

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a gold Greek letter alpha symbol to the right, all on a dark red background.

Warren Resources, Inc. Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator's instructions) You have a question from the line of Leo Moriani - RBC Capital Markets. Please proceed.

Leo Moriani - RBC Capital Markets

Yes, good morning guys. A couple of questions here on the California oil production. You talked about beginning some re-injection in early 2009. Can you tighten up that time frame up a little bit here? And when do guys anticipate getting your reconstruction finished on your re-injection equipment and when do you think will you be able to start putting gas back into the field of WTU?

Kenneth A. Gobble

Leo, we are still working on the revision of the CEQA document and that work is primarily in the hands of the AQMD out there. We believe we are close to having that document ready to be posted. We think that we are a month away, a 30-day public comment. Perhaps a week, two weeks, three weeks to answer the comment and issue permits that would put us somewhere ready to begin construction. End of January? I would think that is relatively doable. Of course, as we work through this process with the AQMD, there are really two phases of the work that remains to be done that is in the regulatory agency's hands. And that is completing the revision and answering the comments. And the timing of that is more or less out of the Company's control. But we believe the AQMD has shown the ability to get that done in a timely fashion.

Leo Moriani - RBC Capital Markets

How long does equipment installation take once you guys get your permit and ?

Kenneth A. Gobble

Though the installation of the equipment will not take long, I would not think that it would take more than two or three weeks to get the new flare equipment in. Now, that would be the first step of the process and that will give us some room to grow gas production and grow oil production until we are able to get the gas re-injection equipment on. We will have to prepare a well to re-inject the gas. So that could take us two to three weeks additionally as well as installing the needed compressor. Though probably a couple of weeks to get your flaring equipment in that would give us an additional cap space on producing gas and additional oil production and then perhaps, an additional maybe even three to four weeks to really be ready to start injecting gas.

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.