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Anadarko Petroleum Corp. Q3 2008 Earnings Call Transcript

Question-and-Answer Session

[Operator Instructions]. Your first question comes from the line of Tom Gardner of Simmons & Company. Please proceed.

Thomas L. Gardner - Simmons & Company

Good morning, Jim.

James T. Hackett - Chairman, President and Chief Executive Officer

Good morning, Tom.

Thomas L. Gardner - Simmons & Company

A question on taxes; can you walk as through the drivers behind that unexpectedly lower tax rate in the quarter and to what degree the same factors are in play in the fourth quarter?

John Colglazier - Investor Relations

Yes, Tom, this is Colglazier. Couple of things are driven that; one is with the TPE that's in effect in Algeria, it has the effect of actually raising our taxes. But what the best amounts of mark-to-market gains that we recognize in the quarter diluted that affect. So that had a dampening impact on our taxes as well as in our net effective tax rate that we used for the year. Also Brazil, again on the anticipated gain on sale is embedded in that number as well. And it is pretty non-efficient tax efficient transaction so it had a dampening effect also.

Thomas L. Gardner - Simmons & Company

Okay. Great, thank you. And I just have a couple of play specific questions. First, with respect to the Maverick Basin, can you walk us through sort of the range of resource potential as opposed to margin and upside case and to what degree that play is oil versus gas on your acreage?

Robert P. Daniels - Senior Vice President, Worldwide Exploration

Yes, Thomas, Bob Daniels. We are pretty encouraged by what we are seeing in the Maverick. We got two horizontal wells now in the Eagle front [ph] that are online, one horizontal in the pre-salt that we are just testing right now. And the area that we got into we really wanted to look at both of those shells and so we got to where they overlaid and potential as so we are actually testing both, I think that both have a lot of opportunities for us.

Thomas L. Gardner - Simmons & Company

Great, great.

Robert P. Daniels - Senior Vice President, Worldwide Exploration

We've got 250,000 [ph] acres out there, all fairly continuous in this. And we think that the resource potential is... on the average is going to be about a Bcf, may be Bcf and half per well. But we are in much shallow areas and we see an awful lot of drilling out here if this all works out. And right now we are encouraged with what we are seeing.

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