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FX Energy Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Sure. (Operator Instructions).

David Pierce

Louisa, it sounds like --

Operator

We actually just got a few questions. The first one is coming from the line of John Bayer with SKA Financial Services Incorporated. Please proceed.

John Bayer - SKA Financial Services Incorporated

Hello, David.

David Pierce

John, how are you?

John Bayer - SKA Financial Services Incorporated

I am fine, thank you. I've got a couple of questions, and I'll ask a couple of them, then I will kick out, and let somebody else come in. A question on your domestic property. So they're just kind of doing their thing or do you have any potential exploration potential there, farmouts anything like that?

David Pierce

We have, over the last several years, we have pursued on occasion an exploration idea. Typically, it's been low key, low cost. We don't have anything on the fire right now. So I guess the answer to your question is, the U.S. properties are just producing a way like they always have been. They have been a good earner for us. And I would expect with prices where they are now, they will continue to be good earners for us. I think we always run the risks. If we get down to \$20 oil that we can't make money, but I don't foresee \$20 oil.

John Bayer - SKA Financial Services Incorporated

Okay. So I would take from that comment that you probably don't expect any additional write-downs at this point in time?

David Pierce

Well, it would be hard to take a write-down. We wrote down our Montana property just from about \$11 million down to about... I'm sorry \$3.8 million down to anyway they're \$300,000 today.

John Bayer - SKA Financial Services Incorporated

Okay.

David Pierce

\$360,000, so yeah, it would be hard for us to write them down any further. They are almost zero.

John Bayer - SKA Financial Services Incorporated

Okay. Switching gears, I don't recall if you've given us any kind of estimate on what that central gathering plant system might, what the CapEx on that would be? Do you have any ideas or can you talk about that at all?

David Pierce

We have some idea. In fact, we run quite a few different scenarios and I have my personal favorite schematic for the facility and it has a budget attached to it. I will say that when we finalize the agreement with our partner, we'll put that budget out, but I do not expect that it will be a problem for us.

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