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Baker Hughes Incorporated Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from James Crandell – Barclays Capital

James Crandell – Barclays Capital

Martin, could you address the performance of this NMR sensor in Melissa's field. What is it about as it makes it better than the others? I know you displaced your competitor there and does it have, are the benefits such that this could be true in other regions as well?

Martin Craighead

Well, Jim, yes, let me clarify, when we say we displaced the competitor, there is no other offering (that is to my knowledge). No other competitive offering so it is hard to displace somebody. We are running in the bottom assembly of our competitor. They are still doing the drilling but it certainly is a significant piece of information for Aramco. It is very unusual to have somebody else's instrument in a bottom hole assembly. The issues there (as you are probably aware) is really viscosity identification as the oil stick above a tar mat. If they penetrate the tar mat, then basically they lose the well.

The benefit of the Mag Track for Baker Hughes is first, it is the only one that is about 3.25 in size which is what they need to drill the standard reach. Secondly, it has a very good vibration medication characteristic which is important obviously in a drilling environment. So, we get very good with (what is called) T2 measurements and we get very good resolution on being able to determine the viscosity of the oil. It is a big technical success for us. We are proud of it.

Second part of your question, we are running it in Brazil, both in the Santos Basin as well as in the Sub Salt on those carbons down there so it has been a big success for us.

James Crandell – Barclays Capital

Martin, what was the rough size of the Nigerian contract that you won?

Martin Craighead

I am sorry, I missed that.

James Crandell – Barclays Capital

What was the size roughly of the Nigerian contract that you won?

Martin Craighead

That was \$500 million.

James Crandell – Barclays Capital

Over what time period, Chad?

Chadwick Deaton

It is over a 4-year period.

James Crandell – Barclays Capital

Okay, and my, this related follow up is, Chad would you expect to be a competitor on the Iraqi contracts that may start here before year-end?

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