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BERRY PETROLEUM CO  
Form 11-K  
October 01, 2003

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

Commission File Number 1-9735

- A. Full title of the plan and the address of the plan, if  
different from that of the issuer named below:

BERRY PETROLEUM COMPANY THRIFT PLAN

- B. Name of issuer of the securities held pursuant to the plan  
and the address of its principal executive office:

Berry Petroleum Company  
5201 Truxtun Avenue, Suite 300  
Bakersfield, California 93309-0640

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BERRY PETROLEUM COMPANY  
THRIFT PLAN

AUDITED FINANCIAL STATEMENTS  
AND SUPPLEMENTAL SCHEDULE

For the Years Ended December 31, 2001 and 2000

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BERRY PETROLEUM COMPANY THRIFT PLAN

December 31, 2001 and 2000

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INDEPENDENT AUDITOR'S REPORT

To the Administrator of the  
Berry Petroleum Company Thrift Plan

We have audited the accompanying statements of net assets available for benefits of the Berry Petroleum Company Thrift Plan as of December 31, 2001 and 2000, and the related statement of changes in net assets available for benefits for the year ended December 31, 2001. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Berry Petroleum Company Thrift Plan as of December 31, 2001 and 2000 and the changes in net assets available for benefits for the year then ended December 31, 2001, in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets held for investment purposes as of December 31, 2001, is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the United States Department of

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Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Daniells, Phillips, Vaughan & Bock

Bakersfield, California  
May 23, 2002

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BERRY PETROLEUM COMPANY THRIFT PLAN  
Statements of Net Assets Available for Benefits  
December 31, 2001 and 2000

|                                   | 2001          | 2000          |
|-----------------------------------|---------------|---------------|
| ASSETS:                           |               |               |
| Blended income fund               |               |               |
| Investments, at contract value    | \$ 4,746,085  | \$ 2,864,395  |
| Cash, interest bearing            | -             | 1,978,001     |
| Investments, at fair value        | 8,432,666     | 8,421,428     |
| Participant loans                 | 532,097       | 566,551       |
|                                   | -----         | -----         |
| Net assets available for benefits | \$ 13,710,848 | \$ 13,830,375 |
|                                   | =====         | =====         |

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

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BERRY PETROLEUM COMPANY THRIFT PLAN  
 Statement of Changes in Net Assets Available for Benefits  
 Year Ended December 31, 2001

ADDITIONS:

|   |            |
|---|------------|
| Additions to net assets attributable to:        |            |
| Contributions:                                  |            |
| Participants                                    | \$ 581,624 |
| Employer  | 423,713    |
|   | -----      |
|   | 1,005,337  |
|   | -----      |
| Interest and dividends                          | 482,661    |
| Participant loan interest payments              | 55,756     |
| Net (depreciation) in fair value of investments | (584,421)  |
|   | -----      |
|   | (46,004)   |
|   | -----      |
| Total additions                                 | 959,333    |
|   | -----      |

DEDUCTIONS:

|   |               |
|---|---------------|
| Deductions from net assets attributable to: |               |
| Administrative fees                         | 3,403         |
| Benefits paid to participants               | 1,075,457     |
|   | -----         |
| Total deductions                            | 1,078,860     |
|   | -----         |
| Net (decrease)                              | (119,527)     |
| Net assets available for benefits:          |               |
| Beginning of year                           | 13,830,375    |
|   | -----         |
| End of year                                 | \$ 13,710,848 |
|   | =====         |

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

BERRY PETROLEUM COMPANY THRIFT PLAN  
 NOTES TO FINANCIAL STATEMENTS

Note 1. Plan Description

The following description of the Berry Petroleum Company Thrift Plan

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(the "Plan") is provided for general information purposes only. Participants should refer to the Plan Agreement for more complete information.

### General

The Plan is a defined contribution plan under Section 401(k) of the Internal Revenue Code (the "Code"). All employees of Berry Petroleum Company (the "Company") who have completed six months of service, as defined in the Plan Agreement, and who are not covered by a collective bargaining agreement with retirement benefits, are eligible to participate in the Plan.

### Contributions

Employees who elect to participate in the Plan must contribute 6% of their annual earnings as a basic tax-deferred contribution. The Company matches 100% of this employee contribution. The Plan provides for a Company match in excess of 6% if certain financial results are achieved. Company matching contributions can range from 6% to 9% of eligible participating employee earnings for active participants in the Plan. Matching contributions were from 6% to 9% in 2001 and averaged approximately 7.25% and were 9% for all of 2000. The Plan for 2001 and 2000 allowed employees to contribute a maximum combined pre-tax and after-tax deferral of 16%. As of May 1, 2002, this limit was raised to 60%.

Participant and employer contributions are subject to statutory limitations, which for 2001 were \$10,500 pre-tax and \$30,000 total for all employee and employer contributions. Participants vest immediately in their contributions, and vesting in employer contributions is at a rate of 20% per year of service during the first five years of employment.

### Investment Funds

The investment selections available to participants are as follows:

|   |                                |
|---|--------------------------------|
| Berry Petroleum Company Stock           | Spartan U.S. Equity Index Fund |
| Blended Income Fund                     | Fidelity U.S. Bond Index Fund  |
| Fidelity Contrafund                     | Fidelity Freedom Income Fund   |
| Fidelity Diversified International Fund | Fidelity Freedom 2000 Fund     |
| Fidelity Equity Income I Fund           | Fidelity Freedom 2010 Fund     |
| Fidelity Growth & Income Fund           | Fidelity Freedom 2020 Fund     |
| Fidelity Low Priced Stock Fund          | Fidelity Freedom 2030 Fund     |
| Fidelity Puritan Fund                   | Fidelity Freedom 2040 Fund     |

Contributions made by or on behalf of Plan participants are invested monthly and held under a trust agreement in one or more of the investment funds selected by the Plan Sponsor in accordance with the provisions of the Plan Agreement and as directed by the participants. Employees are able to choose to have their contributions invested in the Blended Income Fund, Berry Petroleum Company Common Stock and a selection of mutual funds, currently at 14. With the maturity on December 31, 2001 of the last separate GIC contract, all of the funds allocated to the Blended Income Fund were moved to Fidelity's Managed Income portfolio, effective February 1, 2002.

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## NOTES TO FINANCIAL STATEMENTS

### Note 1. Plan Description, continued

The 14 mutual funds available for investments noted above are: Fidelity Contrafund seeks high capital appreciation, Fidelity Diversified International seeks capital appreciation investing in equity markets worldwide but mainly those in the Morgan Stanley EAFE Index, which excludes the United States, Fidelity Equity Income I is a stock fund seeking capital appreciation and dividend income that exceeds the yield of the Standard & Poors 500 Index ("S & P 500 Index"), Fidelity Growth & Income seeks long-term capital growth, current income and growth of income, consistent with reasonable investment risk, Fidelity Low Priced Stock seeks capital appreciation by investing mainly in low-priced common stocks (less than \$35.00 at original purchase), Fidelity Puritan seeks as much income as possible, consistent with the preservation of capital, by investing in common stocks, bonds and preferred stock, Spartan U. S. Equity Index is a stock index fund that seeks investment results that correspond to the total return performance of the S & P 500 Index by duplicating the investment composition.

Fidelity U. S. Bond Index seeks to provide investment results that correspond to the aggregate price and interest performance of the debt securities of the Lehman Brothers Aggregate Bond Index. Fidelity Freedom Income seeks a high level of current income with capital appreciation as a secondary objective. The Fidelity Freedom 2000, 2010, 2020, 2030 and 2040 mutual funds are designed to provide attractive long-term returns consistent with the targeted investment horizon.

The Plan had group annuity contracts ("GICs") with John Hancock Mutual Life Insurance Company ("John Hancock") during 2001 and 2000. All of the Plan's group annuity contracts were fully benefit responsive. Each account was credited with income determined at a fixed interest rate until maturity. These contracts are included in the financial statements at December 31, 2000 at the contract value (which approximates fair market value) as reported by the insurance companies and, because the last contract matured on December 31, 2001, at cash value at December 31, 2001.

The following investments had values at December 31, 2001 representing more than 5% of net assets available for Plan benefits:

|                                    |              |
|------------------------------------|--------------|
| Blended Income Fund                |              |
| Fidelity Comingled Pool Account    | \$ 4,746,085 |
| Fidelity Contrafund                | 1,744,808    |
| Fidelity Low-Priced Stock          | 1,119,056    |
| Fidelity Growth & Income           | 932,406      |
| Spartan U.S. Equity Index          | 876,582      |
| Fidelity Diversified International | 859,990      |
| Fidelity Equity Income I           | 751,693      |

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## BERRY PETROLEUM COMPANY THRIFT PLAN NOTES TO FINANCIAL STATEMENTS

### Note 1. Plan Description, continued

The following table presents a summary of credited interest rates and

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average yield information for each of the GICs for the period shown:

| Issuer                   | 2001                    |               | 2000                    |               |
|--------------------------|-------------------------|---------------|-------------------------|---------------|
|                          | Credited Interest Rate  | Average Yield | Credited Interest Rate  | Average Yield |
| John Hancock Contract #1 | -                       | -             | 6.68% due<br>12/29/2000 | 6.68%         |
| Contract #2              | 6.17% due<br>12/31/2001 | 6.17%         | 6.17% due<br>12/31/2001 | 6.17%         |

### Participant Accounts

Participant statements are prepared and distributed quarterly. However, the participant can access their account daily with Fidelity's Net Benefits online service. Each participant's account is credited with the participant's and the Company's contributions, in addition to the allocation of any Plan earnings or losses and forfeitures of terminated participants' nonvested accounts. Earnings or losses are allocated on a fund-by-fund basis. Allocations are based on the ratio of the participant's account balance in each mutual fund to the total assets of the mutual fund. Allocation of forfeitures is based on service units from 0 to 12 depending on months of service during the year. Only employees who are active participants at December 31 each year are eligible for the allocation of forfeitures to their accounts. Forfeitures allocated to participant accounts for the years ended December 31, 2001 and 2000 totaled \$5,975 and \$16,400, respectively.

### Participant Loans

Participants are entitled to borrow from their vested account balances in amounts from \$1,000 to \$50,000, but not in excess of 50% of their vested account balances. Interest is computed based on the prime rate in the Wall Street Journal on the date of the application, plus 2%. A maximum of two loans can be outstanding at any one time and each loan must be repaid over a period of from 1 to 5 years. Each loan is supported by a promissory note with the participant's account balance as collateral.

### Hardship Withdrawals

The Plan allows for hardship withdrawals to pay certain housing, health or education expenses if the participant does not have other funds available for these expenses. Internal Revenue Service ("IRS") regulations require that a participant cannot make contributions to the Plan for 12 months after taking a hardship withdrawal. In addition, participants will not receive matching contributions or forfeitures for the 12 months they are ineligible to participate in the Plan.

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### Note 1. Plan Description, continued

#### Payment of Benefits

Upon termination of service due to retirement, death, disability or other reasons, the participant or beneficiary, in the case of death, can request withdrawal of his or her account equal to the value of the vested balance in the participant account, reduced by any unpaid loan balance. If desired, a participant can leave the account balance in the Plan until the participant attains age 70 and 1/2 unless the participant's vested account balance is less than \$5,000, in which case the vested account balance would be distributed to the participant.

#### Plan Termination

Although it is anticipated that the Plan will remain in effect indefinitely, the Company has the right to discontinue its contributions and terminate the Plan subject to the provisions of the Employee Retirement Income Security Act of 1974. In the event of complete or partial termination of the Plan, participants become 100% vested in the employer contributions and earnings thereon. Upon termination of the Plan, all participants have equal priority in the distribution of any Plan assets in excess of Plan liabilities.

#### Trustees and Administration

The Company has entered into a trust agreement with Fidelity Management Trust Company (Fidelity) to handle duties as the named Trustee for the Plan. Three officers of the Company, Jerry V. Hoffman, Ralph J. Goehring and Kenneth A. Olson, are the Administrators of the Plan, and Berry Petroleum Company is the Plan Sponsor. The Administrators have the authority to delegate plan administration duties as necessary. Certain administrative expenses are paid by the Company. Fidelity, as the Trustee, receives contributions from the Plan Sponsor, invests and reinvests the Plan's assets, determines the market value of Plan assets, prepares statements and processes loans and withdrawals to beneficiaries.

#### Concentration of Credit Risk

At December 31, 2001, none of the Plan investments are invested in separate GICs with insurance companies.

The \$1,978,001 in cash at December 31, 2000 was from the maturity of a group annuity contract at John Hancock and was invested in Fidelity's Managed Income Portfolio in January 2001. At December 31, 2000 the GIC's made up 37% of the Blended Income Fund balance of \$4,842,396. The Plan has not incurred any losses related to these investments.

### Note 2. Summary of Significant Accounting Policies

#### Basis of Accounting

The Plan's financial statements are prepared using the accrual method of accounting in accordance with generally accepted accounting principles.



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### Note 2. Summary of Significant Accounting Policies, continued

#### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Investments

Quoted market prices as of the valuation date are used to compute the fair value of equity securities in the Berry Stock Fund and the 14 mutual funds. The Plan's investments in GICs are valued at their contract value. Contract value (which approximates fair value) represents contributions made under the contract, plus interest earned at contract rates less withdrawals.

In accordance with the policy of stating Plan assets at their fair value, the Plan presents the net appreciation (depreciation) in the fair value of its investments in the statement of changes in net assets, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

### Note 3. Tax Status

On June 7, 1988 the IRS advised the Company that the Plan meets the requirements of Section 401(a) of the Code, as restated by the Tax Reform Act of 1986, and is therefore exempt from federal income taxes under Section 501(a) of the Code. In 1994 conforming amendments, as requested by the IRS, were made to the Plan Agreement and a favorable determination letter was issued by them on December 7, 1994.

The Plan has been amended and restated since the receipt of the prior IRS determination letter of December 7, 1994. The Plan Sponsor believes the Plan is designed to be, and is currently being operated, in compliance with the applicable requirements of the Internal Revenue Code.

### Note 4. Subsequent Events

On February 1, 2002, all remaining funds allocated to the Blended Income Fund were transferred to Fidelity's Managed Income Portfolio, due to the maturity of the last remaining GIC contract with John Hancock on December 31, 2001.

Effective May 1, 2002, the Plan was modified to increase the maximum allowable amount of tax-deferred and after-tax contributions to be made to the Plan by an eligible employee. The maximum combined tax-deferred and after-tax contribution was increased from a maximum of 16% of eligible earnings to a combined maximum of 60% of eligible earnings. The maximum contribution is still subject to other statutory limitations as set by IRS rules and regulations.

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NOTES TO FINANCIAL STATEMENTS

Note 5. Investments

| 2001                                    | Blended<br>Income<br>Fund | Berry<br>Stock<br>Fund | Fidelity<br>Contrafund | Fidelity<br>Equity<br>Income I | Fidelity<br>Puritan | Fidelity<br>Diversified<br>Interna-<br>tional | Fidelity<br>Low<br>Priced<br>Stock | Fidelity<br>Growth<br>Income |
|---|---------------------------|------------------------|------------------------|--------------------------------|---------------------|---|------------------------------------|------------------------------|
| ASSETS:                                 |                           |                        |                        |                                |                     |   |                                    |                              |
| Investments, at fair value              |                           |                        |                        |                                |                     |   |                                    |                              |
| Net assets<br>available for<br>benefits | \$4,746,085               | \$ 489,836             | \$1,744,808            | \$ 751,693                     | \$ 216,633          | \$ 859,990                                    | \$1,119,056                        | \$ 932,4                     |

|   | Fidelity<br>Freedom<br>Income | Fidelity<br>Freedom<br>2000 | Fidelity<br>Freedom<br>2010 | Fidelity<br>Freedom<br>2020 | Fidelity<br>Freedom<br>2030 | Fidelity<br>Freedom<br>2040 | Fidelity<br>US Bond<br>Index | Loan<br>Account |
|---|-------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|-----------------|
| ASSETS (continued):                     |                               |                             |                             |                             |                             |                             |                              |                 |
| Investments, at fair value              |                               |                             |                             |                             |                             |                             |                              |                 |
| Net assets<br>available for<br>benefits | \$ 120,749                    | \$ 45,492                   | \$ 269,016                  | \$ 567,384                  | \$ 334,218                  | \$ 5,594                    | \$ 99,209                    | \$ 532,097      |

| 2000                                    | Blended<br>Income<br>Fund | Berry<br>Stock<br>Fund | Fidelity<br>Contrafund | Fidelity<br>Equity<br>Income I | Fidelity<br>Puritan | Fidelity<br>Diversified<br>Interna-<br>tional | Fidelity<br>Low<br>Priced<br>Stock | Fidelity<br>Growth<br>Income |
|---|---------------------------|------------------------|------------------------|--------------------------------|---------------------|---|------------------------------------|------------------------------|
| ASSETS:                                 |                           |                        |                        |                                |                     |   |                                    |                              |
| Investments, at fair value              |                           |                        |                        |                                |                     |   |                                    |                              |
| Net assets<br>available for<br>benefits | \$4,842,396               | \$ 443,098             | \$2,161,798            | \$ 845,041                     | \$ 268,317          | \$ 960,350                                    | \$ 744,654                         | \$ 924,6                     |

|   | Fidelity<br>Freedom<br>Income | Fidelity<br>Freedom<br>2000 | Fidelity<br>Freedom<br>2010 | Fidelity<br>Freedom<br>2020 | Fidelity<br>Freedom<br>2030 | Fidelity<br>Freedom<br>2040 | Fidelity<br>US Bond<br>Index | Loan<br>Account |
|---|-------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|-----------------|
| ASSETS (continued):                     |                               |                             |                             |                             |                             |                             |                              |                 |
| Investments, at fair value              |                               |                             |                             |                             |                             |                             |                              |                 |
| Net assets<br>available for<br>benefits | \$ 103,858                    | \$ 52,480                   | \$ 192,046                  | \$ 580,712                  | \$ 335,775                  | \$ -                        | \$ 43,348                    | \$ 566,551      |

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Note 5. Investments (continued)

| 2001  | Blended<br>Income<br>Fund | Berry<br>Stock<br>Fund | Fidelity<br>Contrafund | Fidelity<br>Equity<br>Income I | Fidelity<br>Puritan | Fidelity<br>Diversified<br>Interna-<br>tional | Fidelity<br>Low<br>Priced<br>Stock | Fide<br>Grow<br>Inc |
|---|---------------------------|------------------------|------------------------|--------------------------------|---------------------|---|------------------------------------|---------------------|
| ADDITIONS TO NET ASSETS:  |                           |                        |                        |                                |                     |   |                                    |                     |
| Contributions from:   |                           |                        |                        |                                |                     |   |                                    |                     |
| Participants  | \$ 61,089                 | \$ 22,961              | \$ 75,890              | \$ 23,044                      | \$ 10,657           | \$ 54,833                                     | \$ 41,556                          | \$ 50               |
| Employer  | 27,586                    | 19,816                 | 63,278                 | 20,431                         | 8,448               | 43,060  | 32,558                             | 39                  |
| Interest and<br>dividends   | 262,311                   | 14,401                 | 8,929                  | 28,491                         | 11,099              | 446   | 62,724                             | 18                  |
| Interest from<br>participant<br>loans                                 | 5,186                     | 413                    | 9,881                  | 4,989                          | 548                 | 7,692   | 5,389                              | 5                   |
| Net appreciation<br>(depreciation) in<br>fair value of<br>investments | -                         | 93,682                 | (257,232)              | (66,579)                       | (12,725)            | (129,169)                                     | 153,272                            | (104                |
| Exchanges in  | 357,412                   | 94,753                 | 41,522                 | 31,000                         | -                   | 21,887  | 179,901                            | 10                  |
| Forfeiture<br>activity  | 8,566                     | -                      | -                      | -                              | -                   | -   | -                                  | -                   |
| Loan principal<br>repayment   | 31,837                    | 1,247                  | 34,987                 | 16,240                         | 2,512               | 24,690  | 14,783                             | 21                  |
| Total additions   | 753,987                   | 247,273                | (22,745)               | 57,616                         | 20,539              | 23,439  | 490,183                            | 39                  |
| DEDUCTIONS:   |                           |                        |                        |                                |                     |   |                                    |                     |
| Administrative<br>fees  | 817                       | -                      | 50                     | 737                            | 275                 | 19  | 585                                |                     |
| Forfeiture<br>activity  | -                         | 939                    | 2,361                  | -                              | -                   | -   | 548                                | 2                   |
| Benefits paid to<br>participants                                      | 549,875                   | 7,523                  | 185,127                | 101,802                        | 66,261              | 13,074  | 107,266                            | 3                   |
| Loan withdrawals  | 64,924                    | -                      | 54,322                 | 20,955                         | 3,447               | 28,933  | 3,878                              | 3                   |
| Exchanges out   | 234,682                   | 192,073                | 152,385                | 27,470                         | 2,240               | 81,773  | 3,504                              | 21                  |
| Total deductions  | 850,298                   | 200,535                | 394,245                | 150,964                        | 72,223              | 123,799                                       | 115,781                            | 31                  |
| Net increase<br>(decrease)  | (96,311)                  | 46,738                 | (416,990)              | (93,348)                       | (51,684)            | (100,360)                                     | 374,402                            | 7                   |
| Net assets available<br>for benefits,<br>beginning of<br>year         | 4,842,396                 | 443,098                | 2,161,798              | 845,041                        | 268,317             | 960,350                                       | 744,654                            | 924                 |
| Net assets available<br>for benefits,<br>end of year                  | \$4,746,085               | \$ 489,836             | \$1,744,808            | \$ 751,693                     | \$ 216,633          | \$ 859,990                                    | \$1,119,056                        | \$ 932              |

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BERRY PETROLEUM COMPANY THRIFT PLAN  
NOTES TO FINANCIAL STATEMENTS

Note 5. Investments (continued)

| 2001   | Fidelity<br>Freedom<br>Income | Fidelity<br>Freedom<br>2000 | Fidelity<br>Freedom<br>2010 | Fidelity<br>Freedom<br>2020 | Fidelity<br>Freedom<br>2030 | Fidelity<br>Freedom<br>2040 | Fidelity<br>US Bond<br>Index | A          |
|--|-------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|------------|
| ADDITIONS TO NET ASSETS (continued):                         |                               |                             |                             |                             |                             |                             |                              |            |
| Contributions from:  |                               |                             |                             |                             |                             |                             |                              |            |
| Participants   | \$ 4,459                      | \$ 6,801                    | \$ 26,859                   | \$ 45,927                   | \$ 32,136                   | \$ 3,269                    | \$ 14,221                    | \$         |
| Employer   | 5,630                         | 2,484                       | 14,837                      | 34,645                      | 26,189                      | 2,201                       | 9,202                        |            |
| Interest and dividends                                       | 4,638                         | 1,079                       | 11,811                      | 28,639                      | 15,412                      | 53                          | 4,733                        |            |
| Interest from participant loans                              | -                             | -                           | 839                         | 2,114                       | 4,245                       | -                           | 332                          |            |
| Net appreciation (depreciation) in fair value of investments | (2,169)                       | (1,658)                     | (18,869)                    | (81,323)                    | (55,392)                    | 71                          | 1,097                        |            |
| Exchanges in   | 24,470                        | -                           | 83,367                      | 14,115                      | 24,540                      | -                           | 25,000                       |            |
| Forfeiture activity  | -                             | -                           | -                           | -                           | -                           | -                           | -                            |            |
| Loan principal repayment                                     | -                             | -                           | 2,389                       | 8,483                       | 23,953                      | -                           | 1,288                        | (2)        |
| <b>Total additions</b>                                       | <b>37,028</b>                 | <b>8,706</b>                | <b>121,233</b>              | <b>52,600</b>               | <b>71,083</b>               | <b>5,594</b>                | <b>55,873</b>                | <b>(2)</b> |
| DEDUCTIONS:  |                               |                             |                             |                             |                             |                             |                              |            |
| Administrative fees  | -                             | -                           | -                           | 119                         | 188                         | -                           | -                            |            |
| Forfeiture activity  | -                             | -                           | 821                         | -                           | 649                         | -                           | -                            |            |
| Benefits paid to participants                                | -                             | -                           | 876                         | 9                           | 389                         | -                           | 12                           |            |
| Loan withdrawals   | -                             | -                           | -                           | 9,309                       | 23,288                      | -                           | -                            | (2)        |
| Exchanges out  | 20,137                        | 15,694                      | 42,566                      | 56,491                      | 48,126                      | -                           | -                            |            |
| <b>Total deductions</b>                                      | <b>20,137</b>                 | <b>15,694</b>               | <b>44,263</b>               | <b>65,928</b>               | <b>72,640</b>               | <b>-</b>                    | <b>12</b>                    | <b>(1)</b> |
| <b>Net increase (decrease)</b>                               | <b>16,891</b>                 | <b>(6,988)</b>              | <b>76,970</b>               | <b>(13,328)</b>             | <b>(1,557)</b>              | <b>5,594</b>                | <b>55,861</b>                | <b>(1)</b> |
| Net assets available for benefits, beginning of year         | 103,858                       | 52,480                      | 192,046                     | 580,712                     | 335,775                     | -                           | 43,348                       | 5          |
| Net assets available for benefits, end of year               | \$ 120,749                    | \$ 45,492                   | \$ 269,016                  | \$ 567,384                  | \$ 334,218                  | \$ 5,594                    | \$ 99,209                    | \$5        |

BERRY PETROLEUM COMPANY THRIFT PLAN  
NOTES TO FINANCIAL STATEMENTS

Note 5. Investments (continued)

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| 2000  | Blended<br>Income<br>Fund | Berry<br>Stock<br>Fund | Fidelity<br>Contrafund | Fidelity<br>Equity<br>Income I | Fidelity<br>Puritan | Fidelity<br>Diversified<br>Interna-<br>tional | Fidelity<br>Low<br>Priced<br>Stock | Fide<br>Grow<br>Inc |
|---|---------------------------|------------------------|------------------------|--------------------------------|---------------------|---|------------------------------------|---------------------|
| <b>ADDITIONS TO NET ASSETS:</b>                                       |                           |                        |                        |                                |                     |   |                                    |                     |
| Contributions from:   |                           |                        |                        |                                |                     |   |                                    |                     |
| Participants  | \$ 45,736                 | \$ 22,347              | \$ 88,111              | \$ 20,899                      | \$ 10,321           | \$ 56,134                                     | \$ 26,608                          | \$ 4                |
| Employer  | 33,373                    | 21,084                 | 87,089                 | 22,771                         | 8,698               | 55,135  | 27,522                             | 4                   |
| Interest and<br>dividends   | 313,075                   | 13,634                 | 271,913                | 63,128                         | 21,254              | 54,911  | 97,716                             | 8                   |
| Interest from<br>participant<br>loans                                 | 6,827                     | 983                    | 11,565                 | 4,769                          | 796                 | 8,264   | 4,872                              |                     |
| Net appreciation<br>(depreciation) in<br>fair value of<br>investments | -                         | (45,546)               | (422,289)              | (537)                          | (3,811)             | (143,961)                                     | (768)                              | (10)                |
| Exchanges in  | 504,232                   | 30,001                 | 56,058                 | 7,035                          | -                   | 76,082  | 190,787                            | 2                   |
| Forfeiture<br>activity  | 13,260                    | -                      | -                      | -                              | -                   | -   | -                                  |                     |
| Loan principal<br>repayment   | 33,986                    | 3,360                  | 50,880                 | 17,902                         | 3,490               | 36,475  | 23,565                             | 1                   |
| <b>Total additions</b>  | <b>950,489</b>            | <b>45,863</b>          | <b>143,327</b>         | <b>135,967</b>                 | <b>40,748</b>       | <b>143,040</b>                                | <b>370,302</b>                     | <b>12</b>           |
| <b>DEDUCTIONS:</b>  |                           |                        |                        |                                |                     |   |                                    |                     |
| Administrative<br>fees  | 1,013                     | -                      | 131                    | 713                            | 123                 | 2   | 26                                 |                     |
| Forfeiture<br>activity  | 480                       | 5,884                  | 994                    | -                              | 103                 | 290   | 201                                |                     |
| Benefits paid to<br>participants                                      | 941,338                   | 13,708                 | 71,181                 | 3,379                          | 154                 | 29,253  | 711                                |                     |
| Loan withdrawals  | 47,464                    | 1,855                  | 23,697                 | 40,170                         | 473                 | 8,367   | 20,054                             | 1                   |
| Exchanges out   | 486,077                   | 226,132                | 251,310                | 57,323                         | 37,468              | 100,714                                       | 18,932                             | 7                   |
| <b>Total deductions</b>   | <b>1,476,372</b>          | <b>247,579</b>         | <b>347,313</b>         | <b>101,585</b>                 | <b>38,321</b>       | <b>138,626</b>                                | <b>39,924</b>                      | <b>9</b>            |
| <b>Net increase<br/>(decrease)</b>                                    | <b>(525,883)</b>          | <b>(201,716)</b>       | <b>(203,986)</b>       | <b>34,382</b>                  | <b>2,427</b>        | <b>4,414</b>                                  | <b>330,378</b>                     | <b>2</b>            |
| Net assets available<br>for benefits,<br>beginning of<br>year         | 5,368,279                 | 644,814                | 2,365,784              | 810,659                        | 265,890             | 955,936                                       | 414,276                            | 89                  |
| Net assets available<br>for benefits,<br>end of year                  | \$4,842,396               | \$ 443,098             | \$2,161,798            | \$ 845,041                     | \$ 268,317          | \$ 960,350                                    | \$ 744,654                         | \$ 92               |

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Note 5. Investments (continued)

| 2000  | Fidelity<br>Freedom<br>Income | Fidelity<br>Freedom<br>2000 | Fidelity<br>Freedom<br>2010 | Fidelity<br>Freedom<br>2020 | Fidelity<br>Freedom<br>2030 | Fidelity<br>US Bond<br>Index | Loan<br>Account |
|---|-------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|-----------------|
| ADDITIONS TO NET ASSETS (continued):                                  |                               |                             |                             |                             |                             |                              |                 |
| Contributions from:   |                               |                             |                             |                             |                             |                              |                 |
| Participants  | \$ 4,601                      | \$ 4,823                    | \$ 30,701                   | \$ 39,970                   | \$ 28,838                   | \$ 8,031                     | \$ -            |
| Employer  | 6,901                         | 6,732                       | 24,552                      | 34,735                      | 28,426                      | 7,784                        | -               |
| Interest and<br>dividends   | 6,546                         | 6,683                       | 13,760                      | 54,767                      | 21,183                      | 2,339                        | (213)           |
| Interest from<br>participant loans                                    | -                             | -                           | 515                         | 2,808                       | 5,039                       | 175                          | -               |
| Net appreciation<br>(depreciation)<br>in fair value<br>of investments | (2,606)                       | (5,951)                     | (15,286)                    | (89,260)                    | (41,070)                    | 1,563                        | -               |
| Exchanges in  | 88,416                        | 35,391                      | 84,116                      | 446,510                     | 81,360                      | 1,465                        | -               |
| Forfeiture<br>activity  | -                             | -                           | -                           | -                           | -                           | -                            | -               |
| Loan principal<br>repayment   | -                             | -                           | 1,366                       | 11,255                      | 13,410                      | 674                          | (260,665)       |
| Total additions   | 103,858                       | 47,678                      | 139,724                     | 500,785                     | 137,186                     | 22,031                       | (260,878)       |
| DEDUCTIONS:   |                               |                             |                             |                             |                             |                              |                 |
| Administrative fees   | -                             | -                           | -                           | 88                          | 25                          | -                            | -               |
| Forfeiture activity   | -                             | -                           | 89                          | -                           | 4,128                       | -                            | -               |
| Benefits paid to<br>participants                                      | -                             | -                           | 122                         | -                           | 8,026                       | -                            | 41,567          |
| Loan withdrawals  | -                             | -                           | -                           | 3,160                       | 2,791                       | 1,172                        | (191,290)       |
| Exchanges out   | -                             | 24,444                      | 29,495                      | 183,189                     | -                           | -                            | -               |
| Total deductions  | -                             | 24,444                      | 29,706                      | 186,383                     | 14,970                      | 1,172                        | (149,723)       |
| Net increase<br>(decrease)  | 103,858                       | 23,234                      | 110,018                     | 314,402                     | 122,216                     | 20,859                       | (111,155)       |
| Net assets available<br>for benefits,<br>beginning of year            | -                             | 29,246                      | 82,028                      | 266,310                     | 213,559                     | 22,489                       | 677,706         |
| Net assets available<br>for benefits,<br>end of year                  | \$ 103,858                    | \$ 52,480                   | \$ 192,046                  | \$ 580,712                  | \$ 335,775                  | \$ 43,348                    | \$ 566,551      |

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| Identity of issue,<br>borrower, lessor,<br>or similar party        | Description of investment<br>including maturity date,<br>rate of interest,<br>collateral, par or maturity<br>value    | Current<br>Value       |
|--|---|------------------------|
| Blended Income Fund  | Comingled Pool Account  | \$ 4,746,085<br>-----  |
| * Berry Petroleum Company<br>(\$ .01 par value)<br>(33,129 shares) | Berry Stock Account -<br>Class A Common Stock   | 489,836                |
| Fidelity Contrafund  | Mutual Fund   | 1,744,808              |
| Fidelity Diversified<br>International                              | Mutual Fund   | 859,990                |
| Fidelity Growth & Income   | Mutual Fund   | 932,406                |
| Fidelity Equity Income I   | Mutual Fund   | 751,693                |
| Spartan US Equity Index  | Mutual Fund   | 876,582                |
| Fidelity Low Priced Stock  | Mutual Fund   | 1,119,056              |
| Fidelity Puritan   | Mutual Fund   | 216,633                |
| Fidelity Freedom Income  | Mutual Fund   | 120,749                |
| Fidelity Freedom 2000  | Mutual Fund   | 45,492                 |
| Fidelity Freedom 2010  | Mutual Fund   | 269,016                |
| Fidelity Freedom 2020  | Mutual Fund   | 567,384                |
| Fidelity Freedom 2030  | Mutual Fund   | 334,218                |
| Fidelity Freedom 2040  | Mutual Fund   | 5,594                  |
| Fidelity US Bond Index   | Mutual Fund   | 99,209<br>-----        |
| Total Investments at Fair Value                                    |   | 8,432,666<br>-----     |
| Total Investments  |   | \$ 13,178,751<br>===== |
| Participant loans  | Interest bearing loans<br>at prime rate plus 2%;<br>interest rates on<br>outstanding loans range from<br>7% to 11.5%. | \$ 532,097<br>=====    |

\* Party in interest

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

BERRY PETROLEUM COMPANY THRIFT PLAN

By /s/ Jerry V. Hoffman  
Name: Jerry V. Hoffman  
Title: Member of 401(k) Administrative Committee

By /s/ Ralph J. Goehring  
Name: Ralph J. Goehring  
Title: Member of 401(k) Administrative Committee

By /s/ Kenneth A. Olson  
Name: Kenneth A. Olson  
Title: Member of 401(k) Administrative Committee

September 30, 2003