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Helix Energy Solutions Group, Inc. Q3 2008 Earnings Conference Call Transcript

Question-and-Answer Session

Thank you. [Operator Instructions]. Our first question comes from Roger Read with Natexis. You may ask your question.

Roger Read - Natexis Bleichroeder

Yes, good morning.

Owen Kratz - President and Chief Executive Officer

Good morning, Roger.

Roger Read - Natexis Bleichroeder

I guess, lot of places to start. But, could you give us an idea on the oil and gas production range for '09, 55 to 75, and I understand where you are laying start up with the Danny field and the Phoenix field etcetera. But what all plays into that range? I mean, on percentage basis that's fairly wide?

Unidentified Company Representative

Noonan, I'll turn this over to Robert, and let him answer. But let me just give my take before you start. Noonan, at the exit rate is only producing at 22 million cubic feet a day, due to sections [ph] line that we're laying. Once the major pipeline repair is done, and we're expecting that very shortly after the beginning of the year. That adds 40 million a day to our rate, which trends... that's incremental and not in the 55 number. Then we have Danny, which adds another two, if it comes on August 1, it adds another two bcf in the year. So you very quickly start ramping up from there. The 55 is based on the exit rate taken flat with decline being offset by well work in some of the pre-storm norm production coming online.

Unidentified Company Representative

Did that help?

Roger Read - Natexis Bleichroeder

Yes, yes, okay. That... okay, I was wait, if you're going to follow-up on that.

Robert P. Murphy - Executive Vice President of Oil & Gas

Well, I think from a wider range that you see that 55 hopefully, would cover not an Ike like event, but associated shut-ins with storms, entering the Gulf also. And I did mention that the third-party export line that Noonan goes into, they're stating December 12, as their restoration date.

But we're not using that. And not that we hope that they make that date, which would be great. But we're being a little more conservative in the estimate, due to the winter time months they're doing the work in. So not to get very granular with next year's production range, but we did also have some platforms that have damaged, but are not severely damaged. That will come on over the course of the first and second quarter.

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