

PATTERSON UTI ENERGY INC  
Form 10-Q  
October 27, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

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

For the quarterly period ended September 30, 2014

or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 0-22664

Patterson-UTI Energy, Inc.

(Exact name of registrant as specified in its charter)

DELAWARE  
(State or other jurisdiction of  
incorporation or organization)

75-2504748  
(I.R.S. Employer  
Identification No.)

450 GEARS ROAD, SUITE 500

HOUSTON, TEXAS  
(Address of principal executive offices)

77067  
(Zip Code)

(281) 765-7100

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(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer  Accelerated filer

Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

146,412,860 shares of common stock, \$0.01 par value, as of October 22, 2014

PATTERSON-UTI ENERGY, INC. AND SUBSIDIARIES

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## PART I — FINANCIAL INFORMATION

## ITEM 1. Financial Statements

The following unaudited consolidated condensed financial statements include all adjustments which are, in the opinion of management, necessary for a fair statement of the results for the interim periods presented.

## PATTERSON-UTI ENERGY, INC. AND SUBSIDIARIES

## CONSOLIDATED CONDENSED BALANCE SHEETS

(unaudited, in thousands, except share data)

	September 30, 2014	December 31, 2013
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$38,594	\$249,509
Accounts receivable, net of allowance for doubtful accounts of \$3,665 and \$3,674 at September 30, 2014 and December 31, 2013, respectively	593,373	451,517
Inventory	29,162	21,248
Deferred tax assets, net	32,322	32,952
Other	54,645	53,424
Total current assets	748,096	808,650
Property and equipment, net	3,907,331	3,635,541
Goodwill and intangible assets	180,223	167,470
Deposits on equipment purchases	112,288	52,560
Other	20,411	22,906
Total assets	\$4,968,349	\$4,687,127
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$370,127	\$173,150
Federal and state income taxes payable	24,378	10,670
Accrued expenses	182,944	160,457
Current portion of long-term debt	10,000	10,000
Total current liabilities	587,449	354,277
Long-term debt	675,000	682,500
Deferred tax liabilities, net	836,404	887,864
Other	10,036	6,489
Total liabilities	2,108,889	1,931,130
Commitments and contingencies (see Note 9)		
Stockholders' equity:		
Preferred stock, par value \$.01; authorized 1,000,000 shares, no shares issued	—	—
Common stock, par value \$.01; authorized 300,000,000 shares with 189,233,429 and 186,487,246 issued and 146,414,844 and 144,219,189 outstanding at September 30, 2014 and December 31, 2013, respectively	1,892	1,865

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Additional paid-in capital	977,425	913,505
Retained earnings	2,768,868	2,707,439
Accumulated other comprehensive income	10,310	14,076
Treasury stock, at cost, 42,818,585 shares and 42,268,057 shares at September 30, 2014 and December 31, 2013, respectively	(899,035 )	(880,888 )
Total stockholders' equity	2,859,460	2,755,997
Total liabilities and stockholders' equity	\$4,968,349	\$4,687,127

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

## PATTERSON-UTI ENERGY, INC. AND SUBSIDIARIES

## CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS

(unaudited, in thousands, except per share data)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2014	2013	2014	2013
<b>Operating revenues:</b>				
Contract drilling	\$482,212	\$457,871	\$1,346,698	\$1,266,944
Pressure pumping	348,692	259,209	895,530	744,989
Oil and natural gas	14,724	13,827	38,844	45,329
Total operating revenues	845,628	730,907	2,281,072	2,057,262
<b>Operating costs and expenses:</b>				
Contract drilling	278,195	239,768	784,572	729,588
Pressure pumping	281,016	204,050	722,801	560,486
Oil and natural gas	3,275	3,602	9,421	9,738
Depreciation, depletion, amortization and impairment	237,825	140,734	538,573	414,351
Selling, general and administrative	18,896	19,580	58,117	55,296
Net gain on asset disposals	(3,870 )	(1,378 )	(8,705 )	(2,286 )
Total operating costs and expenses	815,337	606,356	2,104,779	1,767,173
Operating income	30,291	124,551	176,293	290,089
<b>Other income (expense):</b>				
Interest income	234	293	618	716
Interest expense, net of amount capitalized	(6,993 )	(7,503 )	(21,430 )	(21,210 )
Other	—	380	3	780
Total other expense	(6,759 )	(6,830 )	(20,809 )	(19,714 )
Income before income taxes	23,532	117,721	155,484	270,375
<b>Income tax expense (benefit):</b>				
Current	48,618	25,916	101,233	35,824
Deferred	(41,062 )	17,385	(50,830 )	63,133
Total income tax expense	7,556	43,301	50,403	98,957
Net income	\$15,976	\$74,420	\$105,081	\$171,418
<b>Net income per common share:</b>				
Basic	\$0.11	\$0.51	\$0.72	\$1.17
Diluted	\$0.11	\$0.51	\$0.71	\$1.16
<b>Weighted average number of common shares outstanding:</b>				
Basic	144,798	144,446	143,778	144,915
Diluted	146,991	145,432	146,101	145,840
Cash dividends per common share	\$0.10	\$0.05	\$0.30	\$0.15

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



## PATTERSON-UTI ENERGY, INC. AND SUBSIDIARIES

## CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

(unaudited, in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Net income	\$15,976	\$74,420	\$105,081	\$171,418
Other comprehensive income (loss), net of taxes of \$0 for  all periods:				
Foreign currency translation adjustment	(4,899 )	2,383	(3,766 )	(3,668 )
Total comprehensive income	\$11,077	\$76,803	\$101,315	\$167,750

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



## PATTERSON-UTI ENERGY, INC. AND SUBSIDIARIES

## CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

(unaudited, in thousands)

	Common Stock		Additional		Accumulated		
	Number	Amount	Paid-in	Retained	Comprehensive	Treasury	Total
	of		Capital	Earnings	Income	Stock	
	Shares						
Balance, December 31, 2013	186,487	\$ 1,865	\$ 913,505	\$ 2,707,439	\$ 14,076	\$(880,888)	2,755,997
Net income	—	—	—	105,081	—	—	105,081
Foreign currency translation adjustment	—	—	—	—	(3,766 )	—	(3,766 )
Issuance of restricted stock	1,067	11	(11 )	—	—	—	—
Vesting of stock unit awards	10	—	—	—	—	—	—
Forfeitures of restricted stock	(46 )	(1 )	1	—	—	—	—
Exercise of stock options	1,715	17	35,303	—	—	—	35,320
Stock-based compensation	—	—	19,945	—	—	—	19,945
Tax benefit related to stock-based compensation	—	—	8,682	—	—	—	8,682
Payment of cash dividends	—	—	—	(43,652 )	—	—	(43,652 )
Purchase of treasury stock	—	—	—	—	—	(18,147 )	(18,147 )
Balance, September 30, 2014	189,233	\$ 1,892	\$ 977,425	\$ 2,768,868	\$ 10,310	\$(899,035)	\$ 2,859,460

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

## PATTERSON-UTI ENERGY, INC. AND SUBSIDIARIES

## CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS

(unaudited, in thousands)

	Nine Months Ended September 30,	
	2014	2013
<b>Cash flows from operating activities:</b>		
Net income	\$105,081	\$171,418
Adjustments to reconcile net income to net cash provided		
by operating activities:		
Depreciation, depletion, amortization and impairment	538,573	414,351
Dry holes and abandonments	337	54
Deferred income tax (benefit) expense	(50,830 )	63,133
Stock-based compensation expense	19,945	19,028
Net gain on asset disposals	(8,705 )	(2,286 )
Changes in operating assets and liabilities:		
Accounts receivable	(143,039)	(23,662 )
Income taxes payable	13,701	(5,586 )
Inventory and other assets	(6,419 )	3,090
Accounts payable	71,865	22,207
Accrued expenses	22,414	(4,895 )
Other liabilities	3,410	(152 )
Net cash provided by operating activities	566,333	656,700
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment and acquisitions	(773,791)	(483,284)
Proceeds from disposal of assets	22,499	8,282
Net cash used in investing activities	(751,292)	(475,002)
<b>Cash flows from financing activities:</b>		
Purchases of treasury stock	(13,554 )	(73,406 )
Dividends paid	(43,652 )	(21,904 )
Tax benefit related to stock-based compensation	8,682	4,791
Repayment of long-term debt	(7,500 )	(3,750 )
Proceeds from exercise of stock options	30,726	6,959
Net cash used in financing activities	(25,298 )	(87,310 )
Effect of foreign exchange rate changes on cash	(658 )	(475 )
Net increase (decrease) in cash and cash equivalents	(210,915)	93,913
Cash and cash equivalents at beginning of period	249,509	110,723
Cash and cash equivalents at end of period	\$38,594	\$204,636
<b>Supplemental disclosure of cash flow information:</b>		
Net cash paid during the period for:		
Interest, net of capitalized interest of \$5,268 in 2014 and \$6,016 in 2013	\$(13,678 )	\$(12,703 )
Income taxes	\$(74,252 )	\$(31,361 )
<b>Supplemental non-cash investing and financing information:</b>		
Net increase (decrease) in current liabilities for	\$125,271	\$(29,818 )

purchases of property and equipment

Net (increase) decrease in deposits on equipment

purchases

\$(59,728 ) \$2,749

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

PATTERSON-UTI ENERGY, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

1. Basis of Consolidation and Presentation

The unaudited interim consolidated condensed financial statements include the accounts of Patterson-UTI Energy, Inc. (the "Company") and its wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated. Except for wholly-owned subsidiaries, the Company has no controlling financial interests in any entity which would require consolidation.

The unaudited interim consolidated condensed financial statements have been prepared by management of the Company pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been omitted pursuant to such rules and regulations, although the Company believes the disclosures included either on the face of the financial statements or herein are sufficient to make the information presented not misleading. In the opinion of management, all adjustments which are of a normal recurring nature considered necessary for a fair statement of the information in conformity with accounting principles generally accepted in the United States of America have been included. The Unaudited Consolidated Condensed Balance Sheet as of December 31, 2013, as presented herein, was derived from the audited consolidated balance sheet of the Company, but does not include all disclosures required by accounting principles generally accepted in the United States of America. These unaudited consolidated condensed financial statements should be read in conjunction with the consolidated financial statements and related notes included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2013. The results of operations for the nine months ended September 30, 2014 are not necessarily indicative of the results to be expected for the full year.

The U.S. dollar is the functional currency for all of the Company's operations except for its Canadian operations, which uses the Canadian dollar as its functional currency. The effects of exchange rate changes are reflected in accumulated other comprehensive income, which is a separate component of stockholders' equity.

The carrying values of cash and cash equivalents, trade receivables and accounts payable approximate fair value.

The Company provides a dual presentation of its net income per common share in its unaudited consolidated condensed statements of operations: Basic net income per common share ("Basic EPS") and diluted net income per common share ("Diluted EPS").

Basic EPS excludes dilution and is computed by first allocating earnings between common stockholders and holders of non-vested shares of restricted stock. Basic EPS is then determined by dividing the earnings attributable to common stockholders by the weighted average number of common shares outstanding during the period, excluding non-vested shares of restricted stock.

Diluted EPS is based on the weighted average number of common shares outstanding plus the dilutive effect of potential common shares, including stock options, non-vested shares of restricted stock and restricted stock units. The dilutive effect of stock options and restricted stock units is determined using the treasury stock method. The dilutive effect of non-vested shares of restricted stock is based on the more dilutive of the treasury stock method or the two-class method, assuming a reallocation of undistributed earnings to common stockholders after considering the dilutive effect of potential common shares other than non-vested shares of restricted stock.



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The following table presents information necessary to calculate net income per share for the three and nine months ended September 30, 2014 and 2013 as well as potentially dilutive securities excluded from the weighted average number of diluted common shares outstanding because their inclusion would have been anti-dilutive (in thousands, except per share amounts):

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2014	2013	2014	2013
<b>BASIC EPS:</b>				
Net income	\$15,976	\$74,420	\$105,081	\$171,418
Adjust for income attributed to holders of non-vested				
restricted stock	(160 )	(808 )	(1,074 )	(1,660 )
Income attributed to common stockholders	\$15,816	\$73,612	\$104,007	\$169,758
Weighted average number of common shares outstanding,				
excluding non-vested shares of restricted stock	144,798	144,446	143,778	144,915
Basic net income per common share	\$0.11	\$0.51	\$0.72	\$1.17
<b>DILUTED EPS:</b>				
Income attributed to common stockholders	\$15,816	\$73,612	\$104,007	\$169,758
Weighted average number of common shares outstanding,				
excluding non-vested shares of restricted stock	144,798	144,446	143,778	144,915
Add dilutive effect of potential common shares	2,193	986	2,323	925
Weighted average number of diluted common shares				
outstanding	146,991	145,432	146,101	145,840
Diluted net income per common share	\$0.11	\$0.51	\$0.71	\$1.16
Potentially dilutive securities excluded as anti-dilutive	442	2,897	473	4,043

## 2. Stock-based Compensation

The Company uses share-based payments to compensate employees and non-employee directors. The Company recognizes the cost of share-based payments under the fair-value-based method. Share-based awards consist of equity instruments in the form of stock options, restricted stock or restricted stock units and have included service and, in certain cases, performance conditions. The Company's share-based awards have also included both cash-settled and share-settled performance unit awards. Cash-settled performance unit awards are accounted for as liability awards. Share-settled performance unit awards are accounted for as equity awards. The Company issues shares of common stock when vested stock options are exercised, when restricted stock is granted and when restricted stock units and share-settled performance unit awards vest.

On February 21, 2014, the Company's Board of Directors adopted the Patterson-UTI Energy, Inc. 2014 Long-Term Incentive Plan (the "2014 Plan"), subject to approval by the Company's stockholders. In addition, on the same date, the Board of Directors approved, subject to and effective upon the approval by the stockholders of the 2014 Plan, the termination of any future grants under all existing equity plans of the Company. On April 17, 2014, the Company's stockholders approved the 2014 Plan. The aggregate number of shares of Common Stock authorized for grant under

the 2014 Plan is 9,100,000, reduced by the number of shares that were subject to awards granted under existing equity plans of the Company during the period commencing on January 1, 2014 and ending on the date the 2014 Plan was approved by the stockholders.

Stock Options — The Company estimates the grant date fair values of stock options using the Black-Scholes-Merton valuation model. Volatility assumptions are based on the historic volatility of the Company’s common stock over the most recent period equal to the expected term of the options as of the date the options are granted. The expected term assumptions are based on the Company’s experience with respect to employee stock option activity. Dividend yield assumptions are based on the expected dividends at the time the options are granted. The risk-free interest rate assumptions are determined by reference to United States Treasury yields. Weighted-average assumptions used to estimate the grant date fair values for stock options granted for the three and nine month periods ended September 30, 2014 and 2013 follow:

	Three Months Ended September 30, 2014		Nine Months Ended September 30, 2013	
Volatility	35.64%	NA	35.89%	41.36%
Expected term (in years)	5.00	NA	5.00	5.00
Dividend yield	1.18 %	NA	1.17 %	0.89 %
Risk-free interest rate	1.62 %	NA	1.76 %	0.70 %

Stock option activity from January 1, 2014 to September 30, 2014 follows:

	Underlying Shares	Weighted Average Exercise Price
Outstanding at January 1, 2014	7,319,695	\$ 21.23
Granted	491,750	\$ 32.32
Exercised	(1,715,195)	\$ 20.59
Cancelled	—	\$ —
Expired	—	\$ —
Outstanding at September 30, 2014	6,096,250	\$ 22.30
Exercisable at September 30, 2014	5,117,764	\$ 21.48

Restricted Stock — For all restricted stock awards to date, shares of common stock were issued when the awards were made. Non-vested shares are subject to forfeiture for failure to fulfill service conditions and, in certain cases, performance conditions. Non-forfeitable dividends are paid on non-vested shares of restricted stock. The Company uses the straight-line method to recognize periodic compensation cost over the vesting period.

Restricted stock activity from January 1, 2014 to September 30, 2014 follows:

	Shares	Weighted Average Grant Date Fair Value
Non-vested restricted stock outstanding at January 1, 2014	1,496,692	\$ 20.84
Granted	778,100	\$ 33.40
Vested	(713,210 )	\$ 21.75
Forfeited	(45,616 )	\$ 23.43
Non-vested restricted stock outstanding September 30, 2014	1,515,966	\$ 26.79

Restricted Stock Units — For all restricted stock unit awards made to date, shares of common stock are not issued until the units vest. Restricted stock units are subject to forfeiture for failure to fulfill service conditions. Non-forfeitable cash dividend equivalents are paid on certain non-vested restricted stock units. The Company uses the straight-line method to recognize periodic compensation cost over the vesting period.

Restricted stock unit activity from January 1, 2014 to September 30, 2014 follows:

	Weighted Average Grant Date
Shares	



		Fair Value
Non-vested restricted stock units outstanding at January 1, 2014	20,256	\$ 20.67
Granted	21,550	\$ 34.67
Vested	(9,754 )	\$ 22.13
Forfeited	(667 )	\$ 21.09
Non-vested restricted stock units outstanding September 30, 2014	31,385	\$ 29.82

Performance Unit Awards — In 2011, 2012, 2013 and 2014 the Company granted stock-settled performance unit awards to certain executive officers (the “Stock-Settled Performance Units”). The Stock-Settled Performance Units provide for the recipients to receive a grant of shares of stock upon the achievement of certain performance goals established by the Compensation Committee during the performance period. The performance period for the Stock-Settled Performance Units is the three year period commencing on April 1 of the year of grant. For the 2012 and 2013 Stock-Settled Performance Units, the performance period can extend for an additional two years in certain circumstances. The performance goals for the Stock-Settled Performance Units are tied to the Company’s total shareholder return for the performance period as compared to total shareholder return for a peer group determined by the Compensation Committee. These goals are considered to be market conditions under the relevant accounting standards and the market conditions were factored into the determination of the fair value of the performance units. Generally, the recipients will receive a target number of shares if the Company’s total shareholder return is positive and, when compared to the peer group, is at the 50<sup>th</sup> percentile and two times the target if at the 75<sup>th</sup> percentile or higher. If the Company’s total shareholder return is positive, and, when

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compared to the peer group, is at the 25<sup>th</sup> percentile, the recipients will only receive one-half of the target number of shares. The grant of shares when achievement is between the 25<sup>th</sup> and 75<sup>th</sup> percentile will be determined on a pro-rata basis. The target number of shares with respect to the 2011 Stock-Settled Performance Units was 144,375. The performance period for the 2011 Stock-Settled Performance Units ended on March 31, 2014, and the Company's total shareholder return was at the 94<sup>th</sup> percentile. In April 2014, 288,750 shares were issued to settle the 2011 Stock-Settled Performance Units.

The total target number of shares with respect to the Stock-Settled Performance Units is set forth below:

	2014 Performance Unit Awards	2013 Performance Unit Awards	2012 Performance Unit Awards	2011 Performance Unit Awards
Target number of shares	154,000	236,500	192,000	144,375

Because the Stock-Settled Performance Units are stock-settled awards, they are accounted for as equity awards and measured at fair value on the date of grant using a Monte Carlo simulation model. The fair value of the Stock-Settled Performance Units is set forth below (in thousands):

	2014 Performance Unit Awards	2013 Performance Unit Awards	2012 Performance Unit Awards	2011 Performance Unit Awards
Fair value at date of grant	\$ 5,388	\$ 5,564	\$ 3,065	\$ 5,569

These fair value amounts are charged to expense on a straight-line basis over the performance period. Compensation expense associated with the Stock-Settled Performance Units is shown below (in thousands):

	2014 Performance Unit Awards	2013 Performance Unit Awards	2012 Performance Unit Awards	2011 Performance Unit Awards
Three months ended September 30, 2013	NA	\$ 464	\$ 255	\$ 464
Three months ended September 30, 2014	\$ 449	\$ 464	\$ 255	NA
Nine months ended September 30, 2013	NA	\$ 927	\$ 766	\$ 1,392
Nine months ended September 30, 2014	\$ 898	\$ 1,391	\$ 766	\$ 464

### 3. Property and Equipment

Property and equipment consisted of the following at September 30, 2014 and December 31, 2013 (in thousands):

September 30,	December 31,
------------------	-----------------

	2014	2013
Equipment	\$6,361,452	\$5,749,975
Oil and natural gas properties	207,340	183,571
Buildings	83,230	80,050
Land	12,046	12,054
	6,664,068	6,025,650
Less accumulated depreciation and depletion	(2,756,737)	(2,390,109)
Property and equipment, net	\$3,907,331	\$3,635,541

During the period ended September 30, 2014, in connection with its ongoing planning process, the Company evaluated its fleet of marketable drilling rigs and identified 55 mechanical rigs that it determined would no longer be marketed. The Company's consolidated statements of operations includes a charge of \$77.9 million related to the Company's mechanically powered rig fleet. This charge reflects the retirement of the 55 mechanical drilling rigs and the write-off of excess spare components for the now reduced size of the Company's mechanical rig fleet.

#### 4. Business Segments

The Company's revenues, operating profits and identifiable assets are primarily attributable to three business segments: (i) contract drilling of oil and natural gas wells, (ii) pressure pumping services and (iii) the investment, on a non-operating working interest basis, in oil and natural gas properties. Each of these segments represents a distinct type of business. These segments have

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separate management teams which report to the Company's chief operating decision maker. The results of operations in these segments are regularly reviewed by the chief operating decision maker for purposes of determining resource allocation and assessing performance. Separate financial data for each of our business segments is provided in the table below (in thousands):

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2014	2013	2014	2013
<b>Revenues:</b>				
Contract drilling	\$483,307	\$459,213	\$1,350,296	\$1,270,658
Pressure pumping	349,996	259,209	896,834	744,989
Oil and natural gas	14,724	13,827	38,844	45,329
Total segment revenues	848,027	732,249	2,285,974	2,060,976
Elimination of intercompany revenues (a)	(2,399 )	(1,342 )	(4,902 )	(3,714 )
Total revenues	\$845,628	\$730,907	\$2,281,072	\$2,057,262
<b>Income before income taxes:</b>				
Contract drilling	\$12,147	\$116,253	\$148,841	\$235,871
Pressure pumping	25,208	16,917	51,661	75,686
Oil and natural gas	3,002	5,421	9,337	17,189
	40,357	138,591	209,839	328,746
Corporate and other	(13,936 )	(15,418 )	(42,251 )	(40,943 )
Net gain on asset disposals (b)	3,870	1,378	8,705	2,286
Interest income	234	293	618	716
Interest expense	(6,993 )	(7,503 )	(21,430 )	(21,210 )
Other	—	380	3	780
Income before income taxes	\$23,532	\$117,721	\$155,484	\$270,375

	September	December
	30,	31,
	2014	2013
<b>Identifiable assets:</b>		
Contract drilling	\$3,859,415	\$3,569,588
Pressure pumping	970,327	761,199
Oil and natural gas	67,067	58,656
Corporate and other (c)	71,540	297,684