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RPC, Inc. Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). Your first question comes from Robert Mackenzie with FBR.

Robert Mackenzie - FBR

Good morning guys.

Rick Hubbell

Good morning Rob.

Ben Palmer

Good morning.

Robert Mackenzie - FBR

I have a question for you on the comments you made about the incremental pressure pumping capacity a little bit less coming in this quarter. Can you give us a feel for what your average, you said operating horse power was during the fourth quarter and where you expect that to be in the first quarter?

Rick Hubbell

Well relative to the first quarter of next year when we had very few pumps. I think we probably had a maxed out, its like 276,000 hydraulic horsepower, so obviously the average will be somewhere just north to 270,000 hydraulic horsepower or so relative to the fourth quarter. Jim do you have more specific numbers?

Jim Landers

Yes, Rob, –the average was around 260,000 hydraulic horsepower I think.

Robert Mackenzie - FBR

In the fourth quarter?

Jim Landers

Yes, that's correct.

Robert Mackenzie - FBR

So you ended the third quarter with 238,000, I thought?

Jim Landers

Right, and we ended the fourth quarter at 271,000 hydraulic horsepower. I'm just looking at some statistics here. The average was around 260,000 for the fourth quarter.

Robert Mackenzie - FBR

Okay, great. And then, I thought you said you're going to end the first quarter here at 276,000. I thought previously you guys are going to end at 293,000 horsepower?

Jim Landers

Yes Rob. We may have misspoken on that. Just to clarify, by the end of the first quarter '08 we'll have taken delivery on everything, and it's around 290,000 hydraulic horsepower.

Robert Mackenzie - FBR

Okay. I am just glad I wasn't wrong on that. When do you expect deliveries, most of that coming towards the end of the quarter?

Jim Landers

Kind of hard to say. I mean, lets just say that to be safe, there is also the issue of ancillary equipment that supports it and makes it operational. So, yeah, if you want to do an delivery average, you might weight it towards the end of the first quarter.

Robert Mackenzie - FBR

Okay. Can you comment further then on pricing trends that you're seeing in your coiled tubing business right now, a little bit of a different question for you? What are you seeing there in that market obviously with the competitive nature on pricing?

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