



Burlington's earnings on the rise

HOUSTON — Burlington Resources reported second quarter 1997 operating income of \$73 million and net income of \$79 million or \$.64 per share. Included in net income is \$31 million or \$.25 per share from profits on the sale of assets related to the company's divestiture program. For the same period last year, the company reported operating income of \$96 million and net income of \$48 million or \$.38 per share. Operating cash flow for the first half increased 50% to \$407 million as compared to \$272 million for the first half of 1996. Bobby Shackouls, president and chief executive officer of BR, stated, "Both earnings and cash flow remain strong and with the completion of the company's divestiture program, we have approximately \$500 million in cash and short-term investments. 1997 is shaping up as another strong year for BR."

Natural gas sales averaged 249 million cubic feet per day (mmcf/d) during the second quarter compared to 1,193 mmcf/d in the second quarter of 1996. Second quarter oil sales volumes were 45,800 barrels per day (bo/d) versus 50,400 bo/d a year ago. These volumes reflect the sale of about 100 mmcf/d of natural gas and 11,000 bo/d associated with the company's previously announced divestiture program. Realized natural gas prices decreased slightly to 1.70 per thousand cubic feet (mcf) from \$1.75 per mcf in 1996. Oil prices also decreased from 20.29 per barrel to \$19.16 per barrel.

During the quarter, BR acquired 785,000 shares of its common stock. Since it began acquiring stock in 1988, the company has purchased approximately 31 million shares or 21 percent of its original common

stock capitalization.

During the second quarter, BR spent \$211 million on internal oil and gas capital projects including \$84 million of exploration capital. The company acquired nearly 1,300 square miles of 3-D seismic, primarily in the Gulf of Mexico, bringing BR's year-to-date seismic acquisition to nearly 3,000 square miles.

In the second quarter, BR drilled five gross exploratory

'We have approximately \$500 million in cash and short term investments. 1997 is shaping up as another strong year for BR.'

—Bobby Shackouls,
President

wells in the Permian Basin, four in the Williston Basin, and four in the Gulf Coast Basin. Five additional exploration wells were active at the end of the quarter. BR experienced a success rate of over 50% on the 24 completed exploration wells drilled so far in 1997. The company plans to initiate over 20 exploration wells in the third quarter as it continues its heightened focus on exploration. The third quarter's program remains balanced between the Williston Basin, the Permian Basin, and the Gulf Coast Basin. In total BR will drill about 80

exploratory wells in 1997.

During the quarter, BR tested a second exploratory well in its Galveston 303 field. With this well and a follow-up development well, the company has increased production in the Galveston 303 field to nearly 20 mmcf/d. BR had another significant exploration discovery at West Delta 65. The West Delta 65 No. 1 well encountered significant pay in the Ang B sand and initial production rates of over 20 mmcf/d are expected once the platform is installed. Additional pay was also encountered uphole in the Trim A & B sands and the company has scheduled a second well later this year to accelerate recovery. BR's Eugene Island 205 field had two exploratory successes in the quarter. The recently completed No. G-2ST is producing over 30 mmcf/d from the Bul 1-4 and Bul 1-5 sands. The second exploratory well, the No. G-4, is currently being completed and is anticipated to produce over 30 mmcf/d bringing the field's production to approximately 80 mmcf/d, up from less than 10 mmcf/d at the time this property was acquired in 1996.

The company also had a potentially promising exploratory success in west Texas, the Bambino No. 1. This 21,000 feet exploratory Ellenburger test encountered approximately 800 feet of exposed gas column. The well is currently being completed and should have production test results later this month. Recently, BR spudded an exploratory well in the San Juan Basin, the Marcotte No. 2. This exploratory well is the first of several wells that will test the Deep Pennsylvanian formations which the company believes may hold significant exploration potential.

Four oil companies billion to form o

By Victoria Cunningham
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Atlantic Richfield Co., Phillips Petroleum Co., Texaco Inc. and Venezuela's Corpoven SA agreed to invest \$3.5 billion to form a heavy oil joint venture.

Officials said the venture, which will be called Petrolera Hamaca, will have revenue of \$33.5 billion over its 35-year lifetime.

Arco and Corpoven, a unit of state oil company Petroleos de Venezuela SA, each own 30 percent of the venture, with Phillips and Texaco holding 20 percent each.

"We see this as a key stone for participating in many opportunities in

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Shackouls elected to c

Burlington Resources Inc. Shackouls, the company's president, has been elected to the additional board. He succeeds Thomas H. O retire after serving as the company

Shackouls, 46, joined BR in 199 and chief operating officer. In 1999 CEO and was also elected to the board. BR, Shackouls served in senior Torch Energy Advisors, Plains 1 Minerals. Shackouls holds a BS degree from Mississippi State University

Schneeflock to pursue

Nuevo Energy Co. announced it has resigned as vice president - chief Energy Co. in order to pursue other Schneeflock's career with Nuevo Energy of the acquisition of Paramount F was chairman.