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Bill Barrett Corp. Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Thank you. [Operator Instructions]. Your first question is from the line of Robert Lynd with Simmons and Company.

Robert Lynd - Simmons & Company International

Good morning.

Fredrick J. Barrett - Chairman and Chief Executive Officer

Good morning.

Robert Lynd - Simmons & Company International

In your production guidance, can you tell me how much you are assuming from the PRB?

Joseph N. Jagers - President and Chief Operating Officer

Robert this is Joe Jagers. We will quickly look back at that detail, but it's going to increase throughout the year, Lynn do you have that number?

Lynn Boone Henry - Vice President, Reservoir Engineering

7.8 Bs.

Joseph N. Jagers - President and Chief Operating Officer

7.8 Bs, little over 10%.

Robert Lynd - Simmons & Company International

Okay. And then on the PRB, Joe you were talking... on the presentation I think the previous presentation, showed LOE at about \$2.50 and can you break that down into the gathering and transportation portion and is this a good long-term assumption, is there any room to drive that down lower?

Joseph N. Jagers - President and Chief Operating Officer

Well, yes I think on a units basis there is good reason to think it will be lower going forward, the gathering in compression side of that runs about a \$1.25. You remember that 5 pound service and requires a quite a bit of horsepower for compression. The other thing we are citing currently is the fact

that in several of these areas, Cat Creek, Willow Creek, Pumpkin Creek, we're not able to produce at max rates or at all. So we got a number of wells dewatering, we are adding to that LOE side that hopefully by midyear, we'll have all those areas in production and producing gas.

Robert Lynd - Simmons & Company International

So with the water issues... as these wells dewater do we see LOE fall?

Fredrick J. Barrett - Chairman and Chief Executive Officer

Yes, on a dollar per Mcf basis we should see it fall.

Robert Lynd - Simmons & Company International

Okay and then just one final question on how fast [ph] you're going to run one rig continuously at Blacktail Ridge. Is that one net rig and how much of Blacktail Ridge is going into your guidance?

Fredrick J. Barrett - Chairman and Chief Executive Officer

Right, its one gross rig and our nets vary out there. We are going to have just the one rig running we had like any other deal with Barry and in Blacktail Ridge we have the deal with the Tribe, so they can opt on different wells to participate or not participate. So our nets swing around quite a bit in the area and there is, there is almost no production from that area included in the guidance. We'd add a couple earlier wells that were in the PDP category that of course in, but none of this drilling that we're currently doing is included.

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