

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a yellow Greek letter alpha symbol to the right, all on a dark red background.

Warren Resources, Inc. Q2 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Our first question comes from Leo Mariani - RBC Capital Markets.

Leo Mariani - RBC Capital Markets

I have a question here on some of those Sun Dog wells here. Can you give us a sense of when those wells were hooked up in terms of what was drilled last winter? Did those come on in stages during the second quarter, and how long have those things been producing, and what kind of inclined rates are you seeing on the production there?

Kenneth A. Gobble

We began putting those wells on early in April. They did come on in phases. Every couple days we were going ahead and turning on three or four wells trying to manage the production as it came on. We are seeing some very good rates out of a lot of the wells. Most of the big rates are right around the existing pattern of the 12 wells that had been there as we would have expected because of the dewatering. We are seeing some incline there of course. We are to date still somewhat limited on water injection capacity. They're making a lot of water which is not bad news at all. I think that's indicative of the reserves that are there.

Leo Mariani - RBC Capital Markets

You mentioned some of the facility work is underway right now. Any timing on when you kind of expect that to be completed and would you expect when your water injection capacity increases that you'd see further jumps in the production out there?

Kenneth A. Gobble

When the stips hit last March we had drilled six injection wells. We were only able to get four of those on line before the stipulations required us to leave the area as far as construction went. That work is ongoing now. Of course facility expansion because of additional drilling will be taking place probably until the stips hit again in March. But I would expect that as time goes by here and as construction continues to progress out there that we will continue to be able to increase water production not only from those wells that we put on in April from those 60 wells of last year's program but even be able to hook up additional wells that we're drilling now. So I guess what I'm saying is I think that infrastructure is coming. We're not expecting it to take too much longer to give us additional water

handling capacity, so I think as far as our progress on adding new production I think it should match pretty closely with our forecast.

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.