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Stone Energy Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). And we'll take our question from Brian Lively, Tudor Pickering and Holt. Go ahead sir.

Brian Lively - Tudor Pickering Holt

Hey guys, just a follow-up question on your borrowing base. I know you guys said you won't comment specifically on it but can you give some color around just on a percentage basis, what you think the borrowing base could be reduced after the re-determination, are we looking at 20% or are we looking at 10% just kind of a ballpark?

Kenneth Beer

Yeah Brian, it's Ken. Really we don't know. As we've mentioned in the press release, we're just starting this process. Obviously between now and May 1st we'll have the answer. It's clearly premature and probably inappropriate for us to speculate or guess on that number. But it's something that obviously is going to be something that we look hard at and pay attention to and felt it at least appropriate, how people recognize it, that \$625 million borrowing base given the environment, we'll probably be coming down. So just felt like it was appropriate to disclose that but its just -- its terribly premature to come up with any sort of guesstimates for you.

Brian Lively - Tudor Pickering Holt

Okay. Fair enough. That was the only question I had. Thanks a lot.

Kenneth Beer

Thanks Brian.

Operator

Our next question comes from David Kistler, Simmons & Company.

David Kistler - Simmons & Company

Good morning guys.

Kenneth Beer

Hey Dave, good morning.

David Kistler - Simmons & Company

Not to blabber the point on the credit facility, but can you give us a little color about the November reassessment, kind of what price stack the banks may have been using, and the reserve estimates that were used at the time so that maybe we can try to back into it ourselves, you know, obviously all this is in flux right now?

David Welch

Yeah and even there David, that's from a reserve standpoint I think it is safe to say that the reserve base that was utilized for the November re-determination, those reserves have come down, pricing has certainly come down. As you I'm sure are aware, each bank will have its own price stack to try to throw around A price stack is the guess at best. But just directionally both critical inputs are going down and that's why you know our Census dipped to 625 is coming down. The magnitude we just don't know but certainly between reserves coming down and price coming down its something that we're cognizant of.

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