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Bill Barrett Q3 2006 Earnings Call Transcript

Question-and-Answer Session

Operator

Operator instructions. Your first question comes from Larry Busnardo.

Q – Larry Busnardo, Petrie Parkman

With regards to the Muddy program in both the Bullfrog and the Cooper areas, given the results of the second Bullfrog well and then now at Cooper Deep, can you just talk about your strategy going forward, and also what you think you've seen there? Your first well in the Bullfrog area was successful, but now you've had two mixed results there. Can you talk about the differences you're seeing geologically and how that will impact your strategy going forward in that area?

A – Fredrick Barrett

Right now our strategy in the Deep Cave Gulch Bullfrog area is one where we see a tremendous amount of upside and a large number of potential drillable locations. The Muddy has and always will be a target that is of higher risk than say, for example, the frontier formation. Statistically and on average, over the whole life cycle of the program going forward, we expect to see the potential of anywhere from six to eight BCF on a through well basis. Some wells will have the Muddys, some wells won't. To that end, we are looking at continuing a program in the Cave Gulch Bullfrog area next year, potentially two to three deep wells. We're still assessing exactly when and how we will proceed with that program, but we are looking at proceeding with such a program. The Cooper Deep, and again we know that this Muddy zone is present over about an 19-20 mile stretch of Muddy trends here, you can be within the trend and still not hit the sand, but when you do hit it and you trap it it's a very good well. We have drilled other dry holes in here, but again we have others known as the Frontier and the Lakota. We're currently assessing what's happening here at the Cooper Deep #1 but we're also looking forward to completing the Frontier and the Niobrara zone here some time starting this week. As we get the results in, we'll share them with the public.

Q – Larry Busnardo, Petrie Parkman

Do you wait for the results on the Cooper Deep in your evaluation of that before determining where you're going to drill next year?

A - Fredrick Barrett

As it relates to Cave Gulch and Bullfrog, no. We already know a number of locations that we would go drill in that area. Certainly, as it relates to areas south of the Cooper Deep area, we want to get this

tested and understand what's going on there. We do have other locations where we have identified where we think the Muddy is and could potentially drill there.

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