

## Talisman, Pioneer to hike E&D spending ... from page 1

Production last year averaged 437,000 Boe/day. North American gas production is expected to reach 920,000 to 940,000 Mcf/day, up from some 890,000 Mcf/day in 2004.

Talisman will spend C\$1.44 billion in North America, nearly 90% of that directed at gas projects, the company noted. The firm expects to generate C\$3.6 billion to C\$3.8 billion in cash flow for 2005 based on a U.S. \$6.25/MMBtu NYMEX gas futures price and a U.S. \$40/barrel oil price.

Talisman said it expects to participate in more than 500 wells, including 10 to 12 high-impact exploration wells, in order to boost its North American gas output by 4% to 5% this year.

"We made a number of large domestic natural gas discoveries last year, which show signs of continuing in 2005, reinforcing our position as the leading deep-gas explorer in western Canada," said Jim Buckee, president and CEO of Talisman. "In addition, we will continue our successful drilling program in the northeastern United States," where the company has been exploring the Appalachian Basin in upper New York state.

Meanwhile, Dallas-based Pioneer said it has set its capital budget at \$900 million to \$950 million for 2005, a 12% increase from last year, with plans to drill some 800 development wells.

About 75% of Pioneer's budget will go toward development, with 25% allocated to exploration, the company said. Some 20% will go toward its new assets in the U.S. Rockies, 25% to other onshore U.S. assets, 25% to the Gulf of Mexico and 5% to Alaska.

"The plan calls for an increase in drilling activity in our core areas, especially the Rockies, continued expansion of our gas play in Argentina, and active Canadian program including key coalbed methane tests and a significant increase in high-impact wells in our four exploration focus areas," said Scott Sheffield, Pioneer's chairman and CEO.

As for its development program, Pioneer said it will drill some 300 wells in the Raton Basin of Colorado, up 50% from last year. The company said it has added staff, equipment and secured pipeline capacity to handle the stepped-up drilling schedule and to deliver on expected double-digit production growth there.

Pioneer also said it would complete a comprehensive assessment of recently acquired acreage in the Piceance and Uinta basins this year.

Other onshore U.S. development activity will include some 260 development wells in the Spraberry, Pawnee and West Panhandle fields, Pioneer said. In the Gulf, the producer will invest about \$100 million on appraisal wells that are expected to add new production in 2006 and 2007, as well as additional facilities to extend the life of key wells in the Canyon Express and Falcon plays.

In Canada, Pioneer has more than 50 wells planned for the Chinchaga field of northeastern British Columbia, a 40% increase over 2004. Another 80 wells will target CBM reserves in the Horseshoe Canyon area of southern Alberta.

Through its exploration program for which it has budgeted \$200 million to \$250 million, Pioneer will focus on the Gulf, Alaska, North Africa and West Africa. In the Gulf, the firm plans six to eight exploration wells, mostly in the deep waters, while Alaska activities will focus on North Slope acreage.

"Exploration is a cyclical process," said Chris Cheatwood, executive vice president of worldwide exploration at Pioneer. "We drilled fewer high-impact wells in 2004 and focused most of our time and dollars on refining existing prospects and building our exploration inventory. In 2005, we plan to test approximately 20 high-impact prospects and increase our exploration drilling expenditures by about 150%."

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## XTO to acquire private E&P company ... from page 1

"We are purchasing an established base of production and reserves while securing a unique acreage position in the core area that adjoins XTO's properties," CEO Bob Simpson said. "We see an immense upside potential captured in the acquired properties."

## NYMEX Henry Hub gas futures contract, Jan 11

	Settlement	High	Low	+/-	Volume
Feb 2005	6.095	6.140	5.930	-6.4	46531
Mar 2005	6.142	6.170	5.980	-8.9	16448
Apr 2005	6.085	6.100	5.980	-6.1	6895
May 2005	6.105	6.115	6.040	-5.9	3520
Jun 2005	6.146	6.150	6.070	-5.6	1251
Jul 2005	6.187	6.200	6.090	-5.3	777
Aug 2005	6.207	6.210	6.150	-5.3	917
Sep 2005	6.175	6.180	6.090	-5.3	802
Oct 2005	6.200	6.190	6.080	-5.6	2568
Nov 2005	6.565	6.570	6.470	-6.6	329
Dec 2005	6.920	6.910	6.850	-7.1	1366
Jan 2006	7.150	7.150	7.090	-8.1	1522
Feb 2006	7.135	7.140	7.070	-7.6	176
Mar 2006	6.945	6.940	6.880	-6.6	1343
Apr 2006	6.045	6.050	6.000	-4.6	301
May 2006	5.920	5.920	5.880	-4.6	275
Jun 2006	5.930	5.885	5.885	-4.6	36
Jul 2006	5.950	5.950	5.950	-4.6	0
Aug 2006	5.975	5.975	5.975	-4.6	0
Sep 2006	5.960	5.960	5.960	-4.1	0
Oct 2006	5.990	5.990	5.990	-3.6	0
Nov 2006	6.285	6.285	6.285	-3.1	0
Dec 2006	6.560	6.560	6.560	-3.6	50
Jan 2007	6.765	6.765	6.765	-4.1	50
Feb 2007	6.750	6.750	6.750	-4.1	15
Mar 2007	6.555	6.550	6.550	-4.1	100
Apr 2007	5.675	5.675	5.675	-4.1	100
May 2007	5.545	5.545	5.545	-4.1	0
Jun 2007	5.567	5.567	5.567	-3.4	0
Jul 2007	5.590	5.590	5.590	-2.6	0
Aug 2007	5.605	5.605	5.605	-2.6	0
Sep 2007	5.570	5.570	5.570	-3.1	0
Oct 2007	5.580	5.580	5.580	-3.1	0
Nov 2007	5.880	5.880	5.880	-3.1	0
Dec 2007	6.170	5.590	5.590	-3.1	0
Jan 2008	6.395	6.395	6.395	-3.1	0

### Contract data for Monday

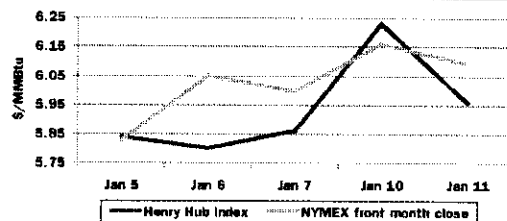
Volume of contracts traded: N/A

Front-months open interest:

Feb. 57,986 ; Mar. 50,953 ; Apr. 28,726

Total open interest: N/A

## Henry Hub/NYMEX spread



## Platts oil prices, Jan 11

	(\$/b)	(\$/MMBtu)
<b>Gulf Coast spot</b>		
1% Resid	31.00-31.50	4.97
3% Resid	26.25-27.25	4.25
<b>Crude spot</b>		
WTI (Feb)	45.75-45.77	7.28
<b>New York spot</b>		
No 2	53.97-54.05	9.27
0.3% Resid HP	32.75-33.25	5.25
0.3% Resid LP	33.25-33.75	5.33
0.7% Resid	30.00-30.25	4.79
1% Resid HP	28.50-28.75	4.55