

PATTERSON UTI ENERGY INC
Form 10-Q
April 30, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2012

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 0-22664

Patterson-UTI Energy, Inc.

(Exact name of registrant as specified in its charter)

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DELAWARE
(State or other jurisdiction of
incorporation or organization)

75-2504748
(I.R.S. Employer
Identification No.)

450 GEARS ROAD, SUITE 500

HOUSTON, TEXAS
(Address of principal executive offices)

77067
(Zip Code)

(281) 765-7100
(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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 (section 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 Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

156,118,703 shares of common stock, \$0.01 par value, as of April 30, 2012

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PATTERSON-UTI ENERGY, INC. AND SUBSIDIARIES

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The following unaudited consolidated financial statements include all adjustments which are, in the opinion of management, necessary for a fair statement of the results for the interim periods presented.

PATTERSON-UTI ENERGY, INC. AND SUBSIDIARIES**CONSOLIDATED BALANCE SHEETS**

(unaudited, in thousands, except share data)

	March 31, 2012	December 31, 2011
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 17,825	\$ 23,946
Accounts receivable, net of allowance for doubtful accounts of \$6,540 and \$4,887 at March 31, 2012 and December 31, 2011, respectively	559,548	518,109
Inventory	28,585	31,306
Deferred tax assets, net	116,543	142,725
Other	44,903	48,864
Total current assets	767,404	764,950
Property and equipment, net	3,308,263	3,167,266
Goodwill and intangible assets	174,546	175,573
Deposits on equipment purchases	97,643	99,543
Other	15,976	14,569
Total assets	\$ 4,363,832	\$ 4,221,901
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 274,788	\$ 241,610
Federal and state income taxes payable	8,241	2,473
Accrued expenses	152,442	164,629
Current portion of long-term debt	10,000	10,000
Total current liabilities	445,471	418,712
Borrowings under revolving credit facility	108,500	110,000
Other long-term debt	380,000	382,500
Deferred tax liabilities, net	808,857	786,632
Other	6,529	7,426
Total liabilities	1,749,357	1,705,270
Commitments and contingencies (see Note 11)		
Stockholders' equity:		
Preferred stock, par value \$.01; authorized 1,000,000 shares, no shares issued		
Common stock, par value \$.01; authorized 300,000,000 shares with 183,315,514 and 183,295,350 issued and 155,827,260 and 155,807,779 outstanding at March 31, 2012 and December 31, 2011, respectively	1,833	1,833
Additional paid-in capital	846,550	840,731

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Retained earnings	2,368,853	2,279,367
Accumulated other comprehensive income	22,013	19,459
Treasury stock, at cost, 27,488,254 shares and 27,487,571 shares at March 31, 2012 and December 31, 2011, respectively	(624,774)	(624,759)
Total stockholders' equity	2,614,475	2,516,631
Total liabilities and stockholders' equity	\$ 4,363,832	\$ 4,221,901

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

Table of Contents**PATTERSON-UTI ENERGY, INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF OPERATIONS**

(unaudited, in thousands, except per share data)

	Three Months Ended March 31,	
	2012	2011
Operating revenues:		
Contract drilling	\$ 489,482	\$ 377,358
Pressure pumping	241,722	179,659
Oil and natural gas	14,717	10,387
Total operating revenues	745,921	567,404
Operating costs and expenses:		
Contract drilling	282,649	218,699
Pressure pumping	166,857	118,575
Oil and natural gas	2,730	1,997
Depreciation, depletion, amortization and impairment	122,953	96,215
Selling, general and administrative	13,868	15,975
Net gain on asset disposals	(2,400)	(1,604)
Provision for bad debts	1,600	
Total operating costs and expenses	588,257	449,857
Operating income	157,664	117,547
Other income (expense):		
Interest income	54	43
Interest expense	(4,582)	(3,889)
Other	55	119
Total other expense	(4,473)	(3,727)
Income from continuing operations before income taxes	153,191	113,820
Income tax expense:		
Current	7,510	3,582
Deferred	48,407	38,619
Total income tax expense	55,917	42,201
Income from continuing operations	97,274	71,619
Loss from discontinued operations, net of income taxes		(367)
Net income	\$ 97,274	\$ 71,252
Basic income (loss) per common share:		
Income from continuing operations	\$ 0.62	\$ 0.46
Loss from discontinued operations, net of income taxes	\$ 0.00	\$ 0.00

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Net income	\$ 0.62	\$ 0.46
Diluted income (loss) per common share:		
Income from continuing operations	\$ 0.62	\$ 0.46
Loss from discontinued operations, net of income taxes	\$ 0.00	\$ 0.00
Net income	\$ 0.62	\$ 0.46
Weighted average number of common shares outstanding:		
Basic	154,625	153,122
Diluted	155,401	154,653
Cash dividends per common share	\$ 0.05	\$ 0.05

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

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PATTERSON-UTI ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(unaudited, in thousands)

	Three Months Ended	
	March 31,	
	2012	2011
Net Income	\$ 97,274	\$ 71,252
Other comprehensive income, net of taxes of \$0 and \$0, respectively:		
Foreign currency translation adjustment	2,554	2,698
Total comprehensive income	\$ 99,828	\$ 73,950

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

Table of Contents**PATTERSON-UTI ENERGY, INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY**

(unaudited, in thousands)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other		Treasury Stock	Total
	Number of Shares	Amount			Comprehensive Income			
Balance, December 31, 2011	183,295	\$ 1,833	\$ 840,731	\$ 2,279,367	\$ 19,459	\$ (624,759)		\$ 2,516,631
Net income				97,274				97,274
Foreign currency translation adjustment					2,554			2,554
Issuance of restricted stock	12							
Forfeitures of restricted stock	(5)							
Exercise of stock options	14		195					195
Stock-based compensation			5,458					