

Rockies Rig Count and Production Update

WPA Public Meeting, February 17, 2009





Figure 129. Rocky Mountain Area, P-530, Greater Green River Basin, Hanna and Laramie Basins, monthly wet-gas production and producing oil and gas wells, 1987–2006. Data derived from Petroleum Information/Dwights LLC.

Source: Potential Gas Committee, November 2007

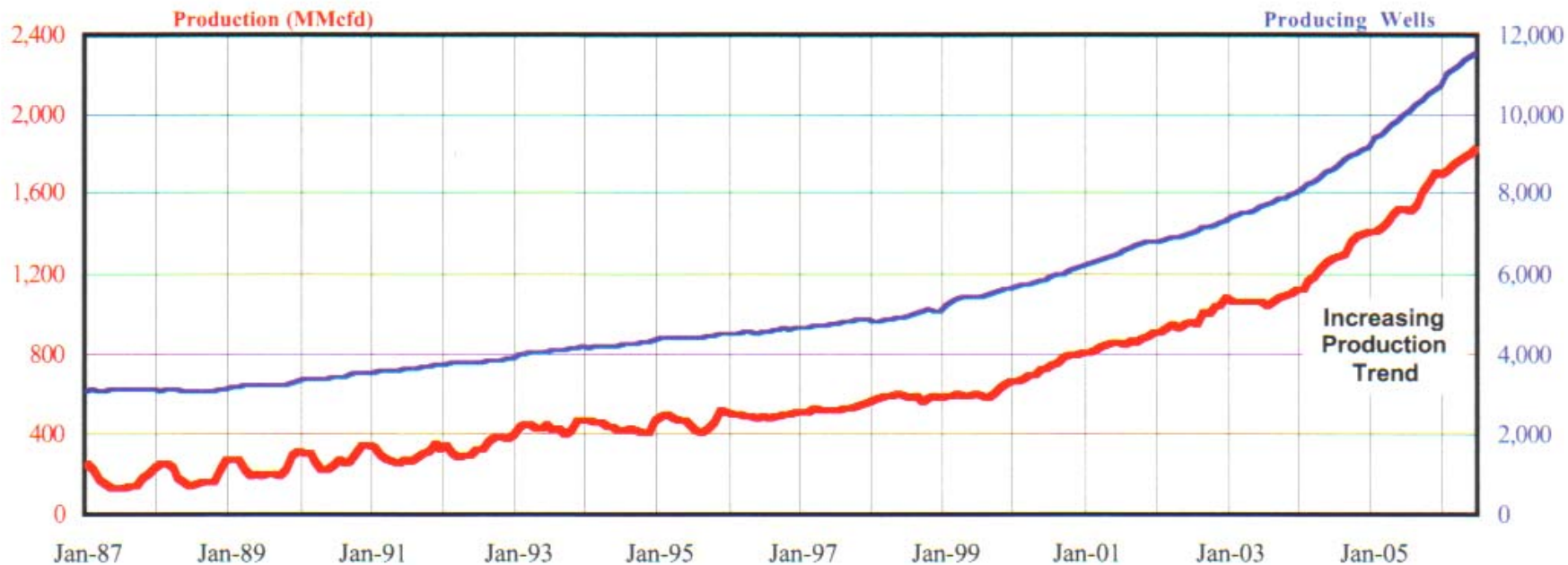
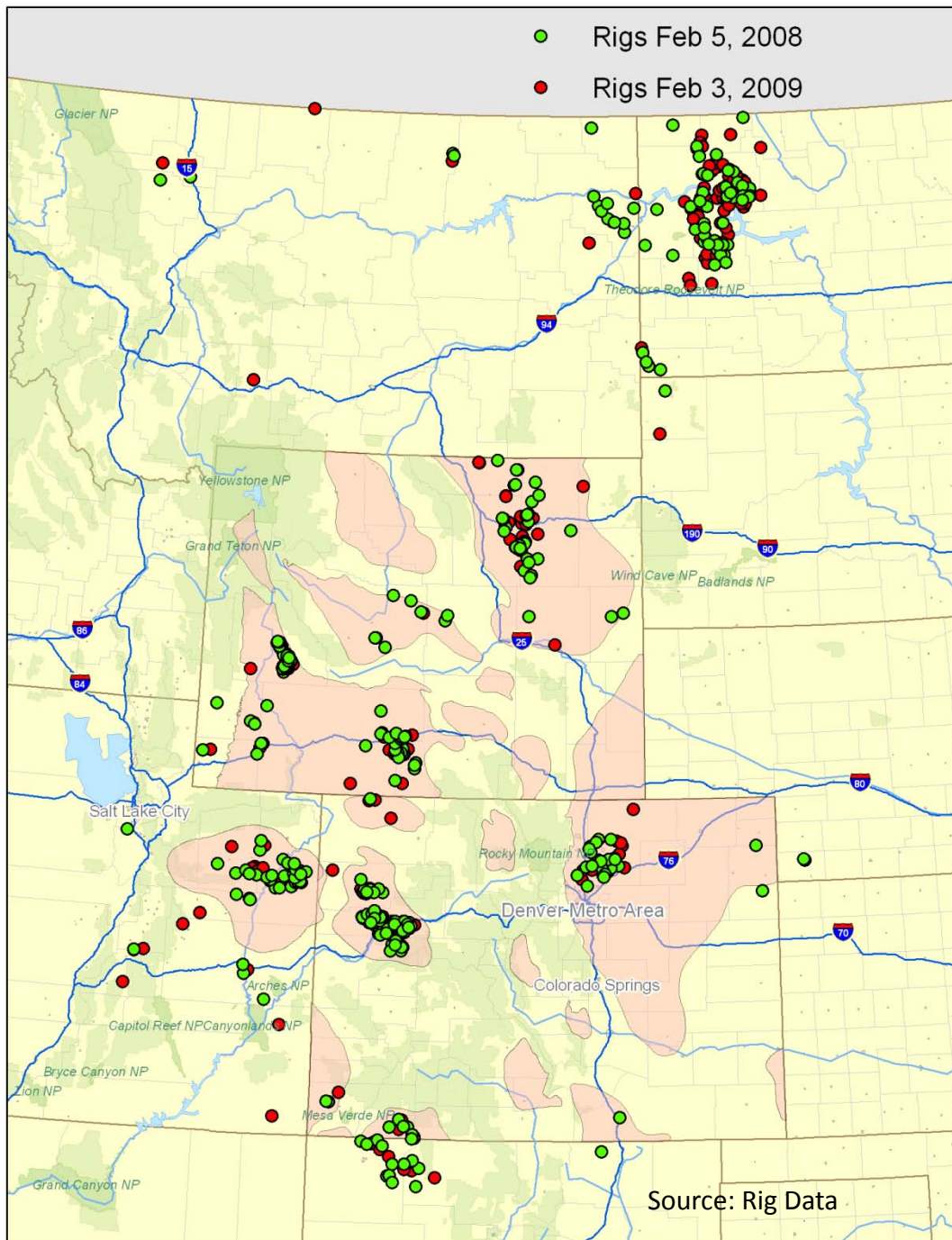


Figure 131. Rocky Mountain Area, P-540, Uinta-Piceance Basin, Park Basins and Eagle Basin, monthly wet-gas production and producing oil and gas wells, 1987–2006. Data derived from Petroleum Information/Dwights LLC.



Major areas of Rockies development by commodity and Basin

Oil

Williston Basin, ND and MT

DJ Basin, CO

Natural Gas

Powder River Basin, WY (CBM)

Green River Basin, WY

Uintah Basin, UT

Piceance Basin, CO

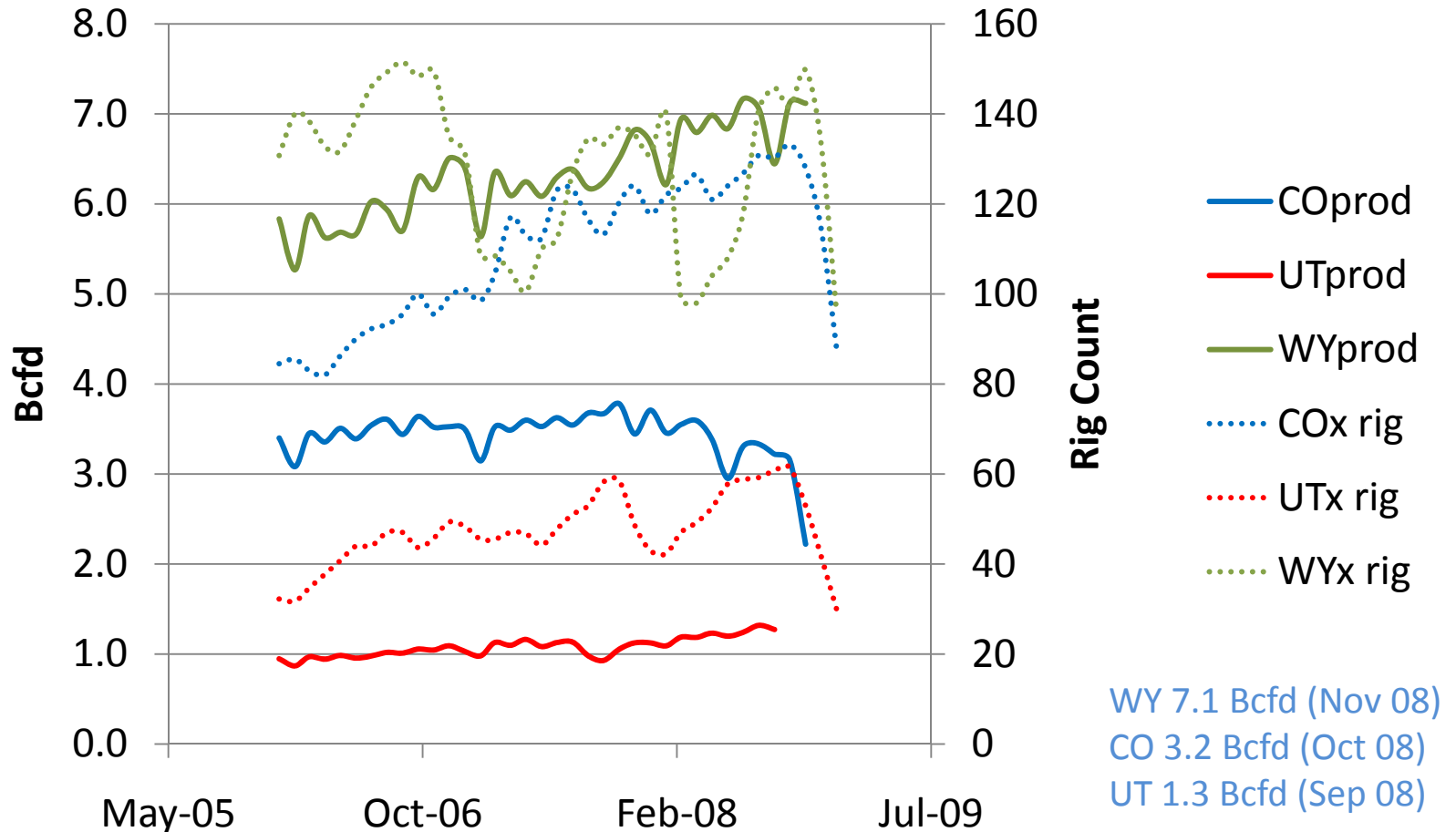
San Juan Basin, CO(CBM)

3 to 4.3 Billion Barrels of Technically Recoverable Oil Assessed in North Dakota and Montana's Bakken Formation—25 Times More Than 1995 Estimate—

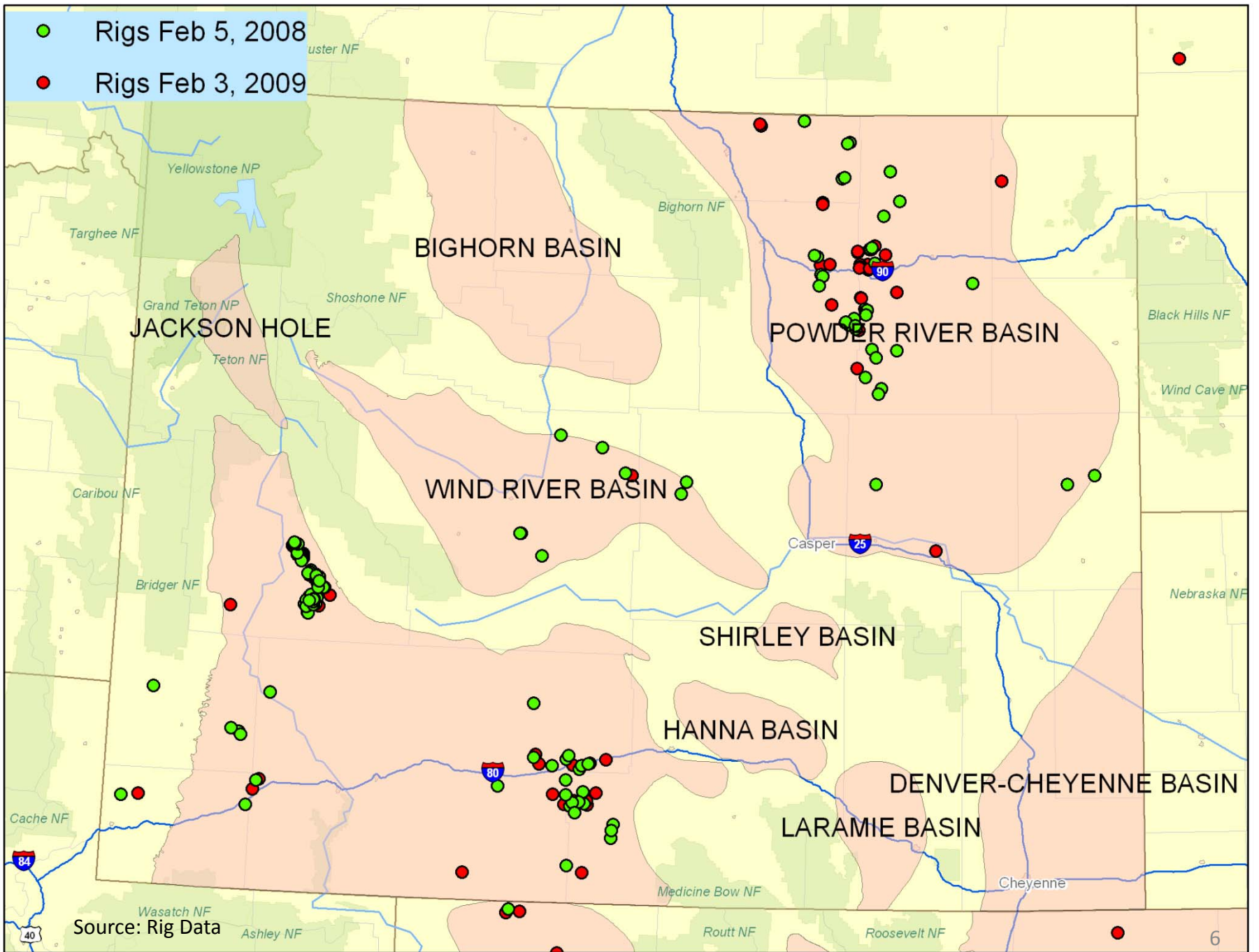
USGS: 4/10/2008

<http://energy.usgs.gov/>

Natural Gas Production vs. Average Rig Count per month



- Rigs Feb 5, 2008
- Rigs Feb 3, 2009

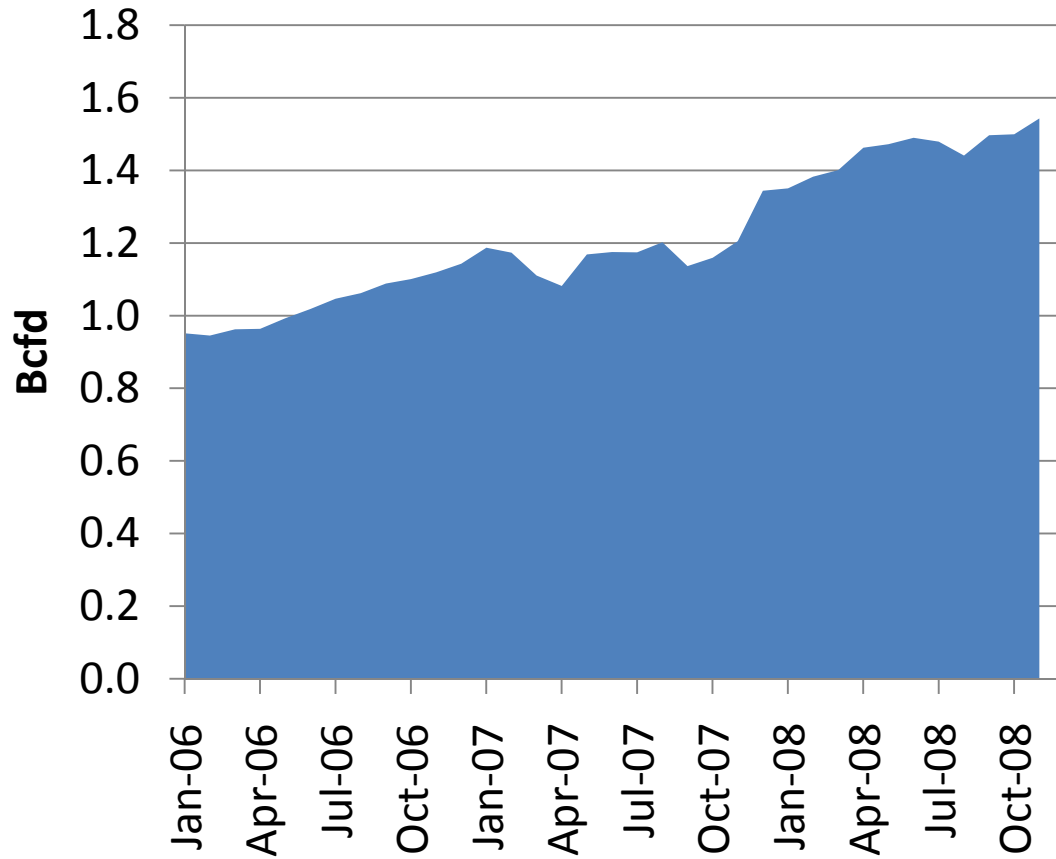


Source: Rig Data

Wyoming Oil And Gas Conservation Commission
Report Date 02/12/09
Production For Year 2008
Based On Gas Production

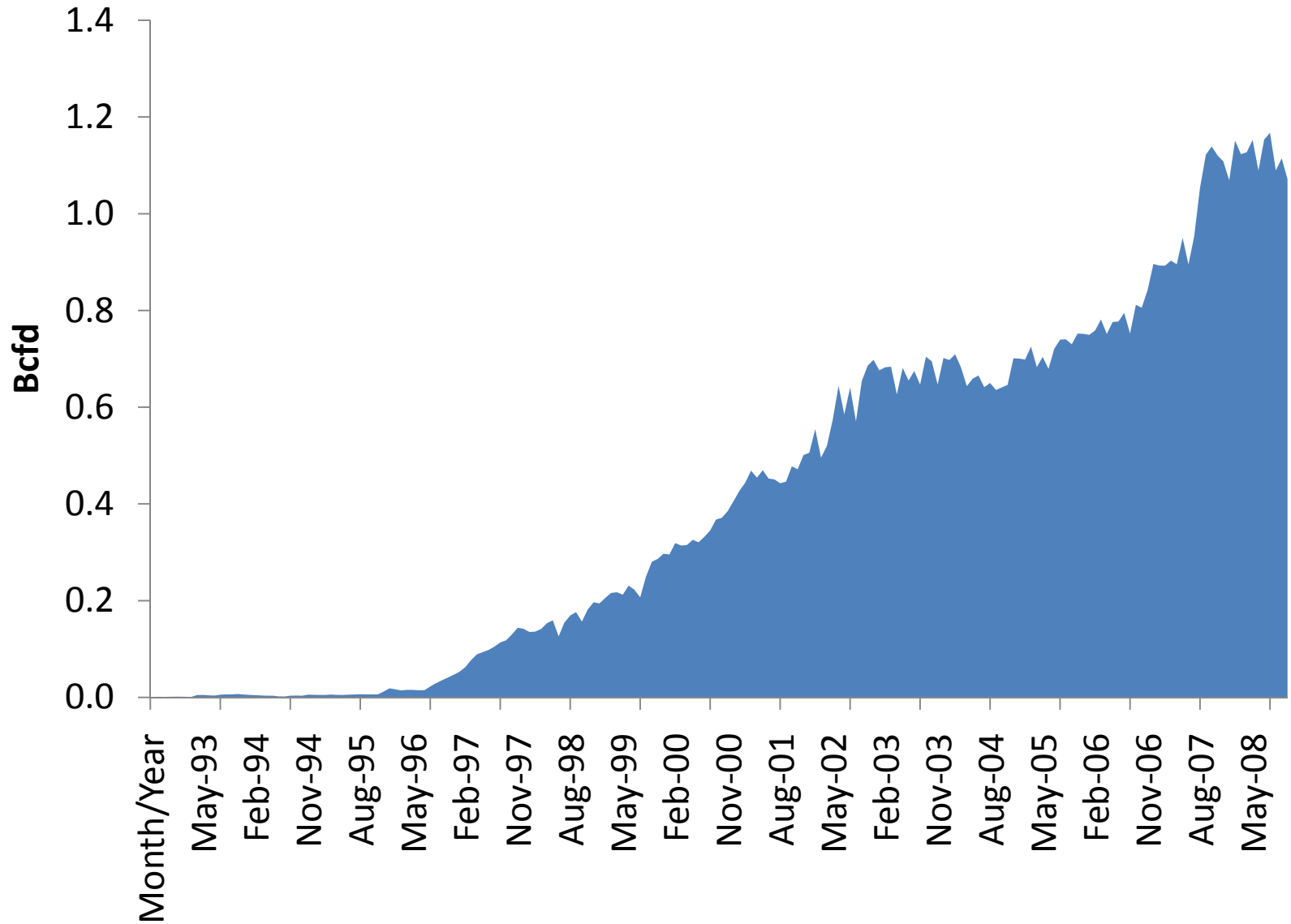
Field	Gas Mcf
<u>PRB COAL BED</u>	526,782,605
<u>PINEDALE</u>	421,739,703
<u>JONAH</u>	402,657,185
<u>FOGARTY CREEK</u>	154,086,360
<u>MADDEN</u>	102,890,557
<u>LAKE RIDGE</u>	67,802,092
<u>PAINTER RESERVOIR EAST</u>	64,781,469
<u>WC (wild cat, no field assigned)</u>	35,265,921
<u>WHITNEY CANYON-CARTER</u> <u>CREEK</u>	31,952,668
<u>LOST SOLDIER</u>	31,099,434

PRB CBM Production (Nov 08)



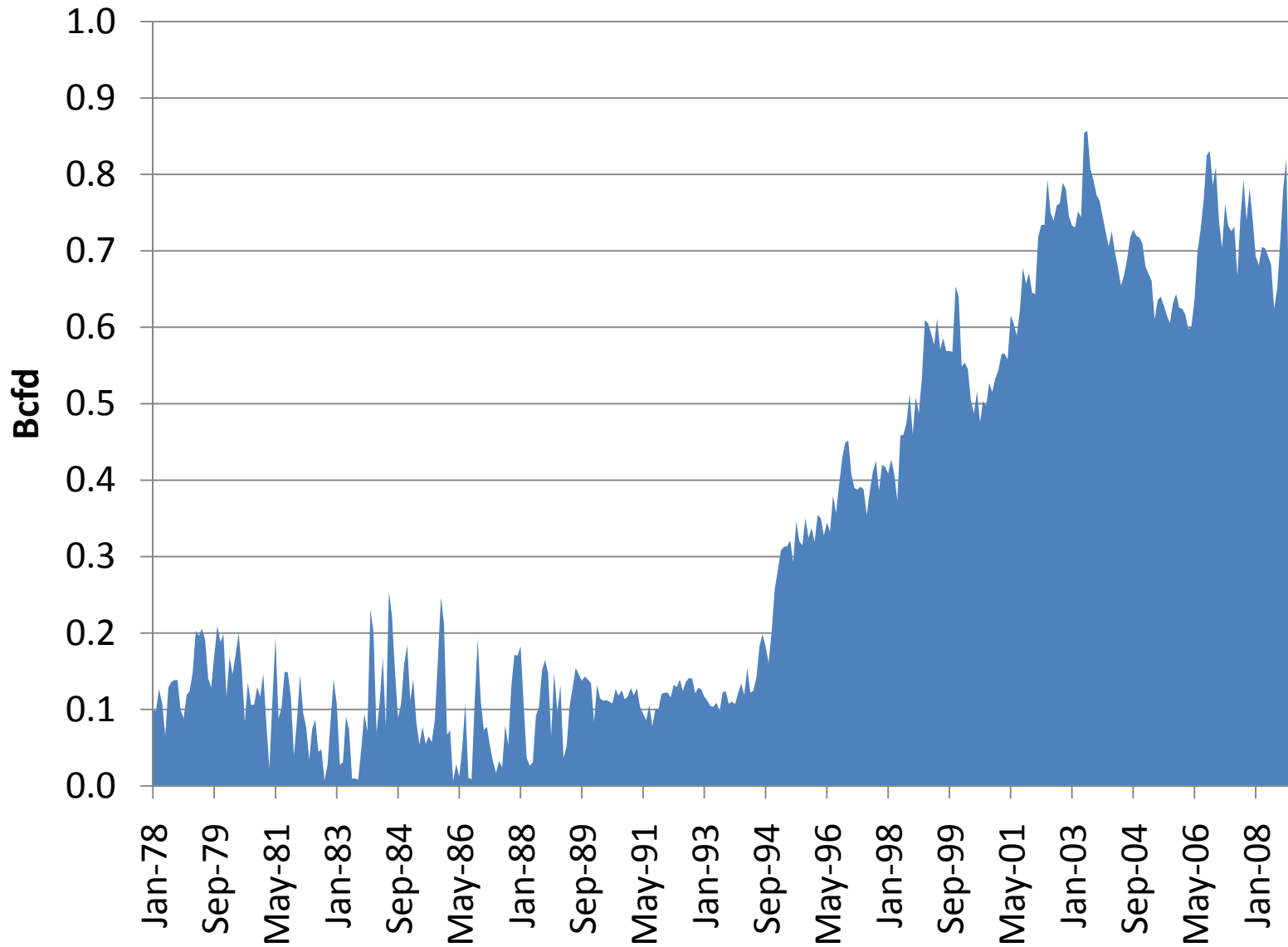
Source: WyOGCC

Jonah Field (Nov 08)



Source: WyOGCC

Wamsutter Field (Nov 08)



Wyoming Oil And Gas Conservation Commission
Report Date 02/12/09
Production For Year 2008
Top 10 Companies Based On Gas Production

ENCANA OIL AND GAS USA INC

EXXON MOBIL CORPORATION

ULTRA RESOURCES INC

BP AMERICA PRODUCTION COMPANY

WILLIAMS PRODUCTION RMT COMPANY

CHEVRON USA INC

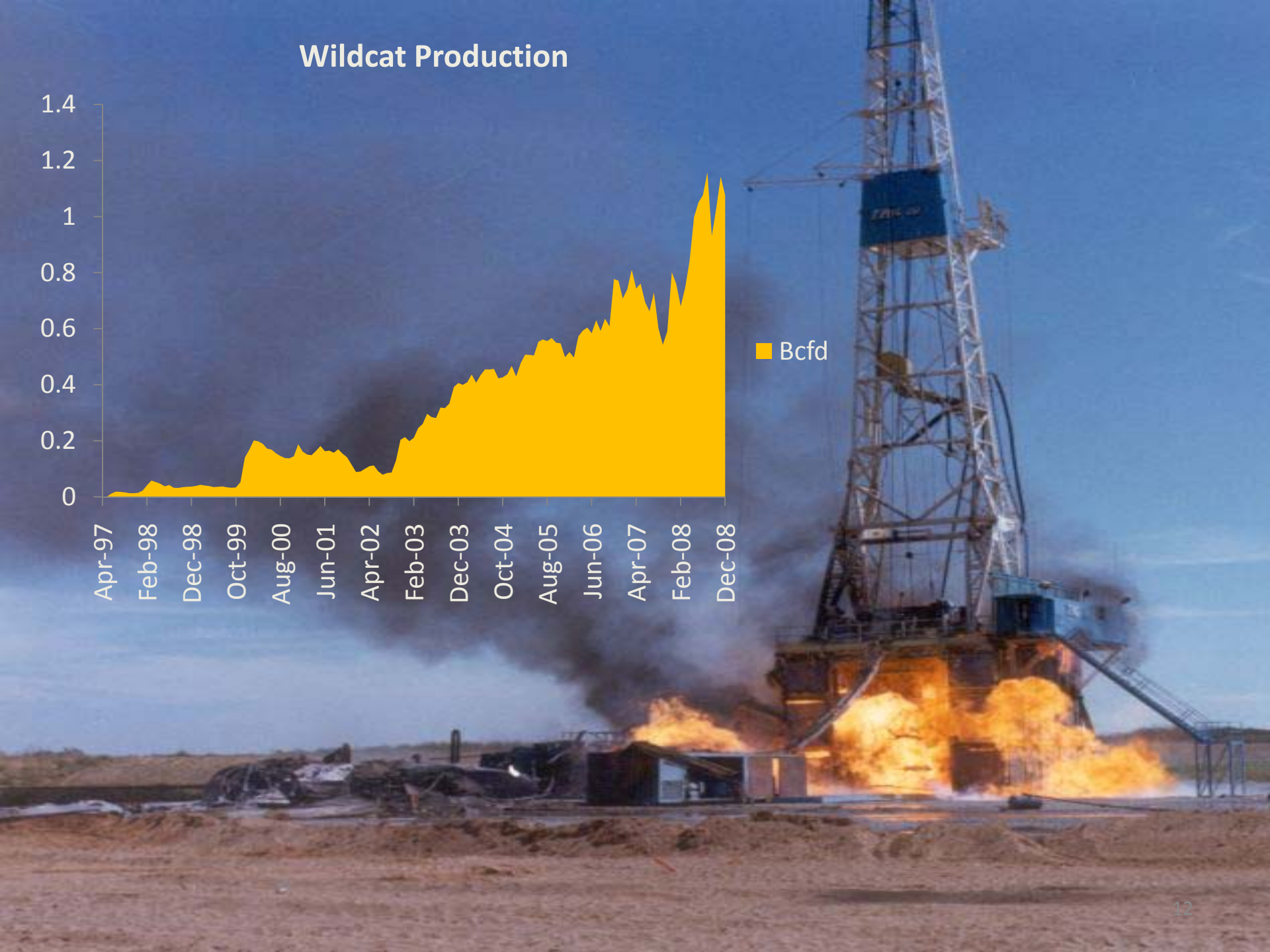
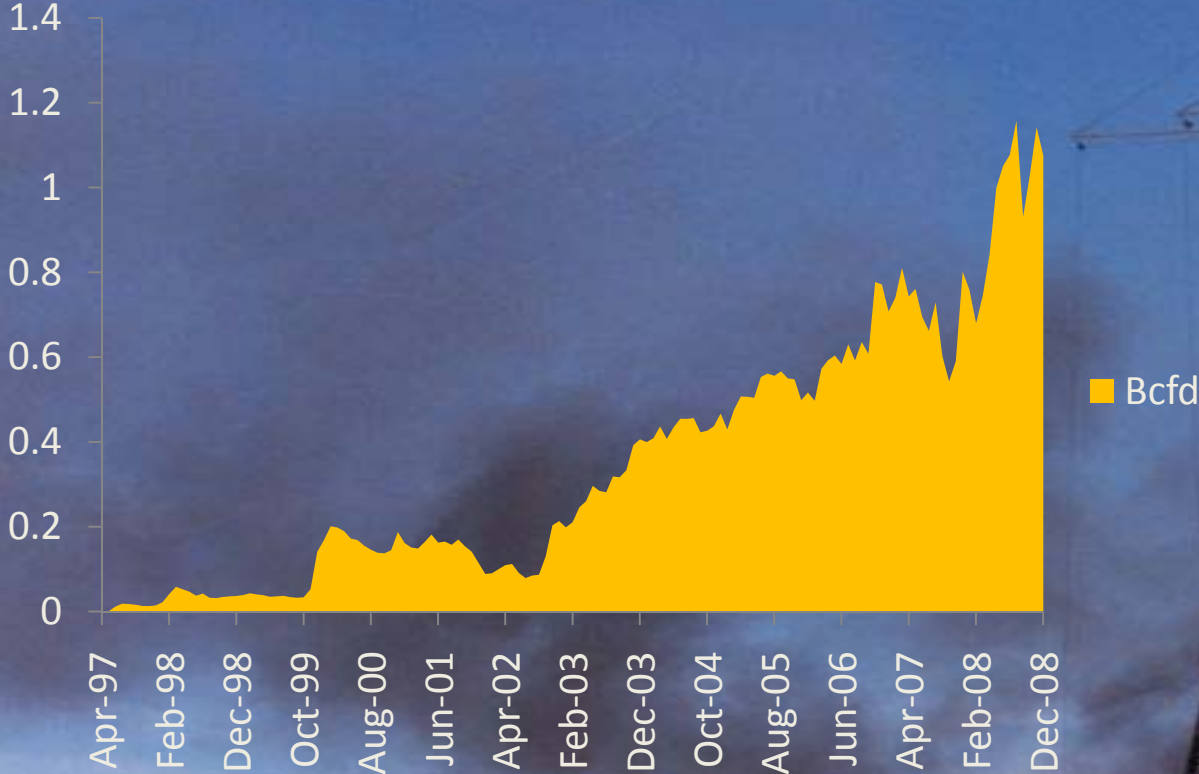
SHELL ROCKY MOUNTAIN PRODUCTION LLC

**BURLINGTON RESOURCES OIL & GAS
COMPANY L**

QUESTAR EXPLORATION & PRODUCTION CO

DEVON ENERGY PRODUCTION COMPANY LP

Wildcat Production



Devon (Feb 5, 2009)

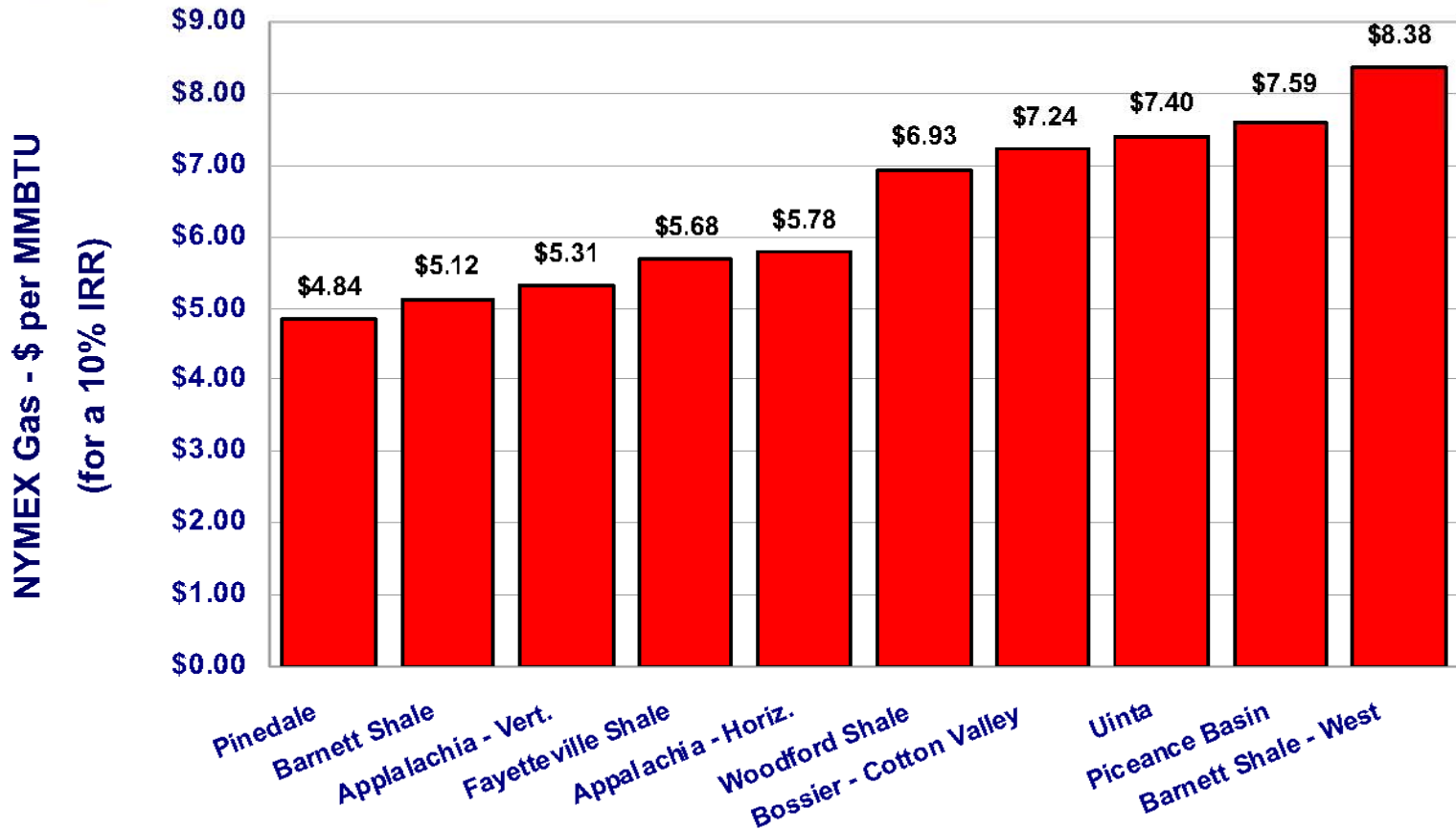
- 2008 E&P capital \$8.5 billion, 2009e \$3.5-4.1 billion
- 2008 peaked drilling count 112 company wide, 96 by year end, 68 currently, and anticipate down to 32 by end of 1st quarter 2009 “in response to falling product prices”
- Barnett Shale, 2008 drilled 659 wells, 2009e 220-230 wells

Encana (Feb 12, 2009)

- “We're taking a measured approach to our 2009 program . . . identifying discretionary spending . . . applying additional scrutiny to projects planned but not yet started . . . until we're comfortable with our financial expectations for 2010, we will not be making any bold moves.”
- CBM [Canada] 700 in 2008 and plan about 425 in 2009
- Shallow gas. 1200 in 2008 and plan 700 in 2009



Resource Play Break-Even Economics



Source: Credit Suisse

Source: Ultra Petroleum, Feb 5, 2009

Questar (February 12, 2009)

- Decreasing 2009 capital spending to \$1.3 billion (down 50% from 2008)
- E&P \$841 million (down \$200+ million since 3rd Qtr report)
- fewer wells in 2009, since September ½ rigs – 19 current rigs as opposed to the peak of 42 in 3rd Qtr 2008
- Suspended oil-directed drilling in the Uinta Basin – formerly proposed to drill 15 horizontal Green River wells in 2009
- “Bakken play is not economic at current oil prices and well costs” and deferring development until 2nd half 2009
- Postponed open season plans for RAP until “market conditions improve”
- “we believe that the Pinedale Anticline is the only major play in the Rockies that’s economic at current prices”

Anadarko (Feb 3 and 11, 2009)

- . . . there’s stipulations in the Rockies particularly where those wells, those rigs can only work during the winter months and as we approach the spring we start dropping those rigs down. Through the fourth quarter we had about 68 on average and we’re running now around 40
- Bison and Ruby are major pipeline commitments that assist Anadarko’s decision to maintain a Rockies presence
- 2008 CAPEX on E&P \$4.8 billion, 2009e 20% of \$4-4.5 billion (total capital expenditures)