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Anadarko Petroleum Corporation Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from David Heikkinen with Tudor, Pickering.

David Heikkinen - Tudor Pickering & Co. Securities

Jim, just thinking the general spending sense. Can you talk in general terms about what you're thinking going into the Board meeting and call next week for 2009 CapEx and production?

James T. Hackett

Yes, I think at the end of the third quarter we had shared that we were going to be at a number that was kind of at or around what we were spending in 2008. We've obviously dialed that down meaningfully and we will be getting back to you with the exact number. The important thing is we still think we will grow reserves and production with that number and keep the balance sheet intact and that's overcoming a number of different factors that we're facing here currently which are in some ways good in terms of OPEC cuts in Algeria as well as some of the [frac spread crash] that we had at the end of the year on the NGL side as well as the shut in production that we have in the Gulf of Mexico that continues primarily through the first quarter and Chuck can address that a little later in terms of kind of when that comes on.

We want to make sure that we stay committed to our exploration activities and our mega projects for development that really are going to coming on in price environments that are very different than today's world, so I think when you put all that together we still feel very good about where we'll come out with the metrics next week.

David Heikkinen - Tudor Pickering & Co. Securities

If you think about your long term project, kind of minimum commitments for '09 still about 35% to 40% of I guess maybe \$1.5 billion, can you put a dollar amount on long term commitments of what the floor would be for CapEx?

James T. Hackett

I think about 20% of it is going to mega projects. Again I won't tell you the exact numbers here yet and about 20% expiration.

David Heikkinen - Tudor Pickering & Co. Securities

Then on the pipelines in the Gulf of Mexico, that production that's shut in, what major lines are you tied into and how does that ramp up through the first quarter?

Charles A. Meloy

We really have two issues that we're dealing with. The first is at Conger which shales repairing the infrastructure there and that should be online sometime in middle to late February and then both K2 Marco Polo complex and the constitution [Taconda Rogo] complex are tied into [Anticonda] and that should be completed in and around the end of the quarter.

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