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Parallel Petroleum Corporation Q2 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator instructions) your first question comes from the line of Leo Mariani from RBC; please proceed.

Leo Mariani – RBC Capital Markets

Just a question on the Wolfcamp here; you mentioned bringing a rig from the North area down to the South and start to drill a couple of wells there, could you maybe just give us a little color in terms of what you're seeing. In prospectivity I know you folks shot some seismic out there and just give us a little more detail there.

Larry Oldham

Yes, Leo we completed several rounds of processing and the intention of the 3-D in the first place was to try to identify areas that appeared to be more extensively naturally fractured and we think we are seeing some of that.

We are continuing to work the data; we've got a little bit more fine tuning to do before we are really ready to go and just kind of a toe in the water approach on this new concept, this new theory, what we will do. Once we identify the areas, the first areas, the first couple of areas that we would like to travel, we'll permit those wells and then we'll pull that second rig or one of the two rigs at that time we'll have running in the northern area down to just to come to the south and then drill. The first well or two to test out theory and see if the 3-D really did accomplished what we would have hoped.

One thing I will also add to is we believe that there is an opportunity if we could truly identify an area of extensive natural fracturing, that we could get by with drilling a vertical well and we would intend to do that to just come in, drill the vertical well, do the single stage completion in the Wolfcamp, see what those results are, set the wells geometry up or we could cut a window in the well and take the lateral out, but if we indeed could get good well performance with the vertical wells that would further enhance the economics on the Southern end.

Leo Mariani – RBC Capital Markets

Okay, just the question on the Barnett here. If I'm kind of reading some of the numbers right you guys put out, it looks like you brought on additional four net wells or so in the Barnett in the second quarter. However, I guess your production looks like it was down about 1% sequentially from the first quarter. I was just trying to kind of get my arms around kind of what went on there; maybe you had something

to deal with – well timing are not below your wells and maybe it came on at very end at the second quarter there, you're seeing more color on that?

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