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Petroleum Development Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. We'll now be conducting a question-and-answer session. (Operator Instructions). Our first question is coming from the Michael Hall from Stifel Nicolaus. Please pose your question.

Michael Hall - Stifel Nicolaus & Company, Inc.

Thank you, good morning.

Richard McCullough

Good morning, Michael.

Michael Hall - Stifel Nicolaus & Company, Inc.

Just real quick, just for my own clarity here; just to make sure the CapEx that you are talking about then 120 to 140 million that excludes and EPS. Is that right?

Gysle Shellum

The 120 million is without Piceance growing. We are anticipating the CapEx is going to be again without any drilling in Piceance will be at that 120 level, and the low end of that range, yeah.

Michael Hall - Stifel Nicolaus & Company, Inc.

Okay. And then, I guess maybe what kind of price environment would encourage you to start spending up in the Piceance again?

Barton Brookman

These are approximate, but I would say, we need to be over \$4 of that at well.

Michael Hall - Stifel Nicolaus & Company, Inc.

Okay. And then hopping over to Appalachia real quick; you talked about two wells inline. Have you talked about slow rates on those two Marcellus wells?

Barton Brookman

We will have something to discuss at our Analyst Day at the end of month.

Michael Hall - Stifel Nicolaus & Company, Inc.

Okay. And then in the Bakken, any more detail on the terms of the joint venture?

Barton Brookman

Nothing what we can really disclose based on the contract.

Michael Hall - Stifel Nicolaus & Company, Inc.

Okay. And I think there are indicators for additional wells planned in 2009. Is that accurate?

Barton Brookman

The agreement allows for up to four wells to be drilled total.

Michael Hall - Stifel Nicolaus & Company, Inc.

Okay.

Barton Brookman

So, as I said, we've got first of the four drills, not completed.

Michael Hall - Stifel Nicolaus & Company, Inc.

Okay. All right, and then finally just on G&A; would you expect that to kind of remain at a similar run rate in 2009, on a quarterly basis or maybe somewhere around between third and fourth quarter?

Gysle Shellum

Our plan right now is shows that and running at a similar rate; however, we think we can be better than that in an area 10%.

Michael Hall - Stifel Nicolaus & Company, Inc.

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