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Warren Resources Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

Your first question comes from Leo Mariani - RBC.

Leo Mariani - RBC

A quick question on your new wells at Sun Dog. Just to make sure I am clear this, I guess at this point you got your wells drilled but have yet to hook any up and you basically are doing that as we speak and plan to have 48 of those wells hooked up by the end of March here, is that right?

Norman Swanton

That is correct; bottom line, yes.

Leo Mariani - RBC

With your CBM plays over there, just curious to see what type of production levels you guys are seeing at some of the other units in terms of continued increases at [Doddy] or Blue Sky recently?

Timothy Larkin

We have several wells down at [Doddy] with all the completion units there and the Sun Dog unit really focused on trying to finish up completions there. So we've really been a bit behind dealing with some well maintenance at [Doddy] but we are looking at writing about 1.8, 2 million a day in [Doddy].

We are also looking at probably here in the second quarter to going in and doing some stimulation work on the [Doddy] wells. And then of course in 2008 a lot of our drilling will be pushed down towards the Blue Sky area to try to tie that area into Sun Dog. Hopefully some of the dewatering efforts can make some improvements on production there.

Leo Mariani - RBC

Turning to your operations there on the oil side, obviously it's little uncertain as to when this gas flare issue is going to be resolved, but just to be clear, you guys think you need to have the higher efficiency flare in place before you could see any increases on production at NWU? You are not going to get any increases when the pipeline comes in place. Is it really the gas issue that is the limiting factor at this point?

Norman Swanton

Well, now it's the gas issue. Before, there were three factors at the same time. For all intents and purposes, the shipping of the oil which became a major problem because of the inconsistency and lack of availability of oil trucks, the pipeline is imminent in terms of activation and that will no longer be an issue or constraint. So really the only remaining constraint that we currently have is the limit on the flare gas and the means to increase production but lower the aggregate of emissions.

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