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Bill Barrett Corp. Q3 2008 Earnings Call Transcript

Question-and-Answer Session

[Operator Instructions]. Your first question comes from the line of Michael Hall with Stifel Nicolaus. Your line is open.

Michael Hall - Stifel Nicolaus

Thanks. Congrats on a solid quarter guys. Talking about the Yellow Jacket prospect, a couple of questions; first off realizations, can you remind me what realizations look like in the Paradox? And they are meaningfully at all... meaningfully different than anywhere else in the Rockies?

Joseph N. Jagers - President and Chief Operating Officer

I think... Michael this is Joe Jagers. The Paradox currently there is not really a liquid point down there to judge what realizations are. What we expect to do through these temporary facilities is sale in the North West. So, we'll probably see a Opal/Piceance sort of price initially. The longer term if the project scale develops along the lines we potentially think it could, very likely we'll see a dedicated line from this area down to the Saint Lorene. It's only 60 miles.

And once you get to the Saint Lorene there are some facilities with excess processing so it could be constructed as a webbed system. And then of course we'd see Saint Lorene price.

Michael Hall - Stifel Nicolaus

Is it a stress to say relative to some other areas in the Rockies it may actually be easier to expand capacity of the Paradox if we are moving down South, as opposed to trying to move East?

Joseph N. Jagers - President and Chief Operating Officer

We think it is very much easier just is that sixty miles is very manageable distance and when you get to the Saint Lorene of course you get two major pipelines with energy transfers and Al Paso and into this Arizona Southern California markets.

Michael Hall - Stifel Nicolaus

Great. And then in the past, talking about Yellow Jacket and Green Jacket yield has kind of seem like delineated the two acreage positions, may be around a 100 plus thousand net acres in the Yellow Jacket. It seems like you may be kind of lumping them back together. Is there any read into that or is that just for convenience sake for that?

Joseph N. Jagers - President and Chief Operating Officer

Yeah. The Yellow Jacket region which was built based on a shale gas concept, one in the Gothic shale and the other in Hovenweep.

The two concepts overlap, combined they represent somewhere on the order of close to 3,000 square miles of potential shale gas potential. The Hovenweep looks very, very similar to the Gothic shale. If we were to split them out, Yellow Jacket, we've about 268,000 gross 122,000 net, Green Jacket we've a 126,000 gross and about 87,000 net at this point. But we see this as in general a regional shale gas program. We are going to drill one horizontal in the Hovenweep 2009 as Joe mentioned.

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