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Meridian Resource Corporation, Q1 2008 Earnings Call Transcript

Question-and-Answer Session

Joseph A. Reeves

? as we see it and where we see the salt and the ledge and shoulder that exist that allows us to exploit additional sands that we've identified. We're beginning and we're permitting a well that we'll have a rig on next week and we'll begin to test one specific project and one specific target that if it and other prove out, as I said, could add some 8 to 10 million barrels additional to that field alone that are not booked.

And we continue to work around the size of the dome to the north, to the west, to the south in areas that have not been tapped or that have but that are up-dipped and that should continue to move the salt phase back. It's like manna from Heaven of sorts. It's just – I call it the gift that keeps on giving because the more you work it, the more you see and the more octinties ph 37:55 that you unfold.

Weeks Island is one, Turtle Bayou and others are similar but maybe not as prolific and not as large in scope, albeit there are some operations going on in the next – within the next 45 to 60 days that could significantly add to the Bcfs in Turtle Bayou. And those can be in double digit ranges such as 10 plus Bcf just from new operations, new workovers, recompletions, et cetera.

So I'll put all the caveats that anyone can let me put on all of this operation but it's more of an exploitive, less of an expiration and more of a development style like you would hope to have in legacy assets such as these that we continue to find more opportunities within as we work those fields. And so that's about as much as I can tell you about it.

Kevin Smith – Raymond James

That's, no, that sounds good. One other question. With commodity prices running as much as they have you guys obviously have a pretty strong balance sheet. Has there been any talk about increasing your capital spending for '08? Or are you comfortable with the already announced levels?

Joseph A. Reeves

We have discussed this with our board and of course as always anything that will enhance success or further develop opportunities that you prove with the current budget is received well by the board and is already in the works. And so far as what we think we should be doing prices certainly have given us a lift. We expect it – and I'm not sure if I even mentioned this in the last conference call but based upon what we call a conservative capital budget for this year. We expect it to have excess cash at the end of the year and certainly that has been further enhanced by prices.

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