

Seeking Alpha α

Range Resources Corp. Q1 2009 Earnings Call Transcript

Question-and-Answer Session

(Operator Instructions) your first question comes from Jeff Hayden - Rodman & Renshaw.

Jeff Hayden - Rodman & Renshaw

Couple of quick questions, just curious about the, your Marcellus acreage position, you guys have kind of assumed about 900,000 for awhile, yet you've continued to add some acreage. Just curious has there been some acreage you've been weighing out of the core fairway as you continue to add or are you kind of staying conservative with the 900, we should really think entire than that?

John Pinkerton

We obviously, just to step back and we own 1.4 million net acres in the outline of the Marcellus, as you've pointed out, we've kind of, quote, high graded about 900,000 of that. We continue to add acreage. There's some of the acreage in there, especially in the areas where we haven't high graded part of the 500,000, so to speak. That's expiring and/or we're letting go or we're selling to third parties or farming out to other operators.

All that being said, not trying to decoy, the 900,000 is still around the 900,000. In terms of all that and again, I don't think we ought to be focused on whether it's 925 or 875 or 880, quite frankly. I think the key is that continued to drive up production along what we're doing.

The acreage we're buying and I want to stress this, the acreage we're buying; as we're not buying any trend acreage in the play. We haven't really done that, even last year we weren't doing that. The acreage we're buying or leasing or farming in is in and around these good wells that Jeff mentioned.

We're filling in all those holes; we're trying to fill in the holes. The only problem is there's a lot of holes and they're pretty big. So, it's a lot of opportunity, but we're going to be disciplined as we go through that, but the good news is, obviously, acreage price is coming down. We're getting it a fair amount cheaper.

Jeff Ventura

Let me just add to that a little bit, when we talk about the roughly 900,000 about 550,000 was in the Southwest, 350,000 in the Northeast. We have big positions in both areas. The other thing that's interesting at this point in time with all the activity we've had, which is a large number of wells coupled with excellent results from Chesapeake and CNX and Atlas and Equitable, a lot of the risk has been taken out of that piece of the acreage.

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