

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.

## Rosetta Resources Inc. Q4 2008 Earnings Call Transcript

### Question-and-Answer Session

---

**Operator**

Thank you, sir. (Operator Instructions). And our first question today comes from Mark Lear, Sidoti & Company.

**Mark Lear – Sidoti & Company**

Good morning guys.

**Randy L. Limbacher**

Good morning, Mark.

**Mark Lear – Sidoti & Company**

Just talking about these, the increase in the inventory I was wondering how much of that is attributable to your core or your legacy assets and then I was wondering if you kind of break that down into how much inventory each location?

**Randy L. Limbacher**

Yeah Mark, Jim is kind of flipping through his statistics here, let me get Jim Craddock to address that.

**Mark Lear – Sidoti & Company**

Thanks.

**James E. Craddock**

Okay, Mark. Yeah, high percentage of it is in our core asset just kind of running through the roughly 300 Bcfe of risk inventory, about 3 of its in California, and 86 is in the DJ, did San Juan Basin, so I guess we round it to about 90 for that area, 48 in the Lobo, Perdido is about 20, 60 in the Green River basin and then the rest is spread across the number of the other assets including the South Texas position we just purchased and Onshore Others. So, that's as you can see a large percentage of it is before earnings will be operating.

**Mark Lear – Sidoti & Company**

Gotcha. And then I guess kind of looking at?.

**Randy L. Limbacher**

May we let, am I let John tell you a little bit about what's not in there as well as kind of a follow on to that John you want to.

**John D. Clayton**

Yeah Mark. I want to make sure that everybody understands when we talk about inventory. Those are the numbers that Jim reported in our core area on things there proven undeveloped probable is possible, but in order to have an appreciation for those numbers it's important to talk about plays we're pursuing that are not in that inventory. I'll walk you through some of our large ones so when we talk about inventory it's not things like our Alberta Bakken position. I think Randy mentioned we picked up 230,000 acres up there. We know there is flowable oil in the system. We planned to drill our first two wells this year, huge position we don't believe it's at the point yet to where we could start calling it inventory for you guys. Our Eagle Ford Shale position, we've got one well down that's operated. We are encouraged by what we have seen to-date. We have 25,000 net acres in that play that's also not in those inventory that Jim reported. Pinedale down spacing, I know a lot of operators are going down to five acre spacing, those numbers are not in there, but we are doing some more ones, looking at the grainage across our position as well as what is in there in DJ is the 500 locations that we've done the technical work on it feel comfortable we can put a rig out there tomorrow, but if you just simply do the math, on 40 acre development not including what we are calling inventory we've got an additional 1500 acres to 2,000 locations as well as if our pilot program that we did in '08 is successful we even have further 20 acre down spacing. So, anyway my point is that when Jim closed on inventory numbers those are we would like to call them scrubbed inventory numbers, but I don't want to misrepresent that we don't have some what we have look at is some pretty exciting projects going on that were kind of little bit beyond inventory right now.

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