

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

Rosetta Resources Inc. Q2 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator instructions) We will go first to Jason Wangler of Dahlman Rose.

Jason Wangler – Dahlman Rose

Good morning, guys. Nice quarter, nice update.

Randy Limbacher

Thank you.

Jason Wangler – Dahlman Rose

Just curious as far as the Calpine lawsuit, is there anything else that they can bring into the lawsuit, is it pretty much on their end going forward everything they've addressed and announced that's all they can go with?

Mike Rosinski

The answer to your question is that there is nothing settles down. I don't believe that there is an endpoint. We expect them to raise additional points as times goes on, and it's just a matter of what they come up with, but there probably will be more points from them in the process.

Randy Limbacher

I would say discovery is continuing and there is not a firm timetable to complete that discovery.

Jason Wangler – Dahlman Rose

Okay. And just Mike you gave a great update as far as kind of what the lawsuit is affecting you guys, is it affecting at all the organic operations as far as drilling, or are you guys looking at that as you guys have so much inventory and just taking that kid of I guess separate from the lawsuit?

Mike Rosinski

Inventory is being taken separately from the lawsuit. And as far as our organic activities, we don't see any significant affect at all from the lawsuit.

Jason Wangler – Dahlman Rose

Okay, great guys. Thanks.

Randy Limbacher

Thank you, Jason.

Operator

(Operator instructions) We will go next to Mark Lear with Sidoti & Company.

Mark Lear – Sidoti & Company

Good morning, gentleman.

Randy Limbacher

Hi, Mark.

Mark Lear – Sidoti & Company

Nice quarter. I was wondering if you could give me a little more detail on the San Juan basin acquisition just in terms of acreage and pud opportunities or probable opportunities as well?

Randy Limbacher

You bet. I am going to let John Clayton answer that.

John Clayton

Yes, Mark. We did the, what we call, our Petroflow acquisition in the second quarter. I will talk a little bit about what was proven and what we see for upside. We spent about \$29.5 million and we picked up right at 10 bcf of proven reserves which gives us another 10 to 12 locations to drill on a 160-acre spacing. That's not why we did it though. If we can down space this asset which we believe is technically feasible to do pending regulatory approval, we will pick up an incremental 70 wells to drill on this location. This location also is right adjacent to our existing properties, so we know quite a bit about the area that we are working.

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