

BERRY PETROLEUM CO
Form DEF 14A
April 06, 2012

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

SCHEDULE 14A

**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)**

Filed by the Registrant x
Filed by a Party other than the Registrant o
Check the appropriate box:

o Preliminary Proxy Statement
 o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
 x Definitive Proxy Statement
 o Definitive Additional Materials
 o Soliciting Material Pursuant to §240.14a-12

BERRY PETROLEUM COMPANY

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.
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(1) Title of each class of securities to which transaction applies:
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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Dear Berry Petroleum Company Shareholder:

It is our pleasure to invite you to Berry Petroleum Company's 2012 Annual Meeting of Shareholders. This year's meeting will be held on Wednesday, May 16, 2012 at 10:00 a.m. (MDT), at the Ritz Carlton Hotel at 1881 Curtis Street, Denver, Colorado. At the meeting we will focus on the business items listed in the notice of the meeting, which is contained on the cover page of this Proxy Statement.

We are pleased to take advantage of the Securities and Exchange Commission rule allowing companies to furnish proxy materials to the shareholders over the Internet. We believe that this e-proxy process expedites shareholders receipt of proxy materials and lowers the costs and reduces the environmental impact of our annual meeting. On April 6, 2012, we expect to also mail to our shareholders a Notice containing instructions on how to access our 2012 Proxy Statement and Annual Report and vote online. As we did last year we have elected to send a full paper copy of the Proxy Statement and Annual Report to our registered shareholders. The Proxy Statement contains instructions on how you can (i) receive a paper copy of the Proxy Statement and Annual Report, if you only received a Notice by mail, or (ii) elect to receive your Proxy Statement and Annual Report over the Internet, if you received them by mail this year.

Whether or not you plan to attend the meeting, your vote is important and we encourage you to vote promptly. You may vote your shares via a toll-free telephone number or over the Internet. If you received a paper copy of the proxy card by mail, you may sign, date and mail the proxy card in the envelope provided. Instructions regarding all three methods of voting are contained on the proxy card.

We look forward to seeing you at the Annual Meeting.

This Proxy Statement is being mailed or transmitted on or about April 6, 2012 to the Company's shareholders of record on March 19, 2012.

Sincerely,

Martin H. Young, Jr.
Chairman of the Board

Robert F. Heinemann
President and Chief
Executive Officer

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**BERRY PETROLEUM COMPANY
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
Wednesday, May 16, 2012
10:00 a.m., MDT
Ritz Carlton Hotel
1881 Curtis Street
Denver, Colorado 80202**

AGENDA:

1. To elect the 10 directors named in the Proxy Statement to serve until the next Annual Meeting of Shareholders and until their successors are elected and qualified;
2. Ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the year ending December 31, 2012;
3. Approve in a non-binding advisory vote the Company's executive compensation program;
4. To transact such other business as may be properly brought before the meeting or any adjournment thereof. Shareholders of record March 19, 2012 will be entitled to notice of, and to vote at, the Annual Meeting or any adjournment thereof.

Your vote is important so that as many Shares as possible will be represented. Please vote by one of the following methods:

**BY INTERNET
BY TELEPHONE
BY RETURNING YOUR PROXY CARD**
April 6, 2012
Denver, Colorado

By Order of our Board of Directors
Davis O. Connor
Vice President, General Counsel
and Secretary

Important notice regarding the Internet availability of proxy materials for the Annual Meeting of Shareholders. The Proxy Statement and the 2011 Annual Report to Stockholders are available at <http://materials.proxyvote.com/085789> up until the close of voting.

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**Proxy Statement for the
Annual Meeting of Shareholders of
BERRY PETROLEUM COMPANY**

To Be Held on Wednesday, May 16, 2012

SOLICITATION

This Proxy Statement is furnished by the Board of Directors of Berry Petroleum Company (respectively our Board and we, us or the Company) in connection with the solicitation of proxies for use at the Annual Meeting of Shareholders to be held on May 16, 2012, or at any adjournment thereof (the Annual Meeting or Meeting) pursuant to the Notice of Annual Meeting of Shareholders for said Meeting. This Proxy Statement and the proxies solicited hereby were first sent by mail or made available to shareholders entitled to vote at the Annual Meeting on or about April 6, 2012.

SHAREHOLDERS ARE URGED, WHETHER OR NOT THEY EXPECT TO ATTEND THE ANNUAL MEETING, TO COMPLETE, SIGN AND DATE THE ACCOMPANYING PROXY CARD AND RETURN IT PROMPTLY IN THE ENCLOSED ENVELOPE OR OTHERWISE VOTE YOUR PROXY CARD VIA THE TELEPHONE OR INTERNET.

VOTING SECURITIES

The Board of Directors has fixed March 19, 2012 as the record date for determination of shareholders entitled to notice of, and to vote at, the Annual Meeting or any adjournment thereof. As of March 19, 2012 there were 54,114,472 outstanding shares of our capital stock, consisting of 52,316,688 and 1,797,784 shares of our Class A Common Stock, par value \$0.01 per share (Class A Common Stock or Common Stock), and our Class B Stock (Class B Stock, and together with Class A Common Stock, Capital Stock), par value \$0.01 per share, respectively.

Except in limited circumstances, our Certificate of Incorporation provides that all of our Capital Stock will vote together as a single class on all matters upon which the Capital Stock is entitled to vote. Each share of Class A Common Stock is entitled to one vote and each share of Class B Stock is entitled to 95% of one vote.

Holders of our Capital Stock are entitled to cumulative voting rights for election of directors. Cumulative voting rights entitle a shareholder to cast a number of votes equal to the number of directors to be elected multiplied by the number of shares of Capital Stock owned by such shareholder. A shareholder may cast all of such shareholder's votes for one candidate or may distribute the votes among two or more candidates. If you choose to cumulate your votes, you will need to submit a proxy card or a ballot and make an explicit statement of your intent to cumulate your votes by so indicating in writing on the proxy card or ballot. If you hold shares of Common Stock in street name and wish to cumulate votes, you should contact your broker, trustee or nominee.

If you sign your proxy card or voting instruction card with no further instructions, Robert F. Heinemann or Davis O. O'Connor, or their successors as appointed by our Board of Directors, as proxy holders, may cumulate and cast your

votes in favor of the election of some or all of the applicable nominees in their sole discretion, except that none of your votes will be cast for any nominee as to whom you vote against or abstain from voting. Unless otherwise instructed, the shares represented by proxies will be voted in the discretion of the proxy holders so as to elect the maximum number of nominees selected by us which may be elected by cumulative voting.

Cumulative voting applies only to the election of Directors. For all other matters, each share of Common Stock outstanding as of the close of business on the record date is entitled to one vote and each share of Class B Stock is entitled to 95% of one vote as described below.

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GENERAL INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

I am a beneficial shareholder; why did I just receive a one-page notice in the mail regarding the internet availability of proxy materials instead of a full set of proxy materials?

Pursuant to the rules of the Securities and Exchange Commission, we have elected to provide access to our proxy materials over the internet. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials (the Notice) to beneficial owners of Capital Stock. All beneficial owners will have the ability to access the proxy materials on a website referred to in the Notice or request to receive a printed set of proxy materials. Instructions on how to access the proxy materials over the internet or to request a printed copy may be found on the Notice. In addition, shareholders may request, by calling Broadridge Financial Solutions, Inc. (Broadridge) at the number listed on the Notice, to receive proxy materials in printed form by mail or electronically by email on an ongoing basis.

How can I access the proxy materials?

The Notice provides you with instructions regarding how to:

View our proxy materials for the Annual Meeting on the internet; and
Instruct us to send our future proxy materials to you electronically by email.

Choosing to receive your future proxy materials by email will save us the cost of printing and mailing documents to you and will reduce the impact of our Annual Meeting on the environment. If you choose to receive future proxy materials by email, you will receive an email next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by email will remain in effect until you terminate it.

Who may vote at the Annual Meeting?

Our Board of Directors has fixed March 19, 2012 as the record date for the Annual Meeting. Only holders of record of our Capital Stock at the close of business on March 19, 2012 may vote at the Annual Meeting. Holders of Class A Common Stock are entitled to one vote for each share of Class A Common Stock held on the record date and holders of Class B Stock are entitled to 95% of one vote for each share of Class B Stock held on the record date.

A list of shareholders of record entitled to vote at the Annual Meeting will be open to the examination of any shareholder, for any purpose germane to the Annual Meeting, during normal business hours for a period of 10 days before the Annual Meeting at our corporate offices at 1999 Broadway, Suite 3700, Denver, Colorado 80202, and at the time and place of the Annual Meeting.

What if I hold my shares in street name ?

If you hold your shares through a broker, bank or other nominee (i.e., in street name), the broker holding such shares must vote according to specific instructions they receive from you. If you do not give instructions as to how to vote, your broker may have authority to vote your shares on certain routine items but not on other items. Under the rules of

the New York Stock Exchange, the election of directors and the advisory vote on executive compensation are not considered routine matters and, therefore, your broker will not have the discretionary authority to vote your shares in those matters if you have not given your broker specific instructions as to how to vote. Please be sure to give specific instructions to your broker. Your broker will have the discretionary authority to vote for the ratification of the appointment of PwC as our independent registered public accountants if you have not given your broker specific instructions as to how to vote.

How many shares must be present to hold the Annual Meeting?

A majority of the voting power of our Capital Stock entitled to vote at the meeting must be present, in person or by proxy, at the Annual Meeting in order to hold the meeting and conduct business. This is called a quorum. On the record date, there were 52,316,688 shares of our Class A Common Stock and 1,797,784 shares of Class B Stock outstanding. Your shares are counted as present at the Annual Meeting if you:

are present and vote in person at the Annual Meeting; or
have properly submitted your proxy card by mail or voted your proxy card by telephone or via the internet prior to the Annual Meeting.

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Abstentions and broker non-votes will be counted as present for purposes of determining whether there is a quorum present at the meeting.

What proposals will be voted on at the Annual Meeting?

The items scheduled to be voted on at the Annual Meeting are:

Proposal 1 Election of Directors. The election of the 10 director nominees named in this Proxy Statement to our Board of Directors to serve until the next Annual Meeting of Shareholders and until their respective successors are elected and qualified;

Proposal 2 Ratification of Appointment of Independent Registered Public Accounting Firm. The ratification of the appointment of PricewaterhouseCoopers LLP (PwC) as our independent registered public accountants for the year ending December 31, 2012;

Proposal 3 Non-binding Advisory Vote on Executive Compensation. The non-binding advisory vote on executive compensation as discussed and disclosed in Compensation Discussion and Analysis and the executive compensation tables (together with the accompanying narrative disclosure); and

Such other business as may be properly brought before the meeting or any adjournment thereof.

We are not currently aware of any other business to be acted upon at the Annual Meeting. If any other matters are properly submitted for consideration at the Annual Meeting, including any proposal to adjourn the Annual Meeting, the persons named as proxies shall vote the shares represented thereby in their discretion. Adjournment of the Annual Meeting may be made for the purpose of, among other things, soliciting additional proxies. Any adjournment may be made from time to time by approval of the holders of our Capital Stock representing a majority of the votes present in person or by proxy at the Annual Meeting, whether or not a quorum exists, without further notice other than by an announcement made at the Annual Meeting.

How does our Board of Directors recommend that I vote?

Our Board of Directors recommends that you vote:

Proposal 1 Election of Directors. **FOR ALL** of the Director nominees named in this Proxy Statement;

Proposal 2 Ratification of Appointment of Independent Registered Public Accounting Firm. **FOR** ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accountants for the year ending December 31, 2012; and

Proposal 3 Non-binding Advisory Vote on the Company's Executive Compensation Program. **FOR** the non-binding advisory vote on the Company's executive compensation program as described and disclosed in Compensation Discussion and Analysis and the executive compensation tables (together with the accompanying narrative disclosure).

How many votes are required to approve each proposal?

Proposal 1 Election of Directors. Directors are elected by a plurality of the votes cast at the Annual Meeting. This means that the ten nominees who receive the largest number of FOR votes cast will be elected as Directors.

Proposal 2 Ratification of Appointment of Independent Registered Public Accounting Firm. Ratification of the appointment of PwC for the year ending December 31, 2012 requires the affirmative vote of a majority of the votes cast at the Annual Meeting.

Proposal 3 Non-binding Advisory Vote on the Company's Executive Compensation Program. The non-binding advisory vote on the Company's executive compensation program requires the affirmative vote of a majority of the

votes cast at the Annual Meeting. Even though your vote is advisory and therefore will not be binding, the Compensation Committee and the Board of Directors will review the voting results and take them into consideration when making future decisions regarding Executive compensation.

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How are votes counted?

You may either vote **FOR** or **WITHHOLD** authority to vote for our Director nominees. Abstentions and broker non-votes will have no effect on the director elections.

You may vote **FOR**, **AGAINST** or **ABSTAIN** on Proposal 2, the ratification of the appointment of PwC, and Proposal 3, the non-binding advisory vote on the Company's executive compensation program. An abstention will have the same effect as a vote against Proposals 2 and 3, but broker non-votes will not have an effect on such proposals.

All properly executed proxies returned in time to be counted at the Annual Meeting will be voted in accordance with the instructions given. If you sign and submit your proxy card without voting instructions, your shares will be voted in accordance with the recommendations of our Board of Directors.

What are broker non-votes ?

Broker non-votes occur when brokers do not receive voting instructions from their customers and the broker does not have discretionary voting authority with respect to a proposal.

How do I vote my shares without attending the Annual Meeting?

Whether you are a shareholder of record or hold your shares in street name, you may direct your vote without attending the Annual Meeting in person. If you are a shareholder of record, you may vote by signing and dating your enclosed proxy card and mailing it in the postage-paid envelope provided. You should sign your name exactly as it appears on the proxy card. If you are signing in a representative capacity (for example, as guardian, executor, trustee, custodian, attorney or officer of a corporation), you should indicate your name and title or capacity. You may also vote by telephone or internet by following the instructions on the enclosed proxy card.

If your shares are registered in the name of a bank or a brokerage firm, you may be eligible to vote your shares electronically over the internet or by telephone. A large number of banks and brokerage firms participate in the Broadridge Investor Communications Services online program. This program provides eligible shareholders that hold shares in street name the opportunity to vote via the internet or by telephone. If your bank or brokerage firm is participating in Broadridge's program, your proxy materials will provide voting instructions. Eligible shareholders who elected to receive proxy materials via the internet will receive an e-mail on or about April 6, 2012 with information explaining how to access the proxy materials and instructions for voting. If you provide specific voting instructions by mail, telephone or the internet, your broker or nominee will vote your shares as you have directed.

How do I vote my shares in person at the Annual Meeting?

If you are a shareholder of record, you may vote in person by marking and signing the ballot to be provided at the Annual Meeting. If you hold your shares in street name, you must obtain a form of proxy card in your name from your bank, broker or other shareholder of record in order to vote by ballot at the Annual Meeting.

Even if you plan to attend the Annual Meeting, we encourage you to vote by signing, dating and returning the enclosed proxy card or otherwise to vote via the telephone or internet so your vote will be counted if you are unable to, or later decide not to, attend the Annual Meeting.

If your shares are held in more than one account, you will receive a proxy card (or other voting instructions if your shares are held in street name) for each account. To ensure that all of your shares in each account are voted, you must sign, date and return each proxy card you receive or otherwise vote each proxy card via the telephone or internet.

How do I revoke my proxy and change my vote?

You may revoke your proxy at any time before the meeting. Your method of doing so will depend upon how you originally voted:

By Internet Log in and resubmit your vote Broadridge will only count the last instructions;
By Telephone Call and resubmit your vote Broadridge will only count the last instructions; or

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By Mail You must give written notice of revocation to Broadridge, 51 Mercedes Way, Edgewood, NY 11717 as noted on the Notice, submit another properly signed proxy with a more recent date, or vote in person at the meeting. For written notices, you must include the control number that is printed on the upper portion of the proxy card.

Unless otherwise directed in the accompanying proxy card, persons named therein will vote FOR the election of the ten Director nominees listed under the Nominees for Election section below, FOR the ratification of the appointment of PwC as our independent registered public accountants, and FOR the approval of the Company's executive compensation program as discussed in Compensation Discussion and Analysis and the executive compensation tables (together with the accompanying narrative disclosure). As to any other business that may properly come before the Meeting, the proxy holders will vote in accordance with the recommendation of our Board of Directors.

PROPOSAL 1

ELECTION OF DIRECTORS

Nominees for Election

Our Directors are elected at each Annual Meeting of Shareholders. At the Annual Meeting, the 10 Directors nominated in this Proxy Statement will stand for election to serve until the next Annual Meeting of Shareholders and until their successors are elected and qualified. Directors are elected by a plurality of the votes cast at the Annual Meeting. This means that the nominees receiving the greatest number of votes at the Annual Meeting up to the number of authorized Directors will be elected.

The nominees for election as Directors at the Annual Meeting are set forth in the table below and are all incumbent Directors who were elected at the 2011 Annual Meeting of Shareholders. The ages shown are as of December 31, 2011. Each of the nominees has consented to serve as a Director if elected. Unless authority to vote for any Director is withheld in a proxy, it is intended that each proxy will be voted FOR such nominees. In the event that any of the nominees for Director should, before the Annual Meeting, become unable to serve, it is intended that shares represented by proxies, which are executed and returned, will be voted for such substitute nominees as may be recommended by our existing Board of Directors, unless other directions are given in the proxies. To the best of our knowledge, all the nominees will be available to serve.

YOUR BOARD RECOMMENDS THAT SHAREHOLDERS VOTE FOR ALL TEN DIRECTOR NOMINEES LISTED BELOW:

Nominee	Age	Position	Director Since
Martin H. Young, Jr.	59	Chairman of the Board and Director	1999
Robert F. Heinemann	58	President, Chief Executive Officer and Director	2002
Ralph B. Busch, III	52	Director	1996
William E. Bush, Jr.	64	Director	1986
Stephen L. Cropper	61	Director	2002
J. Herbert Gaul, Jr.	68	Director	1999
Stephen J. Hadden	56	Director	2011

Thomas J. Jamieson	68	Director	1993
J. Frank Keller	68	Director	2006
Michael S. Reddin	51	Director	2011

Business Experience and Qualifications of Director Nominees

Mr. Young was named Chairman of the Board of Directors on June 16, 2004 and is a member of the Audit Committee. Mr. Young has been the Senior Vice President and Chief Financial Officer of Falcon Seaboard Diversified, Inc. (Falcon) and its predecessor companies, Falcon Seaboard Holdings, L.P. and Falcon Seaboard Resources, Inc., since 1992. Falcon is a private energy company involved in natural gas exploration and production, real estate and private investments. In July 2007, Mr. Young retired as Chairman of the Board and as a member of the Board of the Texas Mutual Insurance Company, the largest provider of workers' compensation insurance in the State of Texas. Prior to his employment with Falcon, Mr. Young had 13 years of

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banking experience, the last 10 working for a major California bank as the Vice President/Area Manager for the corporate banking group. In 2009, Mr. Young joined the Board of Cobalt International Energy, Inc. when it became a public company.

Mr. Young brings to the Board of Directors significant leadership experience, including service as a senior executive and chief financial officer of a diversified energy company and as an executive of a financial institution. These roles have required expertise in the oil and gas and banking industries. Mr. Young has over 20 years of experience in the exploration and production industry, including extensive skills in strategic planning and accounting, which are important to our financial management as well as our financial reporting and financial risk management functions. Mr. Young also has experience as a public oil and gas company outside director and as an insurance company outside director, which enhances his strong corporate governance background and his understanding of shareholder issues. Based on his background, strong leadership and consensus building skills, and diligence, the Board of Directors concluded Mr. Young should continue to serve as one of our directors. Mr. Young has been determined to be an audit committee financial expert.

Mr. Heinemann was named the President and Chief Executive Officer (hereinafter referred to as CEO) on June 16, 2004 and was previously named the interim President and interim Chief Executive Officer on April 26, 2004 and the Chairman of the Board from April 1, 2004 until June 16, 2004. From December 5, 2003 to March 31, 2004, Mr. Heinemann was the Director designated to serve as the presiding Director at executive sessions of our Board in the absences of the Chairman and to act as liaison between the independent Directors and the Chief Executive Officer.

From 2000 until 2002, Mr. Heinemann served as the Senior Vice President and Chief Technology Officer of Halliburton Company and as the Chairman of the Halliburton Technology Advisory Committee. He was previously with Mobil Oil Corporation (Mobil) where he served in a variety of positions for Mobil and its various affiliate companies in the energy and technical fields from 1981 to 1999, most recently as the Vice President of Mobil Technology Company and the General Manager of the Mobil Exploration and Producing Technical Center. Mr. Heinemann has led the Company for more than seven years. Since his appointment as CEO, our annual revenue has grown from \$295 million in fiscal 2004 to over \$920 million in fiscal 2011.

As CEO, Mr. Heinemann brings to the Board of Directors his thorough knowledge of the oil and gas exploration and production industry, our business, strategy, people, operations, competition and financial position. He provides recognized executive leadership and vision. In addition, he brings with him a national network of investor, shareholder and industry relationships. For these reasons, together with his leadership and management experience with a large energy industry company, the Board of Directors concluded Mr. Heinemann should continue to serve as one of our Directors.

Mr. Busch is the Chairman of the Compensation Committee. Prior to November 2009, Mr. Busch also served on the Corporate Governance and Nominating Committee and prior to August 29, 2005, Mr. Busch also served on the Audit Committee. Mr. Busch is currently Executive Vice President and Chief Operating Officer for Aon Risk Services West, Inc., Central California. Prior to his position with Aon Risk Services West, Inc., Central California, Mr. Busch was President of Central Coast Financial from 1986 to 1993. Mr. Busch is a cousin to William E. Bush, Jr.

Mr. Busch has over 25 years of experience in senior leadership positions with financial institutions and insurance companies, including strategic planning, economic evaluation and human resources management skills, which are important to the oversight of our financial and compensation management functions. With this experience, Mr. Busch contributes financial management and strategy expertise to the Board. His understanding of and experience in the insurance industry give him a deep understanding of our risk management functions. In addition, Mr. Busch has knowledge of our Company acquired through nearly 16 years of service on the Board of Directors. Mr. Busch's background led the Board of Directors to conclude he should continue to serve as one of our Directors. In addition,

Mr. Busch is also a member of the Berry family, which continues to be significant shareholders of the Company.

Mr. Bush is the Chairman of the Corporate Governance and Nominating Committee. Mr. Bush is a marketing consultant and private investor. Mr. Bush was formerly the Plant Manager of California Planting Cotton Seed Distributors from 1987 to 2000 and served for over 27 years in various management positions with other companies.

Mr. Bush was a director of Eagle Creek Mining & Drilling, Inc. (Eagle Creek) from 2003 to

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July 2010 and was previously a director of Eagle Creek from 1985 to 1998. Mr. Bush is a cousin to Ralph B. Busch, III.

Mr. Bush brings to the Board of Directors significant leadership and management experience, which is complemented by his knowledge of our Company acquired through more than 25 years of service on the Board and employment with one of our predecessors. This experience and knowledge, coupled with his corporate governance expertise acquired through service on other boards, led the Board of Directors to conclude Mr. Bush should continue to serve as one of our Directors. Mr. Bush is also a member of the Berry family, which continues to be significant shareholders of the Company.

Mr. Cropper is a member of the Audit Committee and is also a member of the Corporate Governance and Nominating Committee. Mr. Cropper served as Chairman of the Audit Committee from June 2004 to May 2006. Mr. Cropper is a consultant and private investor. Mr. Cropper retired in 1998 after 25 years with The Williams Companies, most recently serving as the President and Chief Executive Officer of Williams Energy Services, which was involved in various energy related businesses. Mr. Cropper is or has been a director of four other public entities, Sunoco Logistics Partners L.P., NGL Energy Partners LP, Rental Car Finance Corp. and NRG Energy, Inc. Mr. Cropper resigned from the board of Rental Car Finance Corp. in December 2011 and was elected to the board of NGL Energy Partners LP in June 2011, for which he serves as the chairman of the compensation committee and also is a member of the audit committee. Mr. Cropper is also a member of the compensation committee of NRG Energy, Inc.

Mr. Cropper has extensive leadership experience as chief executive officer of a large energy company. Through this experience, he has developed expertise in many aspects of the oil and gas industry, including oil and natural gas production, transportation and marketing as well as financial management. He brings specific knowledge of natural gas transportation infrastructure and experience running large natural gas marketing and trading operations. Mr. Cropper also brings a background in organizational leadership and management, and experience serving as an outside director of several public companies. This background and experience led the Board of Directors to conclude Mr. Cropper should continue to serve on the Board of Directors. Mr. Cropper has been determined to be an audit committee financial expert.

Mr. Gaul is the Chairman of the Audit Committee. Previously, Mr. Gaul was a member and served as Chairman of the Corporate Governance and Nominating Committee. Mr. Gaul is a private investor. Mr. Gaul was the Chief Financial Officer for Gentek Building Products from 1995 to 1997 and served for over 25 years in senior treasury or finance positions with various other companies.

Mr. Gaul's extensive experience with the financial operations of a variety of companies allows him to bring to the Board strong financial management, accounting oversight and auditing skills and experiences which are important to the oversight of our financial reporting and financial and operational risk management functions. Mr. Gaul has considerable knowledge of our business and strategies, having served on the Board for over 12 years. For these reasons, the Board of Directors recommends Mr. Gaul should continue to serve as one of our Directors. Mr. Gaul has been determined to be an audit committee financial expert.

Mr. Hadden joined our Board of Directors on February 10, 2011. He is a member of the Corporate Governance and Nominating Committee. Mr. Hadden has over 30 years of experience in the oil and gas industry, having served in various management roles for Texaco and Chevron-Texaco. More recently, Mr. Hadden was Executive Vice President of Worldwide Exploration and Production for Devon Energy Corporation.

Mr. Hadden brings to the Board several decades of experience in the oil and gas industry, with particular expertise in the exploration and production side of the industry, especially in geographic areas in which the Company operates,

which provides him with accumulated expertise in operational management, strategy and finance issues that are valuable to the Board. His experience as a senior executive enables him to contribute significant independent insights into our business and operations, and the economic environment and long-term strategic issues we face. These reasons led the Board of Directors to appoint Mr. Hadden to a vacant position on the Board in February 2011 and to conclude he should continue to serve as one of our Directors.

Mr. Jamieson is a member of the Compensation Committee and served as its Chairman until August 2009. Mr. Jamieson is also a member of the Audit Committee. Mr. Jamieson has been the Chief Executive Officer,

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President, owner and founder of Jaco Oil Company since 1970. Jaco Oil Company, based in Bakersfield, California, is one of the largest independent gasoline marketers in the western United States. Mr. Jamieson is also the owner of several private businesses involved in the petroleum, real estate and water utility industries.

Mr. Jamieson brings years of accumulated experience in the petroleum, gasoline marketing and related businesses to the Board. He has years of leadership experience as the chief executive officer of an oil company, and he brings specific knowledge of oil transportation infrastructure including pipelines, processing facilities, refineries and storage facilities, and experience running oil marketing and trading operations. His leadership and management skills and experience, financial management skills and industry insights led the Board of Directors to conclude Mr. Jamieson should continue to serve as one of our Directors. Mr. Jamieson has been determined to be an audit committee financial expert.

Mr. Keller is a member of the Corporate Governance and Nominating Committee and is also a member of the Compensation Committee. Mr. Keller is a private investor. In February 2006, Mr. Keller retired from Bill Barrett Corporation, a public company where he had served as a member of the board of directors and had most recently served as the Vice Chairman of the Board and Chief Operating Officer. Mr. Keller was previously a co-founder of Barrett Resources Corporation in 1981 and served as Barrett Resources Executive Vice President from 1983 until Barrett Resources was acquired in 2001.

Mr. Keller has extensive experience in senior leadership positions in oil and gas companies, including companies operating in the Rocky Mountain region. He brings to the Board many years of experience in various aspects of oil and gas exploration and production and provides the Board with significant strategic planning, operations management, financial management, public company corporate governance and public policy insights from his experience with the various Barrett companies. The Board of Directors has concluded Mr. Keller should continue to serve as one of our Directors.

Mr. Reddin was appointed to our Board of Directors on February 10, 2011. Mr. Reddin is a member of the Compensation Committee. Mr. Reddin is currently president and chief executive officer of Davis Petroleum Corporation. Prior to that, he was president and chief executive officer of Kerogen Resources, Inc. Mr. Reddin has been employed in the oil and gas industry since the early 1980s and has held leadership positions with BP America, Inc., Vastar Resources, Inc. and ARCO Oil & Gas Company.

Mr. Reddin's extensive experience in the oil and gas industry, including familiarity with areas in which the Company operates and the skills developed in his senior leadership positions, led the Board of Directors to appoint Mr. Reddin to a vacant position on the Board in February 2011 and to conclude that he should continue to serve as one of our Directors.

After considering (a) all of the experience, qualifications, attributes and skills of each of the ten incumbent directors, (b) their diversity of background, viewpoints and experience, (c) their collective ability to represent the long-term interests of our shareholders and to support our business strategies and actions, (d) their integrity, commitment, independence of thought and judgment, ability to dedicate sufficient time and attention to their role and ability to work collaboratively, and (e) the balance of all of these attributes collectively within this group and the blend of historical and newer perspectives on our Company, the Board of Directors determined to nominate the ten incumbent directors for reelection.

PROPOSAL 2

RATIFICATION OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee appointed PricewaterhouseCoopers LLP (PwC) as our independent registered public accounting firm to examine our financial statements for the year ending December 31, 2012. We are seeking shareholder ratification of such action. Although shareholder ratification of the appointment of PwC is not required by law or our organizational documents, our Board has determined that it is desirable to seek shareholder ratification as a matter of good corporate governance in view of the important role played by independent registered public accounting firms in maintaining the integrity of financial controls and reporting.

In the event the shareholders fail to ratify the appointment of PwC, it is not anticipated that PwC will be replaced in 2012. Such lack of approval will, however, be considered by the Audit Committee in selecting our

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independent registered public accounting firm for 2013. If the appointment is ratified, the Audit Committee, in its discretion, may recommend the appointment of a different independent registered public accounting firm at any given time during the year if the Audit Committee determines that such a change would be in our best interest and in the best interest of our shareholders.

PwC, or its predecessors, have audited our financial statements for more than 20 consecutive years. It is expected that representatives of PwC will attend the Annual Meeting and be available to make a statement or to respond to appropriate questions.

**YOUR BOARD AND THE AUDIT COMMITTEE RECOMMEND
THAT SHAREHOLDERS VOTE FOR THE RATIFICATION OF THE
APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS
OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
(INDEPENDENT AUDITORS) FOR THE YEAR ENDING
DECEMBER 31, 2012.**

PROPOSAL 3

**NON-BINDING ADVISORY VOTE ON EXECUTIVE
COMPENSATION**

The Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted in July 2010 (Dodd-Frank Act), requires that we provide our shareholders with the opportunity to vote to approve, on a non-binding, advisory basis, the executive compensation program for our named executive officers (NEOs) as described and disclosed in Compensation Discussion and Analysis and the executive compensation tables (together with the accompanying narrative disclosure).

Executive compensation is an important matter to us and our shareholders. The core of the Company's executive compensation philosophy and practice continues to be pay-for-performance and accountability for results. Our NEOs are compensated in a manner consistent with our short- and long-term performance, business strategies, competitive practices, sound corporate governance principles, and shareholder interests and concerns. We use a combination of fixed and variable components in our compensation programs, including an emphasis on equity grants over fixed salary or annual cash bonuses, to reward and encourage strong performance. This combination, coupled with features such as our officer stock ownership guidelines, aligns the interests of our NEOs (and other executive officers) with the long-term interests of our shareholders. In addition, our compensation program is designed to enable us to attract, retain and motivate the talented and experienced executives necessary to lead us in a highly competitive industry during a period of significant growth.

Our NEO compensation program is designed to reward performance and promote consistent leadership, decision-making and actions without creating unnecessary or inappropriate risks, all of which create long-term shareholder value, through the following features and practices:

On average, 64% of the NEOs' total direct compensation for 2011 is attributable to the grant date fair value of long-term incentive equity awards, for which the ultimate amount realized depends on our stock price performance and the NEOs' continued employment;

Annual short-term cash incentive awards based on financial and asset performance objectives;

A balance of short- and long-term performance measures;

Compensation based, in part, on total shareholder return (TSR), measured over the past one year, three year and five year periods;

Stock ownership guidelines for all executive and other officers; and

Adoption of an incentive compensation repayment (clawback) policy.

This vote is not intended to address any specific item of compensation, but rather the overall compensation of our NEOs and the compensation policies and practices described in this Proxy Statement. Although it is a non-binding advisory vote, the Board and Compensation Committee value the opinions of our shareholders, and, to the extent there is any significant vote against the NEO compensation as disclosed in this Proxy Statement, the Board and the Compensation Committee will review the voting results, consider those shareholder concerns and evaluate whether any actions are necessary to address those concerns.

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YOUR BOARD RECOMMENDS THAT THE SHAREHOLDERS VOTE, ON A NON-BINDING ADVISORY BASIS, FOR THE APPROVAL OF THE EXECUTIVE COMPENSATION PROGRAM AS DESCRIBED IN THE COMPENSATION DISCUSSION AND ANALYSIS AND THE EXECUTIVE COMPENSATION TABLES (TOGETHER WITH THE ACCOMPANYING NARRATIVE DISCLOSURE) CONTAINED IN THIS PROXY STATEMENT.

CORPORATE GOVERNANCE

Corporate Governance Guidelines

We are committed to having sound corporate governance principles and to maintaining clear policies and practices that promote good corporate governance. Having such principles, policies and practices is essential to running our business efficiently and to maintaining our integrity in the marketplace. Many of these principles, policies and practices are designed to ensure compliance with the listing requirements of the New York Stock Exchange and applicable governance requirements, and include the following:

Our Board of Directors has adopted clear corporate governance policies;

All but one Director is independent of the Company and its management;

The independent Directors meet regularly without the presence of management;

All of the Directors sitting on each committee of our Board of Directors are independent;

The charters of the committees of our Board of Directors clearly establish the committees' respective roles and responsibilities;

We have a code of business conduct and ethics which is applicable to all Directors, officers and employees of the Company;

We have a code of ethics for senior financial officers, which is applicable to our chief executive officer, chief financial officer, vice president of finance and controller;

We have an internal audit control function that maintains critical oversight over key areas of our business and financial processes and controls, and reports directly to the Audit Committee of our Board of Directors;

We have a hotline available to all employees for purposes of reporting ethical violations, and the Audit Committee of our Board of Directors has procedures in place for confidential, anonymous submission of concerns regarding questionable accounting or auditing matters;

We have adopted an incentive compensation repayment (clawback) policy that applies to our executive officers; and

We have stock ownership guidelines for our non-employee Directors and executive officers.

Our Corporate Governance Guidelines, Code of Business Conduct and Ethics, Code of Ethics for Senior Financial Officers, Procedure for Confidential, Anonymous Submission of Concerns regarding Questionable Accounting or Auditing Matters, committee charters and other documents of interest are available on our website at

<http://www.bry.com>. The contents of our website are not incorporated into this document.

Director Independence

Our Director Independence Standards are available on our website at *<http://www.bry.com>*.

After careful review, upon the recommendation of the Corporate Governance and Nominating Committee, our Board has determined that each of the current Directors (Mr. Ralph B. Busch, III, Mr. William E. Bush, Jr., Mr. Stephen L. Cropper, Mr. J. Herbert Gaul, Jr., Mr. Stephen J. Hadden, Mr. Thomas J. Jamieson, Mr. J. Frank Keller, Mr. Michael S. Reddin and Mr. Martin H. Young, Jr.) standing for re-election, other than Mr. Heinemann, has no material

relationship with us (either directly or as a partner, shareholder or officer of an organization that has a relationship with us) and is independent within the meaning of our Director Independence Standards and the criteria established by the New York Stock Exchange and rules and regulations of the Securities and Exchange Commission. All Board committees are comprised entirely of independent Directors.

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In considering the independence of Messrs. Busch and Bush, the Corporate Governance and Nominating Committee and our Board considered the stock ownership of Messrs. Busch and Bush in Eagle Creek Mining & Drilling, Inc. (the parent company to S&D Supply Company), as described in Certain Relationships and Related Transactions in this Proxy Statement, and that our transactions with S&D Supply Company are completed on a purchasing basis consistent with that used with all other vendors, are at prices competitive in the industry and represent a benefit to us in the availability of the equipment utilized by us. The Board also considered the fact that these purchases represent less than 1% of our total purchases of such similar equipment and services, that this relationship between S&D Supply Company and us predates our formation in 1985, and that the ownership of Messrs. Busch and Bush in Eagle Creek is a minority of the equity in that company.

In considering the independence of Messrs. Busch, Bush, Gaul and Young, the Corporate Governance and Nominating Committee and our Board considered that each of them directly or through trusts or affiliates have purchased a position in our senior subordinated and senior notes in the secondary markets. Our Board encourages our Directors to not only own stock in the Company, but also, if they should see fit, to own other of our non-equity securities. The Board would not consider any such ownership as impairing a Director's independence.

In addition, upon the recommendation of the Corporate Governance and Nominating Committee, the Board of Directors has determined that each of the members of the Audit Committee meets the additional qualifications to be designated an audit committee financial expert as defined by the regulations promulgated by the Securities and Exchange Commission.

Board Leadership Structure

The Board has determined that the functions performed by the Chairman of the Board and the Chief Executive Officer should be performed by separate individuals. This determination is reflected in our Corporate Governance Guidelines. We have had a separate, non-executive chairman of the board since 2004, and the Board believes that this structure has served us well.

The Board Role in Risk Oversight

We believe that risk is inherent in our business and the pursuit of growth opportunities. The Board charges our management with the responsibility to identify and manage risks and bring material risks in our business to the Board of Directors' attention. Additionally, risk assessment is one of the many factors that the Board of Directors, acting directly and through its committees, considers in all of the decisions it makes. Management does the same. Whether it is considering an acquisition or disposition, approving the capital budget, or approving compensation elements, potential risks are considered by our Board typically on a subjective and, if appropriate, on an arithmetic basis. The Audit Committee is assigned primary responsibility for oversight of risk assessment with financial implications. Our Compensation Committee has the primary responsibility to consider material risk factors in making recommendations and other decisions on overall Company compensation and specifically on executive compensation. The Corporate Governance and Nominating Committee monitors our governance and succession risks. As the final authority over our capital budget, major acquisitions and dispositions, material contracts, compensation and other similar decisions, the Board of Directors retains the ultimate authority over assessing risks and their impacts on our business. With the oversight of our Board of Directors, we have implemented practices and programs designed to help manage risks to which we are exposed in our business and to align risk-taking appropriately with our efforts to increase shareholder value.

Each committee reports regularly to the full Board of Directors on its activities. In addition, the Board of Directors participates in regular discussions among the Board and our senior management on many important subjects, including strategy, operations, finance, and legal and public policy matters, in which risk oversight is a critical element. The Board of Directors believes the facts that nine of the ten Directors are independent and that the Chairman of the Board is independent facilitate the Board's oversight of risk management because the Board, with leadership from its independent Chairman and working through committees including the independent Audit Committee, is able to participate actively in oversight of management's actions.

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Nomination for Directors

Shareholder Recommendations

If a shareholder wishes to recommend a nominee for our Board of Directors, the shareholder should write to our Corporate Secretary at:

Corporate Secretary
Berry Petroleum Company
1999 Broadway, Suite 3700
Denver, Colorado 80202

Any such recommendations will be brought to the attention of the Corporate Governance and Nominating Committee. No shareholder recommendations for nomination were received in connection with the 2012 Annual Meeting, and the deadline for such recommendations set forth in our Amended and Restated Bylaws has passed.

Evaluating Nominees for Director

Recommendations for open Board positions may come from a variety of sources including business contacts of current and former Directors or Officers, a professional search firm selected by the Corporate Governance and Nominating Committee or shareholder nominations. In evaluating such recommendations, the Corporate Governance and Nominating Committee seeks to achieve a balance of knowledge, skills and experience on our Board. The Corporate Governance and Nominating Committee evaluates each potential nominee individually and in the context of the Board as a whole. Its objective is to recommend individuals that as a group will contribute to the success of our Company and represent the interests of all shareholders. Each nominee will be considered based on the need or desire to fill existing vacancies or to expand the size of our Board and to select nominees that best suit our needs.

Director Qualifications

Director candidates will be evaluated based on criteria developed by the Corporate Governance and Nominating Committee from time to time for each individual vacancy. Qualifications that will be considered for all nominees include, but are not limited to:

- the ability of the prospective nominee to represent the long-term interests of all of our shareholders;
- the ability of the prospective nominee to support our strategy and actions;
- the prospective nominee's personal and professional experiences and expertise, including leadership, finance, industry, public relations, government, strategy formation and governance experience and expertise;
- the prospective nominee's standards of integrity, commitment, independence of thought and judgment and avoidance of conflicts of interest;
- the prospective nominee's financial literacy;
- the prospective nominee's ability to dedicate sufficient time, energy and attention to the performance of his or her duties; and
- the balance of diversity represented including diversity of viewpoints, background, experience and other demographics.

Stock Ownership Guidelines of Non-Employee Directors

Our Corporate Governance Guidelines require that, within five years of commencement of service, each Director must own an amount of qualified securities (as defined in the Corporate Governance Guidelines and described below) having a value at least equal to five times the annual retainer we paid to such Director. Qualified securities include, among other things, unvested stock units, vested in-the-money stock options, shares of Common Stock owned by a Director's spouse or children and units held in the Non-Employee Directors' Deferred Compensation Plan. All of our current Directors satisfy this policy.

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COMMUNICATIONS WITH OUR BOARD

We welcome questions and comments about our Company. Shareholders and other interested parties may communicate with our Board, the independent Directors or any specified individual Director or Directors by writing to:

Board of Directors
Berry Petroleum Company
1999 Broadway, Suite 3700
Denver, CO 80202

Communications that are intended specifically for the independent Directors, the presiding Director or any individual Director or Directors should be sent to the address above to the attention of the Chairman of the Board. Personnel designated by us will review and create a log of all such correspondence that, in our opinion, relates to the functions of our Board or the committees thereof. The Chairman of the Board periodically reviews the log of all such correspondence we receive and determines which items to bring to the attention of the full Board or to any particular Committee or member of our Board.

MEETINGS AND COMMITTEES OF OUR BOARD

Our Board

Each Director is expected to devote sufficient time, energy and attention to ensure diligent performance of his or her duties and to attend all shareholder, Board and applicable Committee meetings. It is our policy that each member of our Board attend our Annual Meeting. All of our Directors then serving were present at the Annual Meeting held on May 11, 2011. In 2011, our Board of Directors held twelve meetings, the Audit Committee held ten meetings, the Compensation Committee held six meetings and the Corporate Governance and Nominating Committee held five meetings. All of the nominees holding office attended at least 75% of our Board meetings and meetings of Committees on which they were members. The Chairman of the Board is responsible for providing leadership to the Board, facilitating communications among the directors, setting the Board meeting agenda in consultation with the CEO, presiding at Board meetings, and serving as a liaison between our management and directors on a regular basis. Martin H. Young, Jr., the Chairman of the Board, has also been chosen to be the presiding Director to preside over each executive session of the independent Directors. In the event the Chairman of the Board is unavailable, the remaining independent Directors will select the independent Director to preside over the executive session of the independent Directors. In 2004, our Board determined that it was best for our Company and our shareholders to have a Chairman of the Board separate from the CEO in order to facilitate communication between the independent Directors and our CEO and other senior management, and to relieve our CEO of many of the corporate governance responsibilities relevant to the Board of Directors. We continue to believe this Board structure is in the best interests of the Company and the shareholders.

The Board has nine independent members and only one non-independent member, the CEO. A number of our independent Board members are currently serving or have served as members of senior management of other companies in the oil and gas industry and are currently serving or have served as directors of other public companies. As discussed elsewhere, each of the Board's committees is comprised solely of independent directors, and each has a different independent director serving as chairperson of the committee. The specific experiences, qualifications, attributes and skills of each independent director, which enable him to effectively serve on the Board and on his

specific committee or committees, are briefly described above in the Proposal No. 1 discussion. The number of independent and experienced directors that make up our Board, the specific experiences and skills that they bring to their respective Board committees and the overall leadership of the Board by the Chairman of the Board benefits our Company and our shareholders.

Committees of our Board

Our Board has three standing Committees to facilitate and to assist our Board in the execution of its responsibilities. The Committees are currently the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee. In accordance with New York Stock Exchange listing standards, all the Committees are comprised solely of non-employee, independent Directors. Charters for each

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Committee are available on our website at <http://www.bry.com> by first clicking on Governance and then Corporate Governance. The table below shows current membership for each of the standing Board Committees:

Audit Committee	Compensation Committee	Corporate Governance and Nominating Committee
Stephen L. Cropper	Ralph B. Busch III*	William E. Bush, Jr.*
J. Herbert Gaul, Jr.*	Thomas J. Jamieson	Stephen L. Cropper
Thomas J. Jamieson	J. Frank Keller	Stephen J. Hadden
Martin H. Young, Jr.	Michael S. Reddin	J. Frank Keller
	*	Committee Chairman

(1) The Audit Committee

The Audit Committee has four members and met 10 times in 2011. The Committee is composed solely of non-employee Directors, all of whom our Board has determined are independent pursuant to New York Stock Exchange rules. Our Board has also determined that each of Messrs. Cropper, Gaul, Jamieson and Young is an audit committee financial expert as defined in Item 407(d) of Regulation S-K and that each member of the Audit Committee is an independent director within the meaning of our Director Independence Standards, the criteria established by the New York Stock Exchange and the rules and regulations of the Securities and Exchange Commission. Mr. Gaul currently serves as the Chairman of the Audit Committee.

The Audit Committee reviews our auditing performance and practices, risk management, financial and credit risks, accounting policies and practices, internal control, internal audit policies and practices, tax matters, financial reporting and financial disclosure policies and practices and hedging policies and practices, and reports its findings to the Board of Directors. The Audit Committee is responsible for: (1) reviewing the qualifications, independence and performance of, and selecting our independent registered public accounting firm; (2) reviewing the scope of the annual audit; (3) pre-approving the nature of non-audit services; (4) approving the fees to be paid to the independent registered public accounting firm; (5) approving outside firms hired for their expertise to conduct special projects and internal audits and reviewing their reports; (6) reviewing our accounting practices; and (7) performing any other tasks as described in the Audit Committee’s Charter. The Charter of the Audit Committee, which was last revised on November 16, 2011, is reviewed at least annually by Corporate Governance and Nominating Committee and the Board and is available on our website at <http://www.bry.com>.

The report of the Audit Committee is included on page 52 of this Proxy Statement.

(2) The Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee (CGN Committee) of our Board of Directors consists of four members (Messrs. Bush, Cropper, Hadden and Keller) and met five times in 2011. The CGN Committee is composed solely of independent Directors, all of whom our Board has determined are independent within the meaning of our

Director Independence Standards, the criteria established by the New York Stock Exchange and the rules and regulations of the Securities and Exchange Commission. Mr. Bush serves as Chairman of the CGN Committee. The CGN Committee is responsible for: (1) the development of governance guidelines and practices for the effective operation of our Board in fulfilling its responsibilities, as well as the development of corporate governance policies for our Company; (2) the review and assessment of the performance of our Board, the Board Committees and individual Directors to ensure they are functioning effectively and have the necessary skills, backgrounds and experiences to meet our evolving needs; (3) the nomination and evaluation of prospective Directors for our Board of Directors and

Board Committee memberships; (4) in conjunction with the Chairman of the Board, the Compensation Committee and the entire Board of Directors, ensuring that executive succession planning is periodically considered; (5) monitoring Director compliance with our Stock Ownership Guidelines for Directors; and 6) performing any other tasks as described in the CGN Committee Charter. The CGN Committee regularly monitors developments in the areas of corporate governance. The Charter of the CGN Committee is reviewed at least annually by the CGN Committee and the Board and is available on our website at <http://www.bry.com>.

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(3) The Compensation Committee

The Compensation Committee of our Board of Directors consists of four members (Messrs. Busch, Jamieson, Keller and Reddin) and met six times in 2011. The Committee is composed solely of non-employee Directors, all of whom our Board has determined are independent pursuant to New York Stock Exchange rules. Mr. Busch serves as Chairman of the Compensation Committee. Generally, the Compensation Committee's responsibility is to review the performance and development of our Company's management in achieving corporate goals and objectives, to establish our compensation policies and to assure that our executive officers are compensated effectively in a manner consistent with our business strategies, competitive practices, sound corporate governance principles and shareholder interests.

To discharge this responsibility, the Committee oversees, reviews and administers the Company's compensation, equity and employee benefit plans and programs. More specifically, the Compensation Committee is responsible for: 1) recommending to our Board of Directors total compensation for Executive Officers, including but not limited to, salaries, bonuses and all equity-based compensation; 2) evaluating, in conjunction with all the independent Directors, the performance of the CEO; 3) reviewing and overseeing the administration of our employee compensation and benefit programs; 4) recommending Director compensation; 5) reviewing and approving awards under our Incentive Compensation Plan; 6) monitoring Officer compliance with our Stock Ownership Guidelines for Officers; and 7) performing any other tasks as described in the Compensation Committee's Charter. In addition, the Compensation Committee is charged with the responsibility, subject to certain authority reserved to our Board, of administering our 2010 Equity Incentive Plan, our 2005 Equity Incentive Plan and our 1994 Stock Option Plan. The Charter of the Compensation Committee, which was last revised on November 16, 2011, is reviewed at least annually by the CGN Committee and the Board and is available on our website at <http://www.bry.com>.

The report of the Compensation Committee is included on page 40 of this Proxy Statement.

DIRECTOR COMPENSATION

Non-employee Directors, excluding the Chairman of the Board, are paid a quarterly retainer fee of \$12,500. The Chairman of the Board receives an annual fee of \$150,000, payable quarterly. All non-employee Directors are paid \$1,200 for each Board meeting attended and \$1,200 for each Committee meeting attended. Mr. Heinemann, as CEO, receives no further compensation as a Director.

The Chairman of the Audit Committee receives an additional retainer of \$5,000 per quarter, the Chairman of the Compensation Committee receives an additional retainer of \$3,750 per quarter and the Chairman of the Corporate Governance and Nominating Committee receives an additional retainer of \$2,500 per quarter.

Each non-employee Director can elect to have his quarterly and meeting fees or other cash compensation paid in cash or defer payment until his resignation from our Board of Directors in an interest bearing account or to a stock unit account which mirrors our Class A Common Stock under deferral provisions of the Non-Employee Director Deferred Stock and Compensation Plan.

We reimburse all Directors for their reasonable expenses in connection with their activities as Directors. The cost of any and all perquisites paid to or on behalf of each non-employee Director was less than \$10,000 for 2011.

The 2005 Equity Incentive Plan, which was approved by the shareholders in May 2005, allows for equity grants to Directors as recommended by the Compensation Committee and approved by our Board of Directors. Under the 2005 Equity Incentive Plan 2,499 restricted stock units (RSUs) were granted to each of our non-employee Directors in

2011. The grant date fair value of the RSUs was approximately \$120,000 based on the average of the high and low stock price of our Common Stock on the March 2, 2011 grant date pursuant to the terms of the 2005 Equity Incentive Plan. Except with respect to Messrs. Hadden and Reddin, whose grants as new directors vested on March 2, 2012, all such grants vested immediately in recognition of the past services of the Directors and consistent with our past practice. Our policy is generally that equity grants to non-employee directors are awarded in arrears, such that a director must have completed one year of service to be eligible for the succeeding year's equity grant which is fully vested at the time of grant.

On March 2, 2012, the Board of Directors, on the recommendation of the Compensation Committee, granted 2,231 RSUs to each of our non-employee Directors. The grant date fair market value of the RSUs was

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approximately \$120,000 based on the average of the high and low stock price of our Common Stock on the grant date of March 2, 2012. All such grants vested immediately in recognition of the non-employee Directors' past services and consistent with our past practice.

All of the RSUs granted to the Directors on March 2, 2012 may be deferred, at the election of the Director, until the earlier of a specified date in the future or the date the Director leaves our Board. Subject to the Director's deferral election, the Director may receive the underlying shares in five equal installments or in a lump sum. All undistributed shares are immediately issued in the event of a change in control.

The table below summarizes the compensation paid by us to non-employee Directors for the fiscal year ended December 31, 2011.

Name(1)	Fees Earned or Paid in Cash or Deferred (\$)(3)	Stock Awards (\$)(4)	Option Awards (\$)	All Other Compensation (\$)(5)	Total (\$)
Martin H. Young, Jr.	\$ 177,600	\$ 120,000	\$	\$ 26,610	\$ 324,210
Joseph H. Bryant(2)	\$ 28,033	\$ 120,000	\$	\$ 9,889	\$ 157,922
Ralph B. Busch, III	\$ 87,800	\$ 120,000	\$	\$ 13,608	\$ 221,408
William E. Bush, Jr.	\$ 81,600	\$ 120,000	\$	\$ 4,937	\$ 206,537
Stephen L. Cropper	\$ 81,200	\$ 120,000	\$	\$ 1,102	\$ 202,302
J. Herbert Gaul, Jr.	\$ 97,600	\$ 120,000	\$	\$ 10,510	\$ 228,110
Stephen J. Hadden	\$ 66,233				