

HELMERICH & PAYNE, INC.

FORM 10-Q (Quarterly Report)

Filed 02/13/96 for the Period Ending 12/31/95

Address	1437 S. BOULDER AVE. SUITE 1400 TULSA, OK, 74119
Telephone	918-742-5531
CIK	0000046765
Symbol	HP
SIC Code	1381 - Drilling Oil and Gas Wells
Industry	Oil & Gas Drilling
Sector	Energy
Fiscal Year	09/30

HELMERICH & PAYNE INC

FORM 10-Q (Quarterly Report)

Filed 2/13/1996 For Period Ending 12/31/1995

Address	UTICA AT 21ST ST TULSA, Oklahoma 74114
Telephone	918-742-5531
CIK	0000046765
Industry	Oil Well Services & Equipment
Sector	Energy
Fiscal Year	09/30

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 30549

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

For quarterly period ended: DECEMBER 31, 1995

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: 1-4221

HELMERICH & PAYNE, INC.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of incorporation or organization)

73-0679879
(I.R.S. Employer I.D. Number)

UTICA AT TWENTY-FIRST STREET, TULSA, OKLAHOMA 74114
(Address of principal executive office) (Zip Code)

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

NONE
(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

CLASS
Common Stock, .10 par value

OUTSTANDING AT DECEMBER 31, 1995

24,764,620

AUTHORIZED AT DECEMBER 31, 1995

26,764,476

Total Number of Pages 11

HELMERICH & PAYNE, INC.

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PART I FINANCIAL INFORMATION

HELMERICH & PAYNE, INC.
CONSOLIDATED CONDENSED BALANCE SHEETS
(in thousands)

	(Unaudited) December 31 1995	September 30 1995
	-----	-----
ASSETS		

Current Assets		
Cash and cash equivalents	\$ 8,606	\$ 19,661
Short-term investments	8,989	8,989
Accounts receivable, net	66,400	59,314
Inventories	21,787	21,313
Prepaid expenses and other	6,350	5,717
	-----	-----
Total Current Assets	112,132	114,994
	-----	-----
Investments	157,502	156,908
Property, Plant and Equipment, Net	448,801	423,762
Other Assets	14,433	14,501
	-----	-----
Total Assets	\$ 732,868	\$ 710,165
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		

Current Liabilities		
Accounts payable	\$ 24,983	\$ 26,382
Accrued liabilities	24,663	21,529
Notes Payable	23,700	21,700
	-----	-----
Total Current Liabilities	73,346	69,611
	-----	-----
Noncurrent Liabilities		
Deferred income taxes	69,598	66,047
Other	13,738	12,072
	-----	-----
Total Noncurrent Liabilities	83,336	78,119
	-----	-----
Shareholders' Equity		
Common stock, par value \$.10 per share	2,677	2,677
Preferred stock, no shares issued	-	-
Additional paid-in capital	48,436	48,436
Net unrealized holding gains	43,332	38,004
Retained earnings	504,115	495,692
	-----	-----
Less treasury stock, at cost	598,560	584,809
	-----	-----
Total Shareholders' Equity	576,186	562,435
	-----	-----
	\$ 732,868	\$ 710,165
	=====	=====

See accompanying notes to financial statements.

HELMERICH & PAYNE, INC.
CONSOLIDATED CONDENSED STATEMENTS OF INCOME
(Unaudited)

(in thousands, except per share data)

	Three Months Ended December 31	
	1995	1994
REVENUES:		
Sales and other operating revenues	\$ 93,418	\$ 78,555
Income from investments	1,167	1,389
	94,585	79,944
COST AND EXPENSES:		
Operating costs	56,377	51,248
Depreciation, depletion and amortization	13,737	13,630
Dry holes and abandonments	928	2,179
Taxes, other than income taxes	3,833	3,978
General and administrative	2,348	2,094
Interest	79	99
	77,302	73,228
INCOME BEFORE INCOME TAXES AND EQUITY IN INCOME OF AFFILIATE	17,283	6,716
INCOME TAX EXPENSE EQUITY IN INCOME OF AFFILIATE, net of income taxes	6,384	2,481
	194	181
NET INCOME	\$ 11,093	\$ 4,416
NET INCOME PER AVERAGE COMMON SHARE	\$.45	\$.18
CASH DIVIDENDS (Note 2)	\$.125	\$.125
AVERAGE COMMON SHARES OUTSTANDING	24,603	24,479

See accompanying notes to financial statements.

HELMERICH & PAYNE, INC.
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

(in thousands)

	Three Months Ended December 31	
	1995	1994
CASH FLOWS FROM OPERATING ACTIVITIES:		

Net Income	\$ 11,093	\$ 4,416
Adjustments to reconcile net income to net cash provided by operating activities-		
Depreciation, depletion and amortization	13,737	13,630
Dry holes and abandonments	928	2,179
Equity in income of affiliate before income taxes	(313)	(291)
Amortization of deferred compensation	425	458
Other, net	448	(332)
Change in assets and liabilities-		
Increase in accounts receivable	(7,086)	(26)
Increase in inventories	(474)	(295)
Increase in prepaid exps. & other	(565)	(2,087)
Increase(decrease) in accounts payable	(336)	3,601
Increase(decrease) in accrued liabilities	6,088	(2,127)
Increase in deferred income taxes	286	393
Increase in other noncurrent liabilities	1,666	1,115
	14,804	16,218
Total Adjustments		
Net cash provided by operating activities	25,897	20,634

CASH FLOWS FROM INVESTING ACTIVITIES:		

Capital expenditures, including dry hole costs	(35,929)	(27,404)
Proceeds from sales of property, plant and equipment	72	644
Purchase of investments	-	(4,978)
	(35,857)	(31,738)
Net cash used in investing activities		

CASH FLOWS FROM FINANCING ACTIVITIES:		

Proceeds from notes payable	22,000	-
Payments made on notes payable	(20,000)	-
Dividends paid	(3,095)	(3,084)
Proceeds from exercise of stock options	-	175
	(1,095)	(2,909)
Net cash used in financing activities		

NET DECREASE IN CASH AND CASH EQUIVALENTS	(11,055)	(14,013)
CASH AND CASH EQUIVALENTS, beginning of period	19,661	29,447
	\$ 8,606	\$ 15,434
CASH AND CASH EQUIVALENTS, end of period	=====	=====

See accompanying notes to financial statements.

HELMERICH & PAYNE, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENT OF
SHAREHOLDERS' EQUITY
(in thousands)

	Common Stock		Paid-In Capital	Net	Retained Earnings	Treasury Stock	
	Shares	Amount		Unrlzed Holding Gains		Shares	Amount
Balance, September 30, 1995	26,764	\$2,677	\$48,436	\$38,004	\$495,692	2,000	\$(22,374)
Change in net unrealized holding gains, net of income taxes of \$3,265	-	-	-	5,328	-	-	-
Cash dividends (\$0.125 per share)	-	-	-	-	(3,095)	-	-
Amortization of deferred compensation	-	-	-	-	425	-	-
Net income	-	-	-	-	11,093	-	-

Balance, December 31, 1995	26,764	\$2,677	\$48,436	\$43,332	\$504,115	2,000	\$(22,374)
	=====						

See accompanying notes to financial statements.

HELMERICH & PAYNE, INC.

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

1. In the opinion of the Company, the accompanying unaudited consolidated financial statements contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly the results of the periods presented. The results of operations for the three months ended December 31, 1995, and December 31, 1994, are not necessarily indicative of the results to be expected for the full year.
2. The \$.125 cash dividend declared in September, 1995 was paid December 1, 1995. On December 6, 1995, a cash dividend of \$.125 per share was declared for shareholders of record on February 15, 1996, payable March 1, 1996.
3. Inventories consisted of the following (in thousands of dollars):

	12-31-95	09-30-95
	-----	-----
Raw Materials	\$ 209	\$ 100
Works in Progress	304	315
Finished Goods	1,703	1,435
Materials & Supplies	19,571	19,463
	-----	-----
	\$ 21,787	\$ 21,313
	=====	=====

4. Income from investments does not include any gains or losses on sales of available-for-sale securities during the first quarter of 1996 or 1995.
5. In May, 1993 the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities." The Company adopted the provisions of the new standard for investments held as of or acquired after October 1, 1994.

	Gross Unrealized Gains	Gross Unrealized Losses	Est. Fair Value
Cost	(in thousands)		
	-----	-----	-----
Equity Securities 12/31/95	\$64,804	\$70,184	\$294
Equity Securities 09/30/95	\$64,804	\$61,455	\$158
			\$134,694
			\$126,101

During the quarter ended December 31, 1995 the net unrealized holding gains of the Company's securities classified as available-for-sale increased \$5,328,000 (net of \$3,265,000 in deferred income taxes).

6. The Company maintains a line of credit agreement with certain banks which provides for maximum borrowing of \$75,000,000 at adjustable interest rates. Under the agreement, \$75,000,000 may be borrowed through May 1996, and \$45,000,000 may be borrowed through May 1998. As of December 31, 1995, the Company had borrowed \$23,700,000 at a weighted average interest rate of 6.14% leaving an unused portion of \$51,300,000. Under the line of credit agreement, the Company must meet certain requirements regarding levels of debt, net worth and earnings.

HELMERICH & PAYNE, INC.
REVENUES AND INCOME BY BUSINESS SEGMENTS
(in thousands)

	FY 1996 1st Qtr -----	FY 1995 1st Qtr -----
SALES AND OTHER REVENUES:		
Contract Drilling-Domestic	\$23,020	\$25,488
Contract Drilling-Internat.	33,935	22,150
	-----	-----
Total Contract Drilling Division	56,955	47,638
	-----	-----
Exploration and Production	15,460	13,471
Natural Gas Marketing	12,786	9,479
	-----	-----
Total Oil & Gas Division	28,246	22,950
	-----	-----
Chemical Division	6,158	5,951
Real Estate Division	2,008	1,846
Investment and Other	1,218	1,559
	-----	-----
Total Revenues	\$94,585	\$79,944
	=====	=====
OPERATING PROFIT(LOSS):		
Contract Drilling-Domestic	\$ 1,915	\$ 1,125
Contract Drilling-Internat.	8,309	3,355
	-----	-----
Total Contract Drilling Division	10,224	4,480
	-----	-----
Exploration and Production	4,075	(538)
Natural Gas Marketing	757	287
	-----	-----
Total Oil & Gas Division	4,832	(251)
	-----	-----
Chemical Division	2,739	2,636
Real Estate Division	1,221	1,121
	-----	-----
Total Operating Profit	19,016	7,986
	-----	-----
OTHER	(1,733)	(1,270)
	-----	-----
INCOME BEFORE INCOME TAXES AND EQUITY IN INCOME OF AFFILIATE	\$17,283	\$ 6,716
	=====	=====

See accompanying notes to financial statements.

HELMERICH & PAYNE, INC.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS**

DECEMBER 31, 1995

Results of Operations

The Company reported net income of \$11,093,000 (\$0.45 per share) on revenues of \$94,585,000 for the first quarter of fiscal year 1996, compared with net income of \$4,416,000 (\$0.18 per share) on revenues of \$79,944,000 during the first quarter of fiscal 1995.

The Contract Drilling Division reported an operating profit of \$10,224,000 for the first quarter of 1996, compared with \$4,480,000 for the same period in fiscal 1995. Operating profit from international drilling operations increased 148% to \$8,309,000 for the first quarter of fiscal 1996, compared with \$3,355,000 for the first quarter of 1995. Additional rigs sent to Colombia (3) and Venezuela (4) during 1995 was the primary reason for the significant increase. Utilization for all international rigs was 90% during the first quarter, compared with 84% during the first quarter of fiscal 1995. Utilization is expected to remain strong for the remainder of the year in Venezuela and Colombia, but softer in other South American countries.

Exploration and Production reported an operating profit of \$4,075,000 for the first quarter of fiscal 1996, compared with an operating loss of \$538,000 in the first quarter of fiscal 1995. The improvement in operating profit from the prior year was primarily the result of higher natural gas prices, increased production volumes and lower operating expenses. The average natural gas price increased from \$1.37 per mcf in the first quarter of fiscal 1995 to \$1.49 per mcf in the first quarter of fiscal 1996. Production volumes increased from 78.2 Mmcf/day during the first quarter of 1995 to 89.3 Mmcf/day in the same period of 1996. Reductions in depreciation and depletion, dry hole costs, and geophysical expense totaled \$2,756,000. A significant increase in the Company's exploration activity is expected to occur in the second and third quarters, providing increased exposure to dry hole costs.

Both the Chemical Division and the Real Estate Division had slightly higher operating profits than a year ago on increased revenues.

In August 1994, the Company entered into a joint venture with its equity affiliate, Atwood Oceanics, Inc. to construct a new generation offshore platform rig for work offshore Australia. The rig has been completed and is ready for shipment to Australia. The rig was originally scheduled to commence operating offshore Australia in early 1996, however, due to project delays in Australia unrelated to the rig construction activities, the shipment of the rig to Australia has been delayed until early 1997. Under terms of the contract, revenues from a holding rate will commence on January 1, 1996, and will be reflected in the international contract drilling segment.

Liquidity and Capital Resources

Net cash provided by operating activities was \$25,897,000 for the first three months of fiscal 1996, compared with \$20,634,000 for the same period in 1995. Capital expenditures for the first quarter of fiscal 1996 were \$35,929,000, compared with \$27,404,000 for the first quarter of fiscal 1995.

It is anticipated for fiscal 1996 that capital expenditures will exceed internally generated cash flows and that the Company will have to borrow under its line of credit agreement or sell a portion of its investment portfolio. In the current quarter the Company increased the amount borrowed under its line of credit agreement by \$2,000,000.

There were no other significant changes in the Company's financial position since September 30, 1995.

PART II. OTHER INFORMATION HELMERICH & PAYNE, INC.

Item 1. Legal Proceedings

On November 15, 1995, a lawsuit captioned William G. Caldwell, et al. vs. Helmerich & Payne, Inc. was filed in the District Court of Washita County, Oklahoma, in which five (5) named plaintiffs, on behalf of themselves and other unnamed plaintiffs, are demanding their royalty share of a gas contract settlement. The plaintiffs are attempting to certify a class which would contain certain of the Company's lessors and certain other mineral owners who own an interest in wells covered by such gas contract settlement.

Item 6(b) Reports on Form 8-K

There were no reports on Form 8-K filed for the three months ended December 31, 1995.

HELMERICH & PAYNE, INC.

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.

Date: *FEBRUARY 13, 1996* */S/ DOUGLAS E. FEARS*

Douglas E. Fears, Chief Financial Officer

Date: *FEBRUARY 13, 1996* */S/ HANS C. HELMERICH*

Hans C. Helmerich, President

EXHIBIT INDEX

EXHIBIT
NUMBER

DESCRIPTION

- - - - -

- - - - -

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Financial Data Schedule

ARTICLE 5

MULTIPLIER: 1,000

PERIOD TYPE	3 MOS
FISCAL YEAR END	SEP 30 1996
PERIOD START	OCT 01 1995
PERIOD END	DEC 31 1995
CASH	8,606
SECURITIES	157,502
RECEIVABLES	66,862
ALLOWANCES	462
INVENTORY	21,787
CURRENT ASSETS	112,132
PP&E	1,045,919
DEPRECIATION	597,118
TOTAL ASSETS	732,868
CURRENT LIABILITIES	73,346
BONDS	0
COMMON	2,677
PREFERRED MANDATORY	0
PREFERRED	0
OTHER SE	573,509
TOTAL LIABILITY AND EQUITY	732,868
SALES	93,418
TOTAL REVENUES	94,585
CGS	74,875
TOTAL COSTS	74,875
OTHER EXPENSES	2,348
LOSS PROVISION	0
INTEREST EXPENSE	79
INCOME PRETAX	17,283
INCOME TAX	6,384
INCOME CONTINUING	11,093
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	11,093
EPS PRIMARY	.45
EPS DILUTED	.45

End of Filing

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