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Mariner Energy, Inc. Q2 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator instructions) Our first question comes from the line of Neal Dingmann with Dahlman Rose. Please proceed.

Neal Dingmann – Dahlman Rose

Good morning, guys. Good quarter.

Scott Josey

Thank you.

Neal Dingmann – Dahlman Rose

Scott, I was wondering, when you look at sort of the end of this year, going into next year, lot of your projects, do you see that being more on the exploratory side, or do you still have quite a bit of developmental to do as well offshore?

Scott Josey

Neal, it's some of both. I think we still have a significant amount of capital yet to spend. I mean, with the Heidelberg prospect, with surge, several other exploration prospects, there is certainly an exploratory nature, but we've also had exploratory program going on all year, particularly with the gopher project. So – and we will continue to do the types of things that we've been doing on the shelf and then of course we still have quite a few wells to drill in West Texas. So, I think the program for the rest of the year will actually be fairly similar to what we've been doing for the past six, seven months.

Neal Dingmann – Dahlman Rose

And then on that gopher prospect, what's kind of the timing or how do you see that one play out?

Scott Josey

As we have reported, we've drilled two wells, the first being exploratory well, the second being an appraisal well. Both of those wells should be online by year-end. You know, the development activities are under way and hopefully we can get it on before year-end. Then from there as I stated we believe there are other opportunities on the block which we're – which we and our partner are

assessing and we may look at additional wells there this year or we may take a step back. But we'll know more about that in the pretty near future.

Neal Dingmann – Dahlman Rose

Fair enough. And then on, after these projects, what are you looking, seismic wise or are you going to shoot much seismic latter part of this year, next year?

Scott Josey

We spend in the vicinity of \$20 to \$30 million per year annually on new data, so as new data comes out, we typically acquire. Our coverage is very good for the shelf as well as for the deepwater along with some of the joint ventures that we have. So, I think we're in good shape. But, we will continue to acquire new data as we go forward. We view that as a key component of our exploration process of trying to get very good generators, the tools they need to continue doing a good job.

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