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RPC Inc. Q4 2008 Earnings Conference Call Transcript

Question-and-Answer Session

Operator

Your first question comes from the line of Jeff Tillery with Tudor Pickering Holt.

Jeff Tillery - Tudor Pickering Holt

Hi, good morning.

Rick Hubbell

Hey Jeff

Ben Palmer

Good morning.

Jeff Tillery - Tudor Pickering Holt

As you think about the first quarter. Obviously US activity is going to be down considerably. When speaking about your regions, West Texas and Oklahoma being significant regions for you guys and overall US rig countdown more than 20%, is there any reason your activity would perform much differentially either better or worse?

Jim Landers

Jeff, this is Jim probably not. You outlined some important regions for us. What we didn't talk about necessarily in the press release and the conference call script is that as you point out, activity levels are down, unconventional activity is down somewhat less and as you know we have a presence in some of those areas. So, if you mix all that together you'd probably get us performing about where the rig count is.

Jeff Tillery - Tudor Pickering Holt

Okay. That's helpful. Can you talk a little bit more about pricing? Just where would pricing for, I know you guys haven't been ready in the past to talk about specific businesses, but just for RPC in aggregate where would you put pricing currently versus what it averaged in Q4?

Jim Landers

Currently as in the end of January.

Jeff Tillery - Tudor Pickering Holt

Yeah. Just where we are today.

Jim Landers

So, we're talking about, we're obviously in January. That's kind of hard to say. It definitely is down some. I'm not able to quantify.

Ben Palmer

I think he's trying to find his place obviously with activity levels, changing and declining. Everybody is trying to find the right points. So, it's difficult to quantify on this one.

Jeff Tillery - Tudor Pickering Holt

Okay. And the support services segment has been a positive surprise versus what I have expected the last couple of quarters. Can you just talk about what drove the increase in the fourth quarter, as well as do you think Q4 is the base line that we should be looking at?

Jim Landers

Jeff just by way of reminder and for others the majority of support services is our rental tools business and has performed well so thanks for noticing that. We got some people who are working hard and we have increased the capacity over the years and it has done well. That business moves with the rig count because it relates more to drilling activity. So I think not sure I called fourth quarter of '08 of base line. I think I would think about our support services segment more as moving with the rig count fluctuations.

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