management's Discussion and Analysis of Financial Condition and Results of Operations, which includes a discussion of factors materially affecting the comparability of the information presented, and in conjunction with our financial statements and related notes included elsewhere in this prospectus. The unaudited interim period financial information, in our opinion, includes all adjustments, which are normal and recurring in nature, necessary for a fair presentation for the periods shown. Results for the nine months ended September 30, 2004 are not necessarily indicative of the results to be expected for the full fiscal year.

The summary unaudited pro forma financial information for the year ended December 31, 2003 and the nine months ended September 30, 2004 has been derived from our unaudited pro forma financial statements and related notes included elsewhere in this prospectus. This information is only a summary and you should read it in conjunction with material contained in Unaudited Pro Forma Financial Statements and our historical financial statements and related notes included elsewhere in this prospectus. This summary unaudited pro forma financial information gives effect to our recent acquisition of Permian Basin properties as if such transaction had occurred as of January 1, 2003. This summary unaudited pro forma financial information does not reflect the pro forma effect of any of our other recent acquisitions, this offering or the use of proceeds from this offering. Our historical results include the results from our recent acquisitions beginning on the following dates: Permian Basin, September 23, 2004; Equity Oil Company, July 20, 2004; Colorado and Wyoming, August 13, 2004; and Louisiana and Texas, August 16, 2004. Our historical results do not include results from our Wyoming and Utah acquisition that closed on September 30, 2004.

	Pro Forma for the Nine Months Ended September 30, 2004	Whiting Petroleum Corporation Nine Months Ended September 30, 2004	Pro Forma for the Year Ended December 31, 2003	Whiting Petroleum Corporation Year Ended December 31, 2003
(in millions, except per share data)				
Consolidated Income Statement Information:				
Revenues:				
Oil and gas sales	\$ 224.8	\$ 166.4	\$ 267.0	\$ 175.8
Loss on oil and gas hedging activities	(3.6)	(3.6)	(8.7)	(8.7)
Gain on sale of oil and gas properties	1.0	1.0		
Gain on sale of marketable securities	4.7	4.7		
Interest income and other	0.2	0.2	0.3	0.3
Total revenues	\$ 227.1	\$ 168.7	\$ 258.6	\$ 167.4
Costs and expenses:				
Lease operating	\$ 45.5	\$ 34.6	\$ 57.2	\$ 43.2
Production taxes	13.6	10.2	15.9	10.7
Depreciation, depletion and amortization	48.5	34.5	67.2	41.3
Exploration and impairment	4.7	4.7	3.2	3.2
Phantom equity plan ⁽¹⁾			10.9	10.9
General and administrative	17.1	14.2	17.5	12.8
Interest expense	17.9	9.6	19.7	9.2
Total costs and expenses	\$ 147.3	\$ 107.8	191.6	\$ 131.3

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Income before income taxes and cumulative change in accounting principle	\$ 79.8	\$ 60.9	\$ 67.0	\$ 36.1
Income tax expense	(30.8)	(23.5)	(25.8)	(13.9)
	<u>49.0</u>	<u>37.4</u>	<u>41.2</u>	<u>22.2</u>
Income from continuing operations			(3.9)	(3.9)
Cumulative change in accounting principle ⁽²⁾				
	<u>49.0</u>	<u>37.4</u>	<u>37.3</u>	<u>18.3</u>
Net income				
	<u>\$ 2.53</u>	<u>\$ 1.93</u>	<u>\$ 2.20</u>	<u>\$ 1.18</u>
Net income per common share from continuing operations, basic and diluted				
	<u>\$ 2.53</u>	<u>\$ 1.93</u>	<u>\$ 2.00</u>	<u>\$ 0.98</u>
Net income per common share, basic and diluted				
	<u>\$ 146.2</u>	<u>\$ 105.0</u>	<u>\$ 150.0</u>	<u>\$ 82.7</u>
Other Financial Information:				
EBITDA ⁽³⁾				

- 8 -

Table of Contents**Summary Historical and Pro Forma Reserve and Operating Data**

The following tables present summary information regarding our estimated net proved oil and natural gas reserves as of October 1, 2004 and as of December 31, 2003, and our historical operating data for the year ended December 31, 2003 and the nine months ended September 30, 2004. All calculations of estimated net proved reserves have been made in accordance with the rules and regulations of the Securities and Exchange Commission, or the SEC, and, except as otherwise indicated, give no effect to federal or state income taxes. For additional information regarding our reserves, please read *Business and Properties Summary of Oil and Natural Gas Properties and Projects* and note 10 to our financial statements. The summary pro forma reserve and operating data below gives effect to our recent acquisition of Permian Basin properties as if such transaction had occurred as of January 1, 2003. The summary unaudited pro forma reserve and operating data do not reflect the pro forma effect of our other recent acquisitions. Our historical operating data includes results from our recent acquisitions beginning on the following dates: Permian Basin, September 23, 2004; Equity Oil Company, July 20, 2004; Colorado and Wyoming, August 13, 2004; and Louisiana and Texas, August 16, 2004. Our historical operating data does not include results from our Wyoming and Utah acquisition that closed on September 30, 2004, but our reserve data as of October 1, 2004 does include reserves from such acquisition.

	Whiting Petroleum Corporation	Pro Forma	Whiting Petroleum Corporation
	as of October 1, 2004	as of December 31, 2003	as of December 31, 2003
Reserve Data:			
Total estimated net proved reserves:			
Natural gas (Bcf)	337.9	287.6	231.0
Oil (MMbbls)	88.2	68.2	34.6
Total (Bcfe)	867.3	696.8	438.8
Estimated net proved developed reserves:			
Natural gas (Bcf)	245.8	212.7	171.9
Oil (MMbbls)	63.0	45.2	26.2
Total (Bcfe)	624.1	483.9	328.9
Estimated future net revenues before income taxes (in millions)	\$ 3,908.0	\$ 3,508.9	\$ 1,352.2
Present value of estimated future net revenues before income taxes (in millions) ⁽¹⁾⁽²⁾	\$ 2,087.9	\$ 1,142.1	\$ 784.6
Standardized measure of discounted future net cash flows (in millions) ⁽³⁾	\$ 1,466.2	\$ 896.1	\$ 589.6

Table of Contents

	Pro Forma for the Nine Months Ended September 30, 2004	Whiting Petroleum Corporation Nine Months Ended September 30, 2004	Pro Forma for the Year Ended December 31, 2003	Whiting Petroleum Corporation Year Ended December 31, 2003
Operating Data:				
Net Production:				
Natural gas (Bcf)	20.6	17.1	27.4	21.6
Oil (MMbbls)	3.3	2.2	4.8	2.6
Total (Bcfe)	40.1	30.0	56.1	37.2
Net sales (in millions) ⁽⁴⁾ :				
Natural gas	\$ 107.4	\$ 90.6	\$ 130.4	\$ 104.4
Oil	\$ 117.4	\$ 75.8	\$ 136.6	\$ 71.3
Total	\$ 224.8	\$ 166.4	\$ 267.0	\$ 175.7
Average sales price:				
Natural gas (per Mcf) ⁽⁴⁾	\$ 5.21	\$ 5.30	\$ 4.74	\$ 4.78
Oil (per Bbl) ⁽⁴⁾	\$ 35.90	\$ 35.13	\$ 28.69	\$ 27.50
Total (Mcf) ⁽⁴⁾	\$ 5.59	\$ 5.54	\$ 4.76	\$ 4.73
Average (per Mcfe):				
Lease operating expenses	\$ 1.13	\$ 1.15	\$ 1.02	\$ 1.16
Production taxes	\$ 0.34	\$ 0.34	\$ 0.28	\$ 0.29
Depreciation, depletion and amortization expenses	\$ 1.20	\$ 1.15	\$ 1.20	\$ 1.11
General and administrative expenses, net of reimbursements	\$ 0.42	\$ 0.47	\$ 0.31	\$ 0.34
Net income	\$ 1.22	\$ 1.25	\$ 0.67	\$ 0.49
EBITDA ⁽⁵⁾	\$ 3.63	\$ 3.49	\$ 2.68	\$ 2.22

- (1) The present value of estimated future net revenues attributable to our reserves was prepared using constant prices, as of the calculation date, discounted at 10% per year on a pre-tax basis.
- (2) The December 31, 2003 amount was calculated using a period end average realized oil price of \$29.43 per barrel and a period end average realized natural gas price of \$5.52 per Mcf, and the October 1, 2004 amount was calculated using a period end average realized oil price of \$45.87 per barrel and a period end average realized natural gas price of \$5.64 per Mcf.
- (3) The standardized measure of discounted future net cash flows represents the present value of future cash flows after income taxes discounted at 10%.
- (4) Before consideration of hedging transactions.
- (5) See Note 3 to Summary Historical and Unaudited Pro Forma Financial Information for a definition of EBITDA and a reconciliation of EBITDA to net income for the periods presented.

Table of Contents**Summary Historical Financial Information**

The following summary historical financial information for each of the three years ended December 31, 2003 has been derived from our audited consolidated financial statements and related notes. The summary historical financial information for the nine months ended September 30, 2004 and 2003 has been derived from our unaudited consolidated financial statements and related notes. This information is only a summary and you should read it in conjunction with material contained in Management's Discussion and Analysis of Financial Condition and Results of Operations, which includes a discussion of factors materially affecting the comparability of the information presented, and in conjunction with our financial statements and related notes included elsewhere in this prospectus. The unaudited interim period financial information, in our opinion, includes all adjustments, which are normal and recurring in nature, necessary for a fair presentation for the periods shown. Results for the nine months ended September 30, 2004 are not necessarily indicative of the results to be expected for the full fiscal year. Our historical results include the results from our recent acquisitions beginning on the following dates: Permian Basin, September 23, 2004; Equity Oil Company, July 20, 2004; Colorado and Wyoming, August 13, 2004; and Louisiana and Texas, August 16, 2004. Our historical results do not include the results from our Wyoming and Utah acquisition that closed on September 30, 2004, but our balance sheet information as of September 30, 2004 does include the effect of such acquisition.

	Nine Months				
	Ended		Year Ended		
	September 30,		December 31,		
	2004	2003	2003	2002	2001
	(dollars in millions)				
Consolidated Income Statement Information:					
Revenues:					
Oil and gas sales	\$ 166.4	\$ 133.6	\$ 175.8	\$ 122.7	\$ 125.2
Gain (loss) on oil and gas hedging activities	(3.6)	(9.0)	(8.7)	(3.2)	2.3
Gain on sale of oil and gas properties	1.0			1.0	11.7
Gain on sale of marketable securities	4.7				
Interest income and other	0.2	0.2	0.3		0.2
Total revenues	\$ 168.7	\$ 124.8	\$ 167.4	\$ 120.5	\$ 139.4
Costs and expenses:					
Lease operating	\$ 34.6	\$ 32.1	\$ 43.2	\$ 32.9	\$ 29.8
Production taxes	10.2	8.1	10.7	7.4	6.5
Depreciation, depletion and amortization ⁽¹⁾	34.5	30.7	41.3	43.6	26.9
Exploration and impairment	4.7	1.0	3.2	1.8	0.8
Phantom equity plan ⁽²⁾			10.9		
General and administrative	14.2	9.5	12.8	12.0	10.9
Interest expense	9.6	7.1	9.2	10.9	10.2
Total costs and expenses	\$ 107.8	\$ 88.5	\$ 131.3	\$ 108.6	\$ 85.1
Income before income taxes and cumulative change in accounting principle	\$ 60.9	\$ 36.3	\$ 36.1	\$ 11.9	\$ 54.3
Income tax expense ⁽³⁾	(23.5)	(13.8)	(13.9)	(4.2)	(13.1)
Income from continuing operations	37.4	22.5	22.2	7.7	41.2
Cumulative change in accounting principle ⁽⁴⁾		(3.9)	(3.9)		
Net income	\$ 37.4	\$ 18.6	\$ 18.3	\$ 7.7	\$ 41.2
Net income per common share from continuing operations, basic and diluted	\$ 1.93	\$ 1.20	\$ 1.18	\$ 0.41	\$ 2.20

