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Forest Oil Corp. Q2 2008 Earnings Call Transcript

Question-and-Answer Session

[Operator Instructions]. Your first question comes from the line of Tom Gardner with Simmons & Co.

Tom Gardner - Simmons & Co.

Good afternoon, gentlemen.

H. Craig Clark - President and Chief Executive Officer

Hi Tom.

Tom Gardner - Simmons & Co.

Hey, regarding the prospectivity of the Haynesville Bossier, you are excluding 22,000 acres of your North Texas... excuse me your East Texas, North Louisiana acreage from the play. Why do you believe... I mean where is this acreage and why do you believe it's not prospective?

H. Craig Clark - President and Chief Executive Officer

We basically, first off if you did not have all the deep rights that would be excluded, but at the shallow. But we, where we have got it listed we have all the rights. And then secondly, we basically... we're not trying to predict the sweet spot, I'm sure that will be debated in months to come. But basically, all the activity East and West of the Texas border, where most of the activity is focused, but most of our acreage was clear on the East Texas side.

Tom Gardner - Simmons & Co.

Okay

H. Craig Clark - President and Chief Executive Officer

Excluded acres would be fringy, I should say fringe but it would either east of it or south of it, in either East Texas or North Louisiana, let me tell you East Texas West.

Tom Gardner - Simmons & Co.

In what counties would that be?

H. Craig Clark - President and Chief Executive Officer

I think in our press release we noted in most of acreage is and Louisiana would be in Red River and I think Desoto and Caddo and in East Texas, most of it's in Harrison, Rusk, Panola

Tom Gardner - Simmons & Co.

Okay. Well, great. Thank you for that, And one other question. Craig, do you view this sort of uncertain time in the commodity environment as in opportunity time perhaps to execute another acquisition? If so, what sort of size deal would your balance sheet allow in your view?

H. Craig Clark - President and Chief Executive Officer

Well we... and the answer is yes except that, we talked the commodity prices early in the year would actually in the shoulder months come down sooner, although I'm not too sure this current drops are justified. But that is an opportunity because as we commented publicly, there's been a lot of asset packages for sale and that could be everywhere from capital constraints to the word about what the capital gains tax will be in subsequent years based on the elections.

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