

WHITING PETROLEUM CORP  
Form 425  
April 26, 2004

Filed by Whiting Petroleum Corporation  
pursuant to Rule 425 under the Securities Act of 1933  
and deemed filed pursuant to Rule 14a-12  
of the Securities Exchange Act of 1934

Subject Company: Equity Oil Company  
Commission File Number: 000-00610

On April 26, 2004, Whiting Petroleum Corporation distributed the following press release.

Mile High Center  
1700 Broadway, Suite 2300  
Denver, CO 80290-2300  
T/ 303.837.1661F/  
303.861.4023

## NEWS RELEASE

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To Be Released at 5:30 A.M. MDT

Company contacts: Patricia J. Miller, Vice President and Corporate Secretary  
303.837.1661 or [patm@whiting.com](mailto:patm@whiting.com)  
Heather Duncan, Director of Investor Relations  
303.837.1661 or [heatherd@whiting.com](mailto:heatherd@whiting.com)

**Whiting Petroleum's First Quarter Net Income Rises 171%;  
Company Benefits from Higher Production Rates;  
Reduces Long-Term Debt 21%; Discretionary Cash Flow Up 24%**

DENVER April 26, 2004 (PR Newswire) Whiting Petroleum Corporation (NYSE:WLL) today reported net income of \$9.6 million, or \$0.51 per basic and diluted share, for the three months ended March 31, 2004. This compares favorably to 2003's first quarter net income of \$3.6 million, or \$0.19 per basic and diluted share.

### **Revenues, Production and Commodity Prices**

Total revenues for the three months ended March 31, 2004, were \$46.7 million, an increase of 9% when compared to the \$42.8 million recorded during the same period last year. Production in the first quarter was 9.4 billion cubic feet equivalent (Bcfe), of which 59% was natural gas. For the corresponding 2003 period, Whiting produced 9.2 Bcfe, of which 58% was natural gas. The increased production level in the first quarter extends into the fifth year a trend of consecutive years in which Whiting realized growth in daily volumes. Whiting exited the first quarter producing approximately 103.5 million cubic feet equivalent (MMcfe) per day. Approximately 83% of Whiting's 2004 drilling program is scheduled for expenditure in April through December of 2004. The Company estimates that its 2004 drilling operations will increase 2004 production over 2003 production by approximately 10%.

Prices realized for Whiting's crude oil and natural gas production were down 6% quarter-over-quarter before consideration of hedging activity. Realized crude oil prices in the first quarter of 2004 were \$30.86 per barrel, 2% higher than the \$30.17 per barrel received in the same period of 2003. First quarter 2004 natural gas prices were down 11% to \$5.00 per thousand cubic feet (Mcf). After consideration of hedging transactions, the average price received for oil and gas sales increased 7% to \$4.95 per Mcfe. See Appendix A for a summary of Whiting's outstanding crude oil and natural gas hedges.

Noteworthy events and results for 2004's first quarter included:

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Whiting Petroleum reached agreement to merge with Equity Oil Company (Equity) in a stock-for-stock merger valued at approximately \$76.24 million, which includes the assumption of \$29 million of debt. At the time the merger is closed, Equity shareholders will receive 0.185 shares of Whiting stock for every common share of Equity stock they own. The Equity shareholders are expected to vote on the merger in the second quarter of 2004.

Whiting reduced long-term debt by \$40 million on February 17, 2004. The Company used cash on hand and cash flows from operations to bring its ratio of long-term debt (\$148 million) to total book capitalization (\$419 million) to 35% at March 31, 2004. The Company's bank borrowing base is \$210 million; \$145 million is outstanding at quarter's end.

Whiting's daily production rate reached 103.5 MMcfe, a new Company record. From its 2004 drilling plans the Company anticipates that its 2004 daily production will average 112 MMcfe per day. Any acquisitions made by Whiting in 2004 would be expected to add to this anticipated growth rate.

During the quarter, Whiting generated discretionary cash flow of \$27.7 million. A reconciliation of net income to discretionary cash flow is attached as Appendix B. Discretionary cash flow is a calculation often used by oil and gas companies and investors in oil and gas companies with upstream operations. The calculation is not intended to replace basic calculations derived from the Company's consolidated financial statements which adhere to Generally Accepted Accounting Principles (GAAP).

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Whiting spent \$11.9 million on exploration and development activities. A total of 39 gross (9.1 net) wells were drilled and eight gross (7.5 net) wells were recompleted. An additional 24 gross (11.1 net) wells have been approved and are in the process of being prepared for drilling. The Company estimates second quarter development and exploration spending will approximate \$19 million.

### Management's Comments

Whiting's Chairman, President and Chief Executive Officer, James J. Volker, outlined the Company's 2004 goals to close the Equity Oil transaction, continue to increase production volumes through the execution of the Company's 2004 drilling plans and report strong operating and financial results.

It is our strategy to grow Whiting through timely acquisitions and the drill bit. Now as an independent public company we will make every effort to keep our daily productive capacity from being constrained by lack of opportunities. I believe Whiting is strategically positioned to execute its strategy because we are an aggregator of properties and open to new ideas like the acquisition of Equity Oil, Volker said. At January 1, 2004, in our three core areas alone, we had 171 locations with 110 Bcfe of unrisks proved undeveloped reserves net to Whiting. These properties have a net present value discounted at 10% at January 1, 2004 of just over \$218 million. When we set new benchmarks for reserves and production in 2003 we did not rest on our laurels. We intend to grow the Company on an absolute and per share basis. Whiting receives a tremendous benefit from the strong commodity market, while at the same time, we possess the capacity to increase production through drilling and acquisitions thereby generating our objective of strong operating and financial results.

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**Selected Operating and Financial Statistics**

|  | Three Months Ended<br>March 31, |            |
|--|---------------------------------|------------|
|  | 2004                            | 2003       |
| <b>Selected operating statistics</b>             |                                 |            |
| <b>Production</b>                                |                                 |            |
| Natural Gas, MMcf                                | 5,520                           | 5,383      |
| Oil and condensate, MBbl                         | 649                             | 641        |
| Natural gas equivalents, MMcfe                   | 9,414                           | 9,229      |
| <b>Average Prices</b>                            |                                 |            |
| Natural gas, Mcf (excluding hedging)             | \$ 5.00                         | \$ 5.60    |
| Oil, Bbl (excluding hedging)                     | \$ 30.86                        | \$ 30.17   |
| <b>Per Mcfe Data</b>                             |                                 |            |
| Average price (including hedging)                | \$ 4.95                         | \$ 4.64    |
| Lease operating                                  | \$ 1.12                         | \$ 1.16    |
| Production taxes                                 | \$ 0.32                         | \$ 0.33    |
| Depreciation, depletion and amortization         | \$ 1.14                         | \$ 1.15    |
| General and administrative                       | \$ 0.43                         | \$ 0.35    |
| <b>Selected Financial Data</b>                   |                                 |            |
| <i>(In thousands, Except Per Share Data)</i>     |                                 |            |
| Total revenues                                   | \$ 46,720                       | \$ 42,846  |
| Total costs and expenses                         | \$ 31,022                       | \$ 30,911  |
| Net income                                       | \$ 9,638                        | \$ 3,559   |
| Per share, basic and diluted                     | \$ 0.51                         | \$ 0.19    |
| Average shares outstanding, basic and diluted    | 18,753                          | 18,750     |
| Net cash provided by operating activities        | \$ 14,302                       | \$ 15,613  |
| Net cash (used) by investing activities          | \$ (11,508)                     | \$ (5,201) |
| Net cash provided (used) by financing activities | \$ (40,000)                     | \$ 377     |

**Operations**

In late 2003 Whiting began drilling operations on the Egly 11-20 in Billings County, North Dakota. This well targeted gas reserves in the Red River formation lying beneath the current producing reservoirs in the Big Stick Madison Unit (BSMU). Since completion of the well on March 28<sup>th</sup>, production has been ranging between 2.5 and 3 MMcf of gas per day with 50 to 80 barrels of condensate. The success of this well proves up additional Red River opportunities beneath the BSMU.

Optimization of artificial lift equipment, development drilling and several workovers have reversed the decline in production from the Big Stick Madison Unit. Unit production on March 31, 2004 was 2,250 barrels of oil per day (BOPD). In April of 2002, the month prior to Whiting taking over operations, the average production was 1,690 BOPD. In the second quarter of 2004 a workover program is planned to squeeze off water productive zones in the Mission Canyon reservoir and add additional pay in several wells. This work is expected to increase production from the unit and provide information to assist in planning additional development.

**Operating Expenses**

Whiting's lease operating expenses declined from \$1.16 per Mcfe in the first quarter of 2003 to \$1.12 in the first quarter of 2004. In 2003, the Company was continuing an extensive repair and replacement program on wells acquired during the 2002 year. These procedures ended in late

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2003 causing first quarter 2004 lease operating expense to decline. Whiting is confirming its 2004 guidance for lease operating cost to range from \$1.08 to \$1.12 per Mcfe. Production tax expense generally fluctuates as a percentage of oil and natural gas revenues. The percentage was virtually unchanged between periods at slightly above 6% of oil and natural gas revenues. General and administrative (G&A) costs were consistent with expectations but higher from the prior year first quarter due primarily to the increased costs of functioning as a public company. Whiting is confirming its guidance for G&A expense to range from \$0.36 to \$0.39 per Mcfe for the 2004 year.

### **2004 Development Spending, Capital Resources and Liquidity**

Whiting spent \$11.9 million on activities centered on increasing production. This is a 120% increase over the \$5.4 million spent in the first quarter of 2003. Last year's capital expenditure program was reduced at the request of Whiting's former parent company in preparation for the IPO of Whiting. Whiting has significant control of its proved undeveloped drilling inventory and expects future production, reserve and financial growth to come from development of these properties.

Whiting's 2004 capital expenditure budget for development activities of \$68 million will be split approximately 48% for development of proved reserves and 52% to drill exploration prospects and develop currently unproven properties. Acquisitions made by Whiting in 2004 would be in addition to the development budget.

At March 31, 2004, Whiting had cash and cash equivalents of \$16.4 million and working capital of \$28.4 million. Total stockholders' equity was \$271.3 million.

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### **Conference Call Time and Instructions**

A conference call with investors, analysts and other interested parties is scheduled for 8:00 a.m. MDT (9:00 a.m. CDT, 10:00 a.m. EDT) on Monday, April 26, 2004 to discuss 2004 first quarter financial and operating results. You are invited to listen in by calling (800) 847-4038. Access to a live Internet broadcast will be available at <http://www.whiting.com>. A replay will be available from Thursday, April 27 through Sunday, May 2, 2004. You may access this replay at (800) 642-1687 or (706) 645-9291 and entering the pass code #6806896. You may also access a web archive at <http://www.whiting.com>.

### **About Whiting Petroleum Corporation**

Whiting Petroleum Corporation is a growing energy company based in Denver, Colorado. Whiting Petroleum Corporation is a holding company for Whiting Oil and Gas Corporation. Whiting Oil and Gas Corporation is engaged in oil and natural gas acquisition, exploitation, exploration and production activities primarily in the Gulf Coast/Permian Basin, Rocky Mountains, Michigan and Mid-Continent regions of the United States. In a September 2003 study by *Oil & Gas Journal*, Whiting, based on total assets, would be listed as the 54<sup>th</sup> largest exploration and production company with operations in the U.S. The Company trades publicly under the symbol WLL on the New York Stock Exchange. For further information, please visit <http://www.whiting.com>.

### **Forward-Looking Statements**

This press release contains statements that the Company believes to be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than historical facts, including, without limitation, statements regarding the Company's future financial position, business strategy, projected revenues, earnings, costs, capital expenditures and debt levels, and plans and objectives of management for future operations, are forward-looking statements. When used in this press release, words such as expect, intend, plan, estimate, anticipate, believe or should or the negative thereof or variations thereon or similar terminology are generally intended to identify forward-looking statements. Such forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, such statements. Some, but not all, of the risks and uncertainties include: declines in oil or natural gas prices; our level of success in exploitation, exploration, development and production activities; our ability to obtain external capital to finance acquisitions; our ability to identify and complete acquisitions and to successfully integrate acquired businesses, including our ability to realize cost savings from the pending merger with Equity Oil Company; unforeseen underperformance of or liabilities associated with acquired properties; inaccuracies of our reserve estimates or our assumptions underlying them; failure of our properties to yield oil or natural gas in commercially viable quantities; uninsured or underinsured losses resulting from our oil and natural gas operations; our inability to access oil

and natural gas markets due to market conditions or operational impediments; the impact and costs of compliance with laws and regulations governing our oil and natural gas operations; risks related to our level of indebtedness and periodic redeterminations of our borrowing base under our credit facility; our ability to replace our oil and natural gas reserves; any loss of our senior management or technical personnel; competition in the oil and natural gas industry; and risks arising out of our hedging transactions. The Company assumes no obligation, and disclaims any duty, to update the forward-looking statements in this press release.

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### **Information Regarding Proposed Acquisition of Equity Oil**

This press release may be deemed to be solicitation material in respect of the proposed acquisition of Equity by Whiting. In connection with the proposed transaction, Whiting filed a registration statement on Form S-4 (Reg. No 333-113717), including a preliminary proxy statement/prospectus, with the SEC on March 18, 2004. Shareholders of Equity are encouraged to read the definitive proxy statement/prospectus when it becomes available and any other relevant documents filed with the SEC, because they will contain important information about the proposed transaction. After these documents are filed with the SEC, investors and security holders will be able to obtain them free of charge at the SEC's website, [www.sec.gov](http://www.sec.gov), or by requesting them from Whiting Petroleum Corporation, Attn: Corporate Secretary, 1700 Broadway, Suite 2300, Denver, Colorado 80290-2300 or from Equity Oil Company, Attn.: Corporate Secretary, 10 West Broadway, Suite 806, Salt Lake City, Utah 84110-0959.

Whiting and Equity and their respective directors, executive officers and other employees may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding Whiting's and Equity's directors and executive officers and information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, is contained in the preliminary proxy statement/prospectus, the Annual Report on Form 10-K filed by Equity for its fiscal year ended December 31, 2003 and other relevant materials to be filed with the SEC when they become available.

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### **Selected Financial Data**

For further information and discussion on the selected financial data below, please refer to Whiting Petroleum Corporation's First Quarter 2004 Form 10-Q, which will be filed with the Securities and Exchange Commission.

#### **Consolidated Balance Sheets** (In Thousands)

|  | <b>March 31,</b>   | <b>December 31,</b> |
|--|--------------------|---------------------|
|  | <b>2004</b>        | <b>2003</b>         |
|  | <b>(unaudited)</b> |                     |
| <b>Assets</b>                                      |                    |                     |
| Cash and cash equivalents                          | \$ 16,379          | \$ 53,585           |
| Accounts receivable trade                          | 25,785             | 24,020              |
| Prepaid expenses and other                         | 5,003              | 2,666               |
|  | <hr/>              | <hr/>               |
| Total current assets                               | 47,167             | 80,271              |
|  | <hr/>              | <hr/>               |
| Oil and gas properties, successful efforts method: |                    |                     |
| Proved properties                                  | 626,283            | 615,764             |

|  | <b>March 31,</b>  | <b>December 31,</b> |
|--|-------------------|---------------------|
| Unproved properties  | 2,031             | 1,637               |
| Other property and equipment                                 | 2,856             | 2,684               |
| <b>Total property and equipment</b>                          | <b>631,170</b>    | <b>620,085</b>      |
| Less accumulated depreciation, depletion<br>and amortization | (203,143)         | (192,794)           |
| <b>Property and equipment, net</b>                           | <b>428,027</b>    | <b>427,291</b>      |
| Deferred income tax asset                                    | 11,390            | 18,735              |
| Other long-term assets                                       | 11,967            | 9,988               |
| <b>Total</b>   | <b>\$ 498,551</b> | <b>\$ 536,285</b>   |
| <b>Liabilities and Stockholders' Equity</b>                  |                   |                     |
| Accounts payable   | \$ 11,072         | \$ 15,918           |
| Oil and gas sales payables                                   | 2,606             | 2,406               |
| Accrued employee benefits                                    | 1,673             | 5,275               |
| Production taxes payable                                     | 2,550             | 2,574               |
| Income taxes and other liabilities                           | 227               | 693                 |
| Derivative liability   | 650               | 2,145               |
| <b>Total current liabilities</b>                             | <b>18,778</b>     | <b>29,011</b>       |
| Long-term debt   | 148,055           | 188,017             |
| Tax sharing liability  | 29,390            | 28,790              |
| Production participation plan liability                      | 7,678             | 7,868               |
| Abandonment liability  | 23,326            | 23,021              |
| Stockholders' Equity:  |                   |                     |
| Common stock   | 19                | 19                  |
| Additional paid-in capital                                   | 172,307           | 170,367             |
| Accumulated other comprehensive income (loss)                | 1,820             | (223)               |
| Deferred compensation  | (1,875)           | --                  |
| Retained earnings  | 99,053            | 89,415              |
| <b>Total stockholders' equity</b>                            | <b>271,324</b>    | <b>259,578</b>      |
| <b>Total</b>   | <b>\$ 498,551</b> | <b>\$ 536,285</b>   |

**Consolidated Income Statements**  
**(In Thousands, Except for Per Share Data)**  
**(unaudited)**

**Three Months Ended March 31,**

**2004**

**2003**

|   | <u>Three Months Ended March 31,</u> |                 |
|---|-------------------------------------|-----------------|
| Revenue:  |                                     |                 |
| Oil and gas sales   | \$ 47,636                           | \$ 49,483       |
| Loss on oil and gas hedging activities                                      | (1,015)                             | (6,658)         |
| Interest income   | <u>99</u>                           | <u>21</u>       |
| Total revenues  | <u>46,720</u>                       | <u>42,846</u>   |
| Costs and Expenses:   |                                     |                 |
| Lease operations  | 10,549                              | 10,714          |
| Production taxes  | 3,006                               | 3,020           |
| Depreciation, depletion and amortization                                    | 10,729                              | 10,599          |
| Exploration   | 418                                 | 163             |
| General and administrative  | 4,001                               | 3,189           |
| Interest expense  | <u>2,319</u>                        | <u>3,226</u>    |
| Total costs and expenses  | <u>31,022</u>                       | <u>30,911</u>   |
| Income before income taxes and cumulative change<br>in accounting principle | 15,698                              | 11,935          |
| Current income tax expense  | --                                  | 650             |
| Deferred income tax expense   | <u>6,060</u>                        | <u>3,821</u>    |
| Income from continuing operations   | 9,638                               | 7,464           |
| Cumulative change in accounting principle                                   | <u>--</u>                           | <u>(3,905)</u>  |
| Net income  | <u>\$ 9,638</u>                     | <u>\$ 3,559</u> |
| Earnings per share from continuing operations,<br>basic and diluted         | \$ 0.51                             | \$ 0.40         |
| Cumulative change in accounting principle                                   | <u>--</u>                           | <u>(0.21)</u>   |
| Net income per common share,<br>basic and diluted                           | <u>\$ 0.51</u>                      | <u>\$ 0.19</u>  |
| Weighted average shares outstanding,<br>basic and diluted                   | <u>18,753</u>                       | <u>18,750</u>   |

**Appendix A**  
**Current Hedges**

| <u>Hedging<br/>Transactions</u> | <u>Period</u> | <u>Monthly Volume<br/>(MMBtu)/(Bbl)</u> | <u>Floor/Ceiling</u> |
|---------------------------------|---------------|---|----------------------|
|---------------------------------|---------------|---|----------------------|

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| <u>Hedging Transactions</u> | <u>Period</u>         | <u>Monthly Volume (MMBtu)/(Bbl)</u> | <u>Floor/Ceiling</u>    |
|-----------------------------|-----------------------|-------------------------------------|-------------------------|
| Natural Gas                 | July - Sep. 2004      | 400,000                             | \$4.50/\$8.35           |
| Natural Gas                 | Oct. - Dec. 2004      | 400,000                             | \$4.50/\$9.40           |
| Crude Oil                   | Apr. - June 2004      | 50,000                              | \$28.00/\$35.40         |
| Crude Oil                   | Apr. - June 2004      | 50,000                              | \$28.00/\$37.94         |
| Crude Oil                   | July - Sep. 2004      | 50,000                              | \$28.00/\$35.37         |
| Crude Oil                   | July - Sep. 2004      | 50,000                              | \$30.00/\$38.78         |
| <u>Long-Term Contracts</u>  | <u>Period</u>         | <u>Gas (MMBtu/Month)</u>            | <u>2004 Fixed Price</u> |
| Natural Gas                 | Jan. 2002 - Dec. 2011 | 51,000                              | \$4.22                  |
| Natural Gas                 | Jan. 2002 - Dec. 2012 | 60,000                              | \$3.74                  |

**Summary**

| <u>Hedges and Contracts Period</u> | <u>Hedged and Contracted (MMBtu)/(Bbl) per Month</u> | <u>As a percentage of 2003 Average Monthly Production (Gas/Oil)</u> |
|------------------------------------|--|---|
| April - June 2004                  | 111,000 / 100,000                                    | 6.1% / 46.3%  |
| July - September 2004              | 511,000 / 100,000                                    | 28.4% / 46.3%   |
| October - December 2004            | 511,000 / -  | 28.4% / -   |
| 2005 and Thereafter                | 111,000 / -  | 6.1% / -  |

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**Appendix B**  
**Reconciliation of Net Income to Discretionary Cash Flow**

|   | <u>Three Months Ended March 31,</u> |             |
|---|-------------------------------------|-------------|
|   | <u>2004</u>                         | <u>2003</u> |
| Net income                                | \$ 9,638                            | \$ 3,559    |
| Depreciation, depletion and amortization  | 10,729                              | 10,599      |
| Deferred taxes                            | 6,060                               | 3,821       |
| Non-cash interest:                        |                                     |             |
| Accretion of tax sharing arrangement      | 600                                 | --          |
| Amortization of debt issue costs          | 282                                 | 300         |
| Exploration                               | 418                                 | 163         |
| Cumulative change in accounting principle | --                                  | 3,905       |
| Discretionary cash flow                   | \$ 27,727                           | \$ 22,347   |



