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Bill Barrett Q2 2006 Earnings Conference Call Transcript (BBG)

Question-and-Answer Session

Operator

Operator instructions. Your first question comes from Larry Busnardo.

Q – Larry Busnardo, Petrie Parkman

Good afternoon. You know, up in the Bullfrog area, looking at the 33-19 well and with the Muddy not being as well developed as you found in the first well, how is that going to change your drilling plans going forward in terms of what you're targeting, and also, what will your activity level be there for the remainder of this year?

A – Fredrick Barrett

Great question. The Muddy formation in the Bullfrog 14-18 as I mentioned was less developed – let's put it that way – than what we saw in the 14-18. And what I perceive there, Larry, the Muddy developed real nicely in certain areas and then it becomes less developed and more ratty in other areas. But because it's less developed doesn't necessarily mean that it's non-productive. There's a number of good well examples, our Cave Gulch number 16, the (TB Flats?) number 16-1, as well as a number of other wells that have been completed in less developed Muddy zones and we've seen EURs come out of those wells in the 2-3 BCFE range. So to that end, we will definitely complete the Muddy in this well. The nice thing about this program is that it is a deep, multi-pay program. We have built into our program right now, as we move out over the next three to five years, a number of locations that target specifically the Frontier formation. The Frontier formation is very widespread across this area. It's highly over pressured. We believe we can average three to five BCFE out of the Frontier formation. We think on average, we'll be able to have at least two producers per well bore out of the three zones in this area. Along the way, what you hope to do is run into a well that's going to give you 20-30 BCFE on a per-well basis. But on average, we think that by the time we're done with this program, where we believe we have 25-30 deep locations, we believe we're going to be able to, on average, see 6-9 BCFs on a per well basis. And so, we're going to continue drilling on an annual basis. For the rest of this year we are currently drilling with the same rig at the Cooper Deep #1. We will likely spud another deep Cave Gulch Bullfrog test, probably some time in 2007 but we do not have plans to do so this year. We are recently finishing up the 3D program on the north side, on the back side of Cave Gulch and we wanted to get that done before we finalized any further locations. We should have than done, processed and interpreted probably by the end of September and into October. At which point, we'll begin making our 2007 plans.

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