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Bill Barrett Q2 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from David Tameron - Wachovia.

David Tameron - Wachovia

Joe, you mentioned it briefly, but can you talk more about Powder? It seems like there's been a number of companies, St. Mary's talked about compression issues, Anadarko's volumes are way off. They talked about infrastructure. Is this a late '07 once Anadarko gets to Fort Union, that water pipeline is taken care of? When can we expect to see an improvement out there?

Joe Jagers

The situation on the infrastructure out there is full gathering on both the Fort Union and Thunder Creek systems and we produce into both of these. The fix for Fort Union is a series of expansions. October is the first one, the connection from Fort Union into MIGC, the regulated pipeline there that will provide some relief but this is on the order of 40 million to 50 million cubic feet basinwide, and isn't clearly the full answer.

The next two pieces are loopings on the Fort Union system, the second one of which will be finished and the project should be full capacity by the end of the first quarter, so we're looking for continued problems around gathering and compression throughout this year and probably into middle/late first quarter '08. The Anadarko pipeline, the water pipeline really doesn't have anything to do with this issue.

David Tameron - Wachovia

So do you expect your Powder volumes to stay relatively flat then over the next couple quarters? I mean, can you just kind of let these things build up and dewater?

Fred Barrett

Yes, it will be relatively flat for the year. We've got some capacity down in the Southern part of our Big George position where we can produce into Thunder Creek, but our real growth is Cat Creek, Willow Creek and Dead Horse and all of those are dependent on Fort Union capacity. We're seeing excellent results at Cat Creek. We've curtailed 3 million or 4 million a day. It's still early stages of ramping up but we've been very encouraged by the shape of that profile and we'll continue to dewater and build pressure on that system and when we do have the capacity to be able to bring those wells in at high initial rates. Down at the Willow Creek area, our initial drilling and completion there, we've seen very

very quick turn to gas and pressure in those wells and likewise at Dead Horse, so we're looking for a big '08 out of the Powder.

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