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Apache Corp. Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. [Operator Instruction]. We will go first to Tom Gardner with Simmons & Company.

Tom Gardner - Simmons & Company

Good afternoon, gentlemen. I just wanted to do ask a question concerning your each Egyptian discoveries. Specifically can you give us a ballpark estimate of the added resource potential associated with the three oil discoveries?

Steve Farris

Its, if you look at the first couple of wells we have, some of these are early stage development. The fee option is perhaps our one of our most exciting projects that we have in 2009, exploration side we made this discovery early in the quarter. We anticipate drilling at least five wells in the future in 2009 and our expectation is to be able to exploit that AEB very large oil of the AEB oil column to achieve perhaps a field wide rate production rate of 10,000 barrels per day. Exact reserve size it remains to be determined based on the success of the appraisal and exploration drilling towards this process of doing right now.

Let's go to off shore this is the third such well in an area in our Faghur Basin play which we had discovered last year 2008. We are very excited about the rates we established in the first well. This structure is typically, support sizes up to about 2 million barrels to 3 million barrels. However once again as development drilling needs to be done on this prospect as well. And North Sea is the first discovery in the concession to great attractive structural accumulation. We also review the development drilling there. And we won't be able to test a well in full production until we have a development lease from a government which will come some time in the next 45 to 90 days.

Tom Gardner - Simmons & Company

Thanks for that. And jumping over to Argentina, I just wanted to know how much the concession extension may have impacted your plans in the region and to what degree capital is still restricted and are you expecting gas prices to go up in the region going forward?

Steve Farris

The concession extension is very important to our program because it has specially, doubled the existing life of the concession area. It protected our production and allowed us to add that the tale of the reserves otherwise it would have been granted back to the province beginning in 2016. That

is essentially having 9 million barrels net to us by the fact of signing the extensions. It's a significant area. It's our bread and butter area in Argentina at the present time. And so the extension gives us a lot of life and running room for our program in the future. With regard to the drilling program our drilling program in Argentina is pretty heavily loaded on the front end of the year. And I don't see much activity because we have curtailed Capex in Argentina accordingly associated with the cost primarily correct market prices as well as costs of doing business at the correct time.

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