

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **1993-10-29** | Period of Report: **1993-10-29**
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LOUISIANA LAND & EXPLORATION CO

CIK: **60512** | IRS No.: **720244700** | State of Incorporation: **MD** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **001-00959** | Film No.: **94500406**
SIC: **1311** Crude petroleum & natural gas

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 29, 1993

THE LOUISIANA LAND AND EXPLORATION COMPANY

(Exact name of registrant as specified in its charter)

Maryland (State or other jurisdiction of incorporation)	1-959 (Commission File Number)	72-0244700 (I.R.S. Employer Identification No.)
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909 Poydras Street New Orleans, Louisiana (Address of principal executive offices)	70112 (Zip Code)
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Registrant's telephone number, including
area code: (504) 566-6500

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Item 5. Other Events.

On October 29, 1993, the registrant issued a press release relating to the unaudited financial results for the registrant's fiscal quarter ended September 30, 1993, which is attached hereto and incorporated herein by reference.

Item 7. Financial Statements and Exhibits.

(c) Exhibits

Exhibit No.	Description
99	Press release dated October 29, 1993.

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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 hereunto duly authorized.

THE LOUISIANA LAND AND
EXPLORATION COMPANY
(Registrant)

Date: October 29, 1993

By: s/Frederick J. Plaeger, II

Name: Frederick J. Plaeger, II
Title: General Counsel and
Corporate Secretary

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EXHIBIT INDEX

Number	Description	Page
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EXHIBIT 99

LL&E Announces Third Quarter Results

New Orleans, Louisiana, October 29, 1993 . . . The Louisiana Land and Exploration Company (NYSE:LLX) ("LL&E") today announced a \$1.8 million net loss for the third quarter of 1993 (\$0.06 per share). The loss included the adverse impact of a one-time, non-cash charge of \$3.0 million, increasing the Company's deferred tax provision to reflect the recent increase in federal corporate income tax rates. In the same quarter of 1992, the Company reported net earnings of \$2.6 million or \$0.09 per share after an extraordinary loss related to the early retirement of debt totaling \$5.6 million after tax, or \$0.20 per share and an \$8.0 million pretax gain on the sale of oil and gas properties.

The Company said that the decline in earnings was primarily the result of sharply lower crude and condensate prices and lower refining margins. Higher natural gas revenues, increased liquids production and income associated with the settlement of a lease ownership dispute partially offset the impact of these factors. The Company also noted that its third quarter 1993 operating results included no financial impact or incremental production from its recently completed acquisition of NERCO Oil and Gas, Inc.

Third quarter 1993 worldwide crude and condensate production increased 13 percent over prior year levels as a result of production from new properties onstream and from property purchases earlier in the year. However, significantly lower liquids prices more than offset the benefit of increased production volumes. Worldwide crude and condensate prices for the third quarter of 1993 declined over 20 percent from the same period a year ago, averaging \$15.63 per barrel compared with \$19.60 in the 1992 period.

Excluding the benefit of natural gas volumes associated with the settlement of the lease ownership dispute, domestic natural gas production grew 12 percent to 148.7 million cubic feet of gas per day in the third quarter of 1993 compared with last year's same period. Increased production from the Gulf of Mexico and south Louisiana were responsible for the majority of the volume improvement. Prices received for natural gas in the U. S. in the third quarter of 1993, excluding the impact of the lease settlement, rose 24 percent from prior year levels, averaging \$2.20 per thousand cubic feet compared with \$1.78 in the same quarter in

1992.

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Refining and marketing operations incurred a \$1.1 million pretax loss in 1993's third quarter. Lower refined product prices and profit margins were the primary contributors to the operating loss. In the same period in 1992, refining and marketing pretax profits totaled \$2.1 million.

LL&E's earnings for the first nine months of 1993 totaled \$6.7 million (\$0.23 per share) after the effect of two accounting changes recorded in the first quarter. The net non-cash benefit to earnings from these changes totaled \$0.2 million. In addition, the Company's equity in the earnings of its 50 percent-owned affiliate, CLAM Petroleum Company, was reduced by a non-cash charge of \$3.0 million relating to CLAM's adoption of an accounting change relating to income taxes.

For the first nine months of 1992, LL&E reported a loss of \$18.5 million (\$0.65 per share) after the effect of non-recurring items totaling \$32.9 million (\$21.7 million after tax) and the aforementioned extraordinary loss of \$5.6 million. The non-recurring items were related to the realignment of the Company's domestic exploration and production operations, a reduction of a litigation accrual and a provision for the uninsured portion of possible losses associated with a gas well blowout.

A sharp increase in domestic natural gas prices, up 38 percent from the same nine-month period in 1992, and the settlement of a lease ownership dispute were the primary contributors to the improvement in earnings in the first nine months of 1993. Mitigating the impact of this improvement were lower worldwide liquids prices, down 8 percent from the same nine-month period in 1992, and a decline in operating profits from the Company's refining and marketing operations. For the first nine months of 1993, refining and marketing reported a pretax loss of \$1.1 million while in the same period of 1992, the Company recorded pretax profits from those operations of \$11.7 million.

Cash flow from operating activities before changes in operating assets and liabilities for the first nine months of 1993 totaled \$102 million compared with \$113 million in the same period last year. Capital expenditures rose 15 percent to \$128.1 million for the 1993 nine month period compared with \$111.6 million in the same period in 1992. Long-term debt including current maturities rose to \$748 million as of September 30, 1993 reflecting the \$355 million in debt incurred to consummate the acquisition of NERCO Oil and Gas, Inc.

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<TABLE>

THE LOUISIANA LAND AND EXPLORATION COMPANY
(Millions, Except Per Share Data)
(Unaudited)

<CAPTION>

	Consolidated			
	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	1993	1992	1993	1992
<S>	<C>	<C>	<C>	<C>
Revenues	\$ 193.5	\$ 208.5	\$ 575.1	\$ 583.7
Costs and Expenses	\$ 190.9	\$ 196.1	\$ 557.5	\$ 604.1
Earnings (Loss) Before				
Income Taxes	\$ 2.6	\$ 12.4	\$ 17.6	\$ (20.4)
Income Tax Expense (Benefit)	\$ 4.4	\$ 4.2	\$ 11.1	\$ (7.5)
Earnings (Loss) Before Extra-				
ordinary Item	\$ (1.8)	\$ 8.2	\$ 6.5	\$ (12.9)
Cumulative Effect of Change in				
Accounting for Income Tax	\$ -	\$ -	\$ 13.7	\$ -
Cumulative Effect of Change in				
Accounting for Postretirement				
Health Benefits	\$ -	\$ -	\$ (13.5)	\$ -
Loss on Early Retirement of				
Debt	\$ -	\$ (5.6)	\$ -	\$ (5.6)
Net Earnings (Loss)	\$ (1.8)	\$ 2.6	\$ 6.7	\$ (18.5)
Primary and Fully Diluted Earnings				
(Loss) Per Share Before Extra-				
ordinary Item	\$ (0.06)	\$ 0.29	\$ 0.22	\$ (0.45)
Cumulative Effect of Change in				
Accounting for Income Tax	\$ -	\$ -	\$ 0.48	\$ -
Cumulative Effect of Change in				
Accounting for Postretirement				
Health Benefits	\$ -	\$ -	\$ (0.47)	\$ -
Loss on Early Retirement of				
Debt	\$ -	\$ (0.20)	\$ -	\$ (0.20)
Primary and Fully Diluted Earnings				
(Loss) Per Share	\$ (0.06)	\$ 0.09	\$ 0.23	\$ (0.65)
Average Shares	28.9	28.4	28.7	28.4
Produced and Sold:				
Crude and Condensate (Thousands				
of Barrels Per Day)				
Domestic	21.4	18.9	20.8	19.4
North Sea	6.2	5.9	6.3	6.5
Other foreign	6.6	5.4	6.8	5.8
Total	34.2	30.2	33.9	31.7
Average Price Received				

(Per Barrel)				
Domestic	\$ 16.13	\$ 20.39	\$ 17.63	\$ 19.12
North Sea	\$ 15.79	\$ 19.95	\$ 16.87	\$ 19.20
Other foreign	\$ 13.84	\$ 16.53	\$ 15.07	\$ 14.91
Consolidated	\$ 15.63	\$ 19.60	\$ 16.97	\$ 18.36

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Plant Products (Thousands of Barrels Per Day)				
Domestic	2.3	2.4	2.4	2.3
North Sea	.5	.4	.4	.5
Total	2.8	2.8	2.8	2.8

Average Price Received
(Per Barrel)

Domestic	\$ 10.75	\$ 13.18	\$ 11.55	\$ 12.78
North Sea	\$ 12.53	\$ 13.11	\$ 12.92	\$ 14.19
Consolidated	\$ 11.05	\$ 13.17	\$ 11.74	\$ 13.00

Natural Gas (Millions of Cubic Feet Per Day)

Domestic	165.5	132.6	150.2	143.3
North Sea	.2	.2	.2	.2
Other foreign	3.6	3.8	5.1	4.8
CLAM Petroleum Company	10.8	18.5	31.6	38.1
Total	180.1	155.1	187.1	186.4

Average Price Received (Per Thousand Cubic Feet)

Domestic	\$ 2.15	\$ 1.78	\$ 2.14	\$ 1.55
North Sea	\$ 1.36	\$ 2.22	\$ 1.51	\$ 1.84
Other foreign	\$ 1.24	\$ 0.81	\$ 1.28	\$ 0.83
CLAM Petroleum Company	\$ 2.93	\$ 2.87	\$ 2.51	\$ 2.78
Consolidated	\$ 2.18	\$ 1.88	\$ 2.18	\$ 1.78

Refining & Marketing Data:

Revenues (1)	\$ 108.4	\$ 126.1	\$ 319.7	\$ 347.2
Costs and Expenses (1)	\$ 110.3	\$ 125.5	\$ 322.6	\$ 339.8
Refining Profit (Loss)				
Before Income Taxes	\$ (1.9)	\$.6	\$ (2.9)	\$ 7.4

Crude Marketing Gain (Loss)	\$ 0.8	\$ 1.5	\$ 1.8	\$ 4.3
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R&M Operating Profit (Loss)	\$ (1.1)	\$ 2.1	\$ (1.1)	\$ 11.7
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Sales (Thousands of Barrels Per Day)

	57.1	57.4	53.6	53.5
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Average Price Received (Per Barrel)	\$ 20.57	\$ 23.90	\$ 21.75	\$ 23.68
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(1) Before elimination of intracompany transfers
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