

The Land Rig Newsletter's Biweekly Recap Market Commentary

Data: March 13, 2009

AUSTIN—Operator capitulation continues. Oil and gas companies released 121 rigs over the last two weeks, knocking active rig count to a six year low and the first sub-1,000 rig count since January 2003. Rig count, at 964 units, is now down 54 percent from the peak in early Q3 2008.

On a percentage basis, rig count declines are accelerating among superindependents and large caps, but declining for private oil and gas operators. Anadarko, Devon, EnCana, and Williams released 24 rigs during the last two weeks. Still, private operators account for half the decline on a nominal basis. Nabors, Helmerich & Payne, and Patterson-UTI represent 49 of the 121 released rigs, or 40 percent, with Nabors down 28 rigs. The *LRNL Biweekly Recap* only counts rigs active on the well site and excludes rigs moving, rigging up, or otherwise included in the revenue day metric U.S.-based public companies use to state utilization.

Rig activity is actually falling faster than what shows in most rig tracking metrics. There are extenuating circumstances. Winter stipulations have slowed activity in the Rockies, which is down 44 percent, or 129 units this year. Weather has been a factor. Positives include the Barnett Shale, where rig count appears to have stabilized after significant reductions during the last 75 days. Both the Haynesville and Marcellus are stable when compared to the market overall. But the story remains unchanged. Rig count plummets because the oil and gas industry is no longer economically viable at current commodity prices.

Headed to Auction—Seventeen rigs from two drilling companies are slated for auction in the next few weeks. This is an important marker in the drilling industry because auctions will set rig values. In a down market, that means significantly lower valuations. Auction results will be of interest for those who use net asset calculations, replacement cost metrics, or related measures to establish value for publicly held drilling companies. It is not clear whether there will be minimum prices set for the rigs. Preliminary discussion among rig brokers and other interested parties postulates a minimum value of \$2.4 million for a 1,000 horsepower mechanical unit, which is similar to several of the rigs hitting the auctioneer's tent. If there is no set minimum, auction results, conducted during a difficult time in the market, will have consequences, since lower rig values suggest another step down in the deflating environment for land drilling equities. From a business standpoint, it is worth noting that the long dormant auction market for rigs is reviving roughly 90 days after the worst of the rig count declines began. The takeaway is that drilling companies with leverage in highly competitive markets are facing distressed economic conditions. Another 90 days will be brutal for the industry.

Turn Out the Lights—Pioneer Drilling Company is the latest national driller closing a regional operation. The company shuttered its Oklahoma offices about a week ago. Pioneer joins Nabors and Patterson-UTI in the growing class of companies who are consolidating operations to cut costs as demand falls for drilling services. Most of the yard closings have been in Oklahoma and Texas, including one in the Barnett Shale. The existing rigs are allocated to another region for administration.

A Pontius Pilate Gas Market— Industry analysts are washing their hands when it comes to hope for natural gas prices. Summer is expected to be devastating for the market as rising production and falling demand produce brim-full storage, even with expanded storage capacity. It appears the industry will exit winter withdrawal season with a record 1.7 Tcf still in the ground. Another troublesome development involves a new round of LNG, which will come online this year at a time when European and Asian demand is falling. Don't look for any help on the natural gas side until storage season resets next Fall. Gas prices are headed lower until gas production rolls—an event now estimated to occur in the October 2009 timeframe.

One Small Piece of Potential Good News— Oil prices seem to have bottomed in February. In fact, oil is up almost \$10 versus that \$34 bottom. Rig count direction follows direction in commodity prices, lagged 90 days. If the December-February period produced repeated bottoms for oil, followed by a slight rally in March, it could signal that the end is in sight for the spiraling decline in drilling activity. It will take oil prices closer to \$60 for drilling to resume. Oil provides a slightly larger share of the revenue flow (versus natural gas) for the domestic industry. Questions? Call the Land Rig Newsletter 806-741-1531.

Cordially,
Richard Mason
Land Rig Newsletter

U.S. Land Biweekly Recap

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Traditional U.S. Land Active Rig Count										
Area	Active Rigs	Footage	Share	Oil Rigs	Oil Foot	Gas Rigs	Gas Footage	Hor. Rigs	Hor. Footage	Hor. Share
US Land	899	10,002,265	100.0%	176	1,750,191	723	8,252,074	359	3,851,095	38.5%
Texas	385	4,683,825	46.8%	61	585,189	324	4,098,636	175	1,986,496	51.6%
Louisiana	100	1,225,915	12.3%	4	45,818	96	1,180,097	43	508,686	13.2%
Oklahoma	99	1,136,887	11.4%	2	13,000	97	1,123,887	54	550,823	14.3%
North Dakota	47	548,587	5.5%	47	548,587	0	0	40	470,037	12.2%
Wyoming	34	432,959	4.3%	1	12,733	33	420,226	2	28,446	0.7%
New Mexico	36	333,373	3.3%	18	145,943	18	187,430	3	24,720	0.6%
Alaska	14	171,000	1.7%	13	161,250	1	9,750	0	0	0.0%
California	12	116,103	1.2%	6	48,300	6	67,803	0	-	0.0%

Market Shares, Publicly Held Companies										
Company	Active Rigs	Footage	Avg Depth	Rig Share	Foot. Share	Hor. Rigs	Hor. Footage	Hor. Share	Gas Footage	Gas Share
Helm. & Payne	111	1,263,397	11,382	12%	13%	48	549,975	14.3%	1,061,597	12.9%
Nabors	134	1,688,370	12,600	15%	17%	51	584,295	15.2%	1,332,389	16.1%
Precision/GW	64	788,907	12,327	7%	8%	27	310,784	8.1%	642,159	7.8%
Patterson UTI	64	714,599	11,166	7%	7%	29	302,951	7.9%	609,849	7.4%
Nomac	59	599,193	10,156	7%	6%	42	382,274	9.9%	599,193	7.3%
Unit	36	477,970	13,277	4%	5%	15	162,054	4.2%	475,923	5.8%
Trinidad	30	375,568	12,519	3%	4%	20	239,474	6.2%	348,185	4.2%
Rowan	6	279,200	46,533	1%	3%	5	75,500	2.0%	279,200	3.4%
Pioneer	21	258,335	12,302	2%	3%	6	70,035	1.8%	225,439	2.7%
Ensign USA	25	244,674	9,787	3%	2%	5	60,709	1.6%	142,640	1.7%
Union	22	166,255	7,557	2%	2%	15	119,005	3.1%	166,255	2.0%
Bronco	13	140,717	10,824	1%	1%	8	72,777	1.9%	119,167	1.4%
Capstar	9	69,613	7,735	1%	1%	1	9,000	0.2%	23,113	0.3%

Other Rigs Drilling 5,000 Feet or Less by Region										
Area	Active Rigs	Footage	Share	Oil Rigs	Oil Foot	Gas Rigs	Gas Footage	Hor. Rigs	Hor. Footage	Hor. Share
US Land <5,000	65	237,072	100.0%	28	103,749	37	133,323	30	108,750	45.9%
ArkLaTex	28	97,263	41.0%	1	1,700	27	95,563	26	91,263	83.9%
Midcontinent	23	85,880	36.2%	13	48,120	10	37,760	4	17,487	16.1%
Permian Basin	11	41,429	17.5%	11	41,429	-	-	-	-	0.0%
South Texas	2	8,000	3.4%	2	8,000	-	-	-	-	0.0%
Gulf Coast	1	4,500	1.9%	1	4,500	-	-	-	-	0.0%
All U.S. Land Rigs	964	10,239,337		204	1,853,940	760	8,385,397	389	3,959,845	

Notes: Top Table shows rig counts for units on location, post spud, pre-release on sample date.

Footage is derived from permitted well depth and represents sum of all rigs on sample date.

Top Table represents traditional rig counts, which typically do not include units drilling 5,000 feet or less. Bottom table shows the shallow market niche and therefore all rigs drilling for oil or gas.

Hor. is an abbreviation for horizontal. Avg. is an abbreviation for average.

Rig share represents percentage vs all active rigs. Footage share represents a contractor's footage percentage vs entire market.

Nabors represents Nabors Industries, including Nabors Drilling USA, Nabors Alaska and, in a few instances, Nabors Well Services.

Rigs are counted as active if they are found post spud/pre-release drilling for oil or gas. Units moving or rigging up on the sample date are not tallied as active, but are reflected in the marketed tallies on Page 5.

U.S. Land Biweekly Recap

Data: March 13, 2009

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Aggregate Rig Count by Oil and Gas Company Drilling Programs

	Q4 2007	Q1 2008	Q2 2008	Q3 2008	12/5/08	12/19/08	1/2/09	1/16/09	1/30/09	2/13/09	2/27/09	3/13/09	Avg	Sample	vs Q308
10+ Rigs*	892	931	985	1,076	979	965	860	733	717	628	535	479	737	0.65	0.68
4-9 Rigs	282	247	300	309	278	219	216	220	186	205	211	179	214	0.84	0.69
<3 Rigs	604	542	584	623	612	558	465	440	395	358	339	309	435	0.71	0.70
US Count All Rigs	1,778	1,720	1,869	2,008	1,869	1,742	1,541	1,393	1,298	1,191	1,085	964	1,385	0.70	0.69
Share 10+	50.2%	54.1%	52.7%	53.6%	52.4%	55.4%	55.8%	52.6%	55.2%	52.7%	49.3%	49.7%	53.2%	0.93	0.99
Share 4-9	15.9%	14.4%	16.1%	15.4%	14.9%	12.6%	14.0%	15.8%	14.3%	17.2%	19.4%	18.6%	15.5%	1.2007	1.00
Share <3	34.0%	31.5%	31.2%	31.0%	32.7%	32.0%	30.2%	31.6%	30.4%	30.1%	31.2%	32.1%	31.4%	1.02	1.01
Total Operators Active	541	481	527	568	550	489	432	400	365	342	329	309	402	0.77	0.71

Aggregate Rig Count by Oil and Gas Company Classification

	Q4 2007	Q1 2008	Q2 2008	Q3 2008	12/5/08	12/19/08	1/2/09	1/16/09	1/30/09	2/13/09	2/27/09	3/13/09	Avg	Sample	vs Q308
Large Cap	341	373	405	424	384	380	363	335	325	310	276	264	330	0.80	0.78
Majors	120	126	121	125	131	129	114	109	105	102	105	95	111	0.85	0.89
Superindependents	131	134	140	160	157	156	143	121	110	96	77	62	115	0.54	0.72
Mid-Cap Independents	296	302	330	361	317	287	250	216	214	192	179	159	227	0.70	0.63
Utilities	85	89	99	110	111	107	94	89	85	73	62	55	85	0.65	0.77
Private Companies	805	687	775	828	769	683	577	523	459	418	386	329	518	0.64	0.63

Rig Count Major Unconventional Plays

	Q4 2007	Q1 2008	Q2 2008	Q3 2008	12/5/08	12/19/08	1/2/09	1/16/09	1/30/09	2/13/09	2/27/09	3/13/09	Avg	Mktd	Util.
Barnett	146	168	173	174	167	154	145	139	124	111	82	85	126	203	42%
Fayetteville	45	35	43	51	51	51	51	47	40	47	45	40	47	72	56%
Woodford	40	46	48	43	33	34	35	33	30	33	29	29	32	65	45%
Haynesville (LA)	3	2	6	20	46	43	42	59	53	51	61	59	52	106	56%
Marcellus (PA)	8	15	21	23	22	22	25	23	20	23	29	21	23	43	49%
DJ Basin	17	15	22	19	23	23	22	19	14	13	14	12	18	40	30%
Greater Green River	54	54	55	68	72	75	60	57	56	53	49	34	57	109	31%
Piceance	78	78	81	86	79	71	66	53	50	38	31	30	52	109	28%
San Juan	20	18	19	23	19	18	13	12	12	10	12	12	14	26	46%
Uinta	39	36	40	42	35	31	28	21	19	22	22	17	24	52	33%
Williston	53	60	64	78	85	82	61	63	69	62	58	50	66	124	40%
Total Major Shales	295	326	355	389	404	386	359	364	336	327	304	284	346	613	46%
Total Major Tight Sands	188	183	198	215	209	200	176	150	139	126	116	93	151	310	30%
Total Major CBM	20	18	19	23	19	18	13	12	12	10	12	12	14	26	46%
Totals	503	527	572	627	632	604	548	526	487	463	432	389	510	949	41%

Regional Permits (running average)

	Q4 2007	Q1 2008	Q2 2008	Q3 2008	12/5/08	12/19/08	1/2/09	1/16/09	1/30/09	2/13/09	2/27/09	3/13/09	Avg	Sample	vs Q308
ArkLaTex	137	174	196	184	137	91	59	125	124	109	102	71	102	0.69	0.56
Gulf Coast	24	23	31	24	10	18	5	11	5	11	13	9	10	0.88	0.43
Midcontinent	193	211	231	243	119	120	59	79	89	72	86	87	89	0.98	0.37
Permian Basin	173	216	261	236	128	191	90	144	96	96	65	117	116	1.01	0.49
Rocky Mountains	232	322	374	341	314	250	271	233	252	144	280	239	248	0.96	0.73
South Texas	41	58	60	64	44	46	17	34	31	22	18	17	29	0.59	0.45
Other	417	395	393	391	338	302	253	422	339	252	410	288	326	0.88	0.83
Total	1,217	1,399	1,546	1,483	1,090	1,018	754	1,048	936	706	974	828	919	0.90	0.62

Itemization of 10+ rigs category is found on Page 10 of the statistical review. 10 or more rigs active indicates major drilling programs; three or fewer shows Moms and Pops or Small Privately Held Firms

Permits: RigData

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Contractor Regionals

Gulf Coast			
Utilization	43%	Gas Share	86%
Active Rigs	58	835,824	100%
Company	Rigs	Footage	Share
Nabors	13	217,300	26.0%
Helm & Payne	9	143,050	17.1%
Precision/GW	7	97,850	11.7%
Patterson UTI	9	55,750	6.7%
Rowan	4	47,000	5.6%

Rockies			
Utilization	34%	Gas Share	60%
Active Rigs	163	1,731,579	100%
Company	Rigs	Footage	Share
Helm & Payne	35	371,615	21.5%
Nabors	30	349,625	20.2%
Ensign	21	226,196	13.1%
Precision/GW	13	158,611	9.2%
Unit	9	117,538	6.8%

Horizontal Drilling			
Location Changes	46%	Gas Share	84%
Active Rigs	389	3,959,845	100%
Company	Rigs	Footage	Share
Nabors	51	584,295	14.8%
Helm & Payne	48	549,975	13.9%
Nomac	42	382,274	9.7%
Precision/GW	27	310,784	7.8%
Patterson UTI	29	302,951	7.7%

Permian Basin			
Utilization	27%	Gas Share	41%
Active Rigs	96	1,019,053	100%
Company	Rigs	Footage	Share
Helm & Payne	12	123,775	12.1%
Patterson UTI	11	115,900	11.4%
Nabors	7	75,700	7.4%
Lariat	5	65,000	6.4%
Big Dog	4	53,000	5.2%

South Texas			
Utilization	39%	Gas Share	95%
Active Rigs	64	788,250	100%
Company	Rigs	Footage	Share
Nabors	12	176,700	22.4%
Helm & Payne	10	123,800	15.7%
Precision/GW	9	115,900	14.7%
Pioneer	8	110,500	14.0%
Patterson UTI	7	81,500	10.3%

Directional Drilling			
Location Changes	46%	Gas Share	87%
Active Rigs	177	2,103,334	100%
Company	Rigs	Footage	Share
Nabors	45	593,905	28.2%
Helm & Payne	36	396,000	18.8%
Precision/GW	10	138,243	6.6%
Patterson UTI	12	126,690	6.0%
Unit	8	117,751	5.6%

Midcontinent			
Utilization	35%	Gas Share	97%
Active Rigs	146	1,636,959	100%
Company	Rigs	Footage	Share
Cactus	18	228,631	14.0%
Nomac	17	227,891	13.9%
Unit	17	220,213	13.5%
Helm & Payne	19	200,357	12.2%
Nabors	12	145,727	8.9%

ArkLaTex			
Utilization	51%	Gas Share	100%
Active Rigs	266	3,149,781	100%
Company	Rigs	Footage	Share
Nabors	49	597,043	19.0%
Trinidad	21	260,885	8.3%
Nomac	24	255,320	8.1%
Helm & Payne	20	234,600	7.4%
Patterson UTI	19	233,084	7.4%

Regional rig count on Pages 3-4 compares activity to Traditional Rig Count on Page One. Traditional Count does not include rigs drilling less than 5,000 feet in the ArkLaTex, Midcontinent, Gulf Coast, South Texas, or Permian Basin.

To reconcile the numbers with those reported by region on Pages 5 and 6, add the numbers from Other Rigs Drilling 5,000 Feet or Less at the bottom of Page One to the respective region.

Pages 3-4 address marketshare versus Traditional Count. Pages 5-6 address market share for all rigs drilling for oil or gas.

Reason for the two reporting methods involves internal metric tracking at the Land Rig Newsletter for how marketshare looks when compared to both Traditional Count, which is reflective of the non-proprietary rig counts, and the tally of all rigs drilling for oil or gas, regardless of class.

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Operator Regionals

Gulf Coast

Location Changes	19%	Gas Share	86%
Active Rigs	58	835,824	100%

Company	Rigs	Footage	Share
Anadarko	5	80,000	9.6%
BBX	3	47,000	5.6%
BP	2	41,000	4.9%
Samson	2	31,500	3.8%

Rockies

Location Changes	49%	Gas Share	60%
Active Rigs	163	1,731,579	100%

Company	Rigs	Footage	Share
EOG	12	123,554	7.1%
Ultra	8	112,000	6.5%
ConocoPhillips	13	105,094	6.1%
Williams	12	96,677	5.6%
EnCana	9	96,379	5.6%

Horizontal

Location Changes	46%	Gas Share	84%
Active Rigs	389	3,959,845	100%

Company	Rigs	Footage	Share
Chesapeake	68	675,242	17.1%
XTO	34	362,394	9.2%
EOG	33	328,929	8.3%
Devon	19	200,713	5.1%
Newfield	14	142,786	3.6%

Permian Basin

Location Changes	39%	Gas Share	41%
Active Rigs	96	1,019,053	100%

Company	Rigs	Footage	Share
Chesapeake	6	98,975	9.7%
Concho	11	92,500	9.1%
OXY	7	70,010	6.9%
SandRidge	4	53,000	5.2%
XTO	4	49,000	4.8%

South Texas

Location Changes	45%	Gas Share	95%
Active Rigs	64	788,250	100%

Company	Rigs	Footage	Share
ConocoPhillips	6	74,500	9.5%
Shell	4	62,100	7.9%
EOG	5	60,000	7.6%
El Paso	3	49,500	6.3%

Directional

Location Changes	46%	Gas Share	87%
Active Rigs	177	2,103,334	100%

Company	Rigs	Footage	Share
BP	16	170,239	8.1%
Anadarko	12	122,444	5.8%
Ultra	8	112,000	5.3%
ConocoPhillips	9	106,158	5.0%
Williams	11	94,967	4.5%

Midcontinent

Location Changes	43%	Gas Share	97%
Active Rigs	146	1,636,959	100%

Company	Rigs	Footage	Share
Chesapeake	19	249,371	15.2%
Newfield	14	142,786	8.7%
Laredo	9	131,555	8.0%
Devon	11	115,213	7.0%
BP	9	87,778	5.4%

ArkLaTex

Location Changes	45%	Gas Share	100%
Active Rigs	266	3,149,781	100%

Company	Rigs	Footage	Share
XTO	44	546,257	17.3%
Chesapeake	50	535,881	17.0%
EnCana	16	271,515	8.6%
EOG	15	160,489	5.1%

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Company	Fleet	Marketed	Active	Float	Fleet Util.	Market Util.	Adj.
Nabors Industries	349	276	134	12	38%	49%	53%
Patterson UTI	347	205	64	8	18%	31%	35%
Precision/GW	155	117	64	5	41%	55%	59%
Capstar	36	26	9	0	25%	35%	35%
Ensign USA	72	62	25	4	35%	40%	47%
Unit	132	84	36	2	27%	43%	45%
Helm & Payne	183	177	111	3	61%	63%	64%
Pioneer	69	52	21	3	30%	40%	46%
Bronco	56	37	13	0	23%	35%	35%
Union Drilling	63	63	22	3	35%	35%	40%
Region	Fleet	Marketed	Active	Float	Fleet Util.	Market Util.	Adj.
ArkLaTex	599	581	294	34	49%	51%	56%
Nabors	95	88	50	5	53%	57%	63%
Precision/GW	51	46	22	4	43%	48%	57%
Patterson UTI	70	52	19	2	27%	37%	40%
Pioneer	28	24	7	3	25%	29%	42%
Scan	20	20	17	1	85%	85%	90%
Helm. & Payne	45	45	20	2	44%	44%	49%
California	99	37	13	0	13%	35%	35%
Nabors	39	11	2	0	5%	18%	18%
Ensign USA	18	13	4	0	22%	31%	31%
Gulf Coast	209	138	59	1	28%	43%	43%
Nabors	52	20	13	0	25%	65%	65%
Precision/GW	36	16	7	0	19%	44%	44%
Patterson UTI	28	15	4	1	14%	27%	33%
Helm & Payne	20	18	9	0	45%	50%	50%
Rowan	17	4	3	0	18%	75%	75%
Midcontinent	563	480	169	14	30%	35%	38%
Nabors	67	37	12	0	18%	32%	32%
Patterson UTI	49	29	9	0	18%	31%	31%
Unit	81	49	18	0	22%	37%	37%
Bronco	38	28	9	0	24%	32%	32%
Helm & Payne	50	45	19	1	38%	42%	44%
Nomac	33	24	17	3	52%	71%	83%

Region	Fleet	Marketed	Active	Float	Fleet Util.	Market Util.	Adj.
Rockies	521	474	163	17	31%	34%	38%
Nabors	95	80	30	5	32%	38%	44%
Ensign USA	52	50	21	4	40%	42%	50%
Precision/GW	28	25	13	1	46%	52%	56%
Helm & Payne	54	50	35	0	65%	70%	70%
Unit	30	28	9	1	30%	32%	36%
Patterson UTI	49	38	11	1	22%	29%	32%
South Texas	247	178	66	8	27%	37%	42%
Precision/GW	36	23	9	0	25%	39%	39%
Helm & Payne	42	18	10	0	24%	56%	56%
Patterson UTI	46	27	7	3	15%	26%	37%
Nabors	39	26	12	0	31%	46%	46%
Pioneer	17	14	8	0	47%	57%	57%
Permian Basin	478	390	107	4	22%	27%	28%
Patterson UTI	171	54	11	0	6%	20%	20%
Precision/GW	43	20	5	0	12%	25%	25%
Nabors	28	23	7	1	25%	30%	35%
Big Dog	25	23	4	0	16%	17%	17%
Capstar	21	16	6	0	29%	38%	38%
Lariat	39	21	5	0	13%	24%	24%

Notes: Tables Show Utilization by company and region.

Fleet is the number of rigs each company reports as owned.

Marketed is the number of rigs that have drilled one or more wells in the last 90 days.

Active is defined as rigs onsite, post-spud, pre-release drilling for oil or gas on sample date.

Utilization is shown for total fleet and marketed fleet.

Some rigs may have worked in more than one region over the

last three months and are counted as part of the marketed fleet in each region worked.

For regions, the Fleet column reflects the highest number of unique rig numbers recorded

in that geographic area and may represent a historical number

rather than a current number (South Texas, Gulf Coast, California).

Differences between active and marketed fleet for contractors may represent

rigs moving or between wells and does not imply stacked equipment.

Active rigs represents units that are earning full day rates.

Note that publicly held drillers count rigs moving or rigging up as active in their published materials.

The Float Column contains rigs moving, rigging up, or otherwise contracted but not

fitting the definition of active rig (post spud, pre-release, drilling for oil or gas).

ADJ column adds Float to Active count and computes the totals versus marketed fleet.

Subtracting the Float plus Active total from Marketed Fleet produces rigs with no identifiable job

on the sample date. This number will include stacked rigs as a subset.

U.S. Land Biweekly Recap

Data: March 13, 2009

The Land Rig Newsletter

Rig Activity By Depth Range, By Region: All U.S. Land Rigs

Gulf Coast				Permian Basin				Midcontinent			
Active Rigs	59	840,324	100%	107	1,060,482	100%	169	1,722,839	100%		
Depth Range	Rigs	Footage	Share	Rigs	Footage	Share	Rigs	Footage	Share		
0-4,999	1	4,500	0.5%	11	41,429	3.9%	23	85,880	5.0%		
5,000-9,999	7	61,414	7.3%	40	293,318	27.7%	69	554,267	32.2%		
10,000-14,999	23	293,593	34.9%	44	513,735	48.4%	57	717,629	41.7%		
15,000-19,999	24	392,917	46.8%	9	152,000	14.3%	14	234,813	13.6%		
20,000+	4	87,900	10.5%	3	60,000	5.7%	6	130,250	7.6%		
Rockies				South Texas				ArkLaTex			
Active Rigs	163	1,731,579	100%	66	796,250	100%	294	3,247,044	100%		
Depth Range	Rigs	Footage	Share	Rigs	Footage	Share	Rigs	Footage	Share		
0-4,999	8	22,311	1.3%	2	8,000	1.0%	28	97,263	3.0%		
5,000-9,999	62	503,964	29.1%	16	128,200	16.1%	66	539,734	16.6%		
10,000-14,999	84	1,056,881	61.0%	35	442,250	55.5%	161	1,929,247	59.4%		
15,000-19,999	8	128,413	7.4%	12	197,800	24.8%	26	418,800	12.9%		
20,000+	1	20,010	1.2%	1	20,000	2.5%	13	262,000	8.1%		
California				Appalachia				Alaska			
Active Rigs	13	131,133	100%	62	387,389	100%	14	171,000	100%		
Depth Range	Rigs	Footage	Share	Rigs	Footage	Share	Rigs	Footage	Share		
0-4,999	2	5,800	4.4%	17	62,071	16.0%	1	3,750	2.2%		
5,000-9,999	4	27,053	20.6%	43	301,730	77.9%	4	33,750	19.7%		
10,000-14,999	5	64,500	49.2%	2	23,588	6.1%	4	45,000	26.3%		
15,000-19,999	2	33,780	25.8%	-	-	0.0%	5	88,500	51.8%		
20,000+	-	-	0.0%	-	-	0.0%	-	-	0.0%		
Southeast				Midwest				U.S. Land			
Active Rigs	9	118,600	100%	8	32,697	100%	964	10,239,337	100%		
Depth Range	Rigs	Footage	Share	Rigs	Footage	Share	Rigs	Footage	Share		
0-4,999	1	4,800	4.0%	5	14,962	45.8%	99	350,766	3.4%		
5,000-9,999	2	16,200	13.7%	3	17,735	54%	316	2,477,365	24.2%		
10,000-14,999	1	12,500	10.5%	-	-	0.0%	416	5,098,923	49.8%		
15,000-19,999	5	85,100	71.8%	-	-	0.0%	105	1,732,123	16.9%		
20,000+	-	-	0.0%	-	-	0.0%	28	580,160	5.7%		

Notes: Page 6 Table Reflects all rigs post spud, pre-release drilling for oil or gas, regardless of depth.

U.S. Land Biweekly Recap

Data: March 13, 2009

The Land Rig Newsletter

Rig Class Utilization By Region

Horsepower

	Gulf Coast			Permian Basin			Midcontinent		
	Marketed	Active	Util.	Marketed	Active	Util.	Marketed	Active	Util.
	133	58	44%	404	101	25%	479	160	33%
1-499	6	1	17%	55	12	22%	77	19	25%
500-999	31	8	26%	195	44	23%	147	43	29%
1,000-1,499	23	10	43%	97	28	29%	140	50	36%
1,500-1,999	39	18	46%	41	13	32%	97	39	40%
2,000+	34	21	62%	16	4	25%	18	9	50%
* Not Known	5	1		9	6		15	9	
	Rockies			South Texas			ArkLaTex		
	Marketed	Active	Util.	Marketed	Active	Util.	Marketed	Active	Util.
	478	153	32%	191	64	34%	586	283	48%
1-499	71	6	8%	23	4	17%	15	2	13%
500-999	125	21	17%	61	14	23%	167	65	39%
1,000-1,499	166	64	39%	46	19	41%	226	107	47%
1,500-1,999	96	54	56%	42	22	52%	139	84	60%
2,000+	20	8	40%	19	5	26%	39	25	64%
Not Known	33	10		11	2		10	11	
	California			Appalachia			Alaska		
	Marketed	Active	Util.	Marketed	Active	Util.	Marketed	Active	Util.
	39	12	31%	132	59	45%	18	14	78%
1-499	8	1	13%	35	21	60%	1	0	0%
500-999	14	3	21%	81	30	37%	6	5	83%
1,000-1,499	8	2	25%	14	6	43%	6	4	67%
1,500-1,999	7	5	71%	2	2	100%	0	0	
2,000+	2	1		0	0		5	5	100%
Not Known	2	1		22	3		0	0	
	Southeast			Midwest			U.S. Land		
	Marketed	Active	Util.	Marketed	Active	Util.	Marketed**	Active	Util.
	32	7	22%	44	7	16%	2,195	918	42%
1-499	4	1	25%	21	2	10%	270	69	26%
500-999	7	1	14%	20	4	20%	748	238	32%
1,000-1,499	5	0	0%	3	1		634	291	46%
1,500-1,999	8	2	25%	0	0		409	239	58%
2,000+	8	3	38%	0	0		134	81	60%
Not Known	6	2		1	1		96	46	

Notes: Page 7 Table reflects Utilization by Horsepower Class for U.S. drilling regions. A rig is counted as marketed in each region in which it has drilled one or more oil or gas wells over the preceding 90 days.

* The designation Not Known refers to rigs for which there is no horsepower designation in the sample.

**U.S. Land Marketed eliminates duplicates from rigs working multiple regions.

These are working numbers as of the publication date and subject to revision as more complete data becomes available.

U.S. Land Biweekly Recap

Data: March 13, 2009

The Land Rig Newsletter

Unconventional Activity Recap

Contractors: Major Unconventional Plays

Barnett Shale Texas			
Utilization	42%	Gas Share	100%
Active Rigs	85	799,276	100%
Company	Footage	Share	
Helm & Payne	13	119,600	15.0%
Patterson UTI	8	78,500	9.8%
Nomac	8	75,000	9.4%
Union	8	80,000	10.0%

DJ Basin Colorado			
Utilization	30%	Gas Share	85%
Active Rigs	12	92,636	100%
Company	Footage	Share	
Ensign USA	4	31,887	34.4%
Xtreme	3	23,893	25.8%
Patterson UTI	2	15,094	16.3%
Cade	1	7,412	8.0%

San Juan Basin New Mexico/Colorado			
Utilization	46%	Gas Share	100%
Active Rigs	12	78,058	100%
Company	Footage	Share	
Aztec	5	34,326	44.0%
Helm & Payne	5	29,388	37.6%
Patterson UTI	1	8,494	10.9%
Pinpoint	1	5,850	7.5%

Haynesville (Louisiana Core)			
Utilization	56%	Gas Share	100%
Active Rigs	59	710,199	100%
Company	Footage	Share	
Nabors USA	18	208,828	29.4%
Trinidad	12	142,177	20.0%
Nomac	7	82,710	11.6%
Patterson UTI	6	80,584	11.3%

Fayetteville Shale Arkansas				
Utilization	56%	Gas Share	100%	
Active Rigs	40	196,915	100%	
Company	Rigs	Footage	Share	
Nomac	11	50,548	25.7%	
DeSoto	12	49,450	25.1%	
Nabors	6	34,840	17.7%	
Saxon	5	20,200	10.3%	

Greater Green River Basin Wyoming				
Utilization	31%	Gas Share	100%	
Active Rigs	34	439,099	100%	
Company	Rigs	Footage	Share	
Nabors	8	103,506	23.6%	
Unit	7	99,491	22.7%	
Ensign USA	7	82,014	18.7%	
Helm & Payne	5	64,293	14.6%	

Uinta Basin Utah/Colorado				
Utilization	33%	Gas Share	76%	
Active Rigs	17	170,251	100%	
Company	Rigs	Footage	Share	
Pioneer	2	19,000	11.2%	
Frontier	2	18,800	11.0%	
TRUE	2	18,455	10.8%	
Nabors	1	16,200	9.5%	

Marcellus Pennsylvania				
Utilization	43%	Gas Share	100%	
Active Rigs	21	173,230	100%	
Company	Rigs	Footage	Share	
Nomac	7	64,746	37.4%	
Patterson UTI	3	27,040	15.6%	
S W Jack	3	21,800	12.6%	
Horizontal Well Drillers	2	16,043	9.3%	

Woodford Shale Oklahoma			
Utilization	45%	Gas Share	100%
Active Rigs	29	266,737	100%
Company	Rigs	Footage	Share
Cactus	6	64,456	24.2%
Goober	5	45,487	17.1%
Helm & Payne	5	42,032	15.8%
Nabors	4	39,324	14.7%

Piceance Basin Colorado			
Utilization	28%	Gas Share	98%
Active Rigs	30	292,826	100%
Company	Rigs	Footage	Share
Helm & Payne	17	175,791	60.0%
Nabors	5	42,438	14.5%
Patterson UTI	2	19,447	6.6%
Cyclone	2	14,951	5.1%

Williston Basin North Dakota/Montana			
Utilization	40%	Gas Share	0%
Active Rigs	50	581,623	100%
Company	Rigs	Footage	Share
Nabors	13	151,301	26.0%
Ensign USA	8	96,234	16.5%
Helm & Payne	7	92,060	15.8%
Precision/GW	6	71,826	12.3%

U.S. Land Biweekly Recap

Data: March 13, 2009

The Land Rig Newsletter

Unconventional Activity Recap

Operators: Major Unconventional Plays

Barnett Shale <small>Texas</small>				
Location Changes	81%	Gas Share	100%	
Active Rigs	85	799,276	100%	
Company	Rigs	Footage	Share	
Chesapeake	20	183,000	22.9%	
XTO	16	175,000	21.9%	
EOG	16	143,100	17.9%	
Devon	8	72,000	9.0%	

DJ Basin <small>Colorado</small>				
Location Changes	100%	Gas Share	85%	
Active Rigs	12	92,636	100%	
Company	Rigs	Footage	Share	
Anadarko	5	39,641	42.8%	
Noble	4	30,707	33.1%	
Petroleum Dev	1	7,938	8.6%	
Walsh	1	7,750	8.4%	

San Juan Basin <small>New Mexico/Colorado</small>				
Location Changes	83%	Gas Share	100%	
Active Rigs	12	78,058	100%	
Company	Rigs	Footage	Share	
ConocoPhillips	8	57,126	73.2%	
Energen	1	8,494	10.9%	
BP	2	6,588	8.4%	
Samson	1	5,850	7.5%	

Haynesville <small>(Louisiana Core)</small>				
Location Changes	34%	Gas Share	100%	
Active Rigs	59	710,199	100%	
Company	Rigs	Footage	Share	
Chesapeake	19	224,001	31.5%	
Petrohawk	10	119,357	16.8%	
EXCO	5	63,585	9.0%	
EnCana	4	50,215	7.1%	

Fayetteville Shale <small>Arkansas</small>				
Location Changes	80%	Gas Share	100%	
Active Rigs	40	196,915	100%	
Company	Rigs	Footage	Share	
Southwestern	19	83,850	42.6%	
Chesapeake	12	56,818	28.9%	
XTO	6	35,047	17.8%	
Stephens	2	13,200	6.7%	

Greater Green River Basin <small>Wyoming</small>				
Location Changes	76%	Gas Share	100%	
Active Rigs	34	439,099	100%	
Company	Rigs	Footage	Share	
Ultra	8	112,000	25.5%	
Questar	6	85,491	19.5%	
EnCana	5	59,518	13.6%	
Wexpro	4	48,791	11.1%	

Uinta Basin <small>Utah/Colorado</small>				
Location Changes	59%	Gas Share	76%	
Active Rigs	17	170,251	100%	
Company	Rigs	Footage	Share	
Anadarko	4	39,003	22.9%	
EOG	4	32,568	19.1%	
Newfield	3	29,180	17.1%	
Wolverine	1	13,400	7.9%	

Marcellus <small>Pennsylvania</small>				
Location Changes	62%	Gas Share	100%	
Active Rigs	21	173,230	100%	
Company	Rigs	Footage	Share	
Atlas	6	51,300	29.6%	
Cabot	3	21,800	12.6%	
Chesapeake	2	22,446	13.0%	
Chief	2	18,500	10.7%	

Woodford Shale <small>Oklahoma</small>				
Location Changes	41%	Gas Share	100%	
Active Rigs	29	266,737	100%	
Company	Rigs	Footage	Share	
Newfield	11	102,823	38.5%	
BP	5	46,506	17.4%	
XTO	4	41,380	15.5%	
Devon	3	24,900	9.3%	

Piceance Basin <small>Colorado</small>				
Location Changes	70%	Gas Share	98%	
Active Rigs	30	292,826	100%	
Company	Rigs	Footage	Share	
Williams	11	94,967	32.4%	
ExxonMobil	6	80,777	27.6%	
EnCana	4	36,861	12.6%	
Chevron	3	23,265	7.9%	

Williston Basin <small>North Dakota/Montana</small>				
Location Changes	28%	Gas Share	0%	
Active Rigs	50	581,623	100%	
Company	Rigs	Footage	Share	
XTO	7	83,476	14.4%	
EOG	7	78,253	13.5%	
Continental	5	55,759	9.6%	
Hess	4	53,250	9.2%	

U.S. Land Biweekly Recap

Data: March 13, 2009

The Land Rig Newsletter

Top Oil and Gas Company Rig Employment by Depth

Total 0 - 4,999 ft 99 350,766 100%

Company	Rigs	Footage	Share
Southwestern	15	54,850	15.6%
Chesapeake	7	26,588	7.6%
New Dominion	3	13,961	4.0%
XTO	3	13,086	3.7%
Range	3	12,364	3.5%

Total 5,000 - 9,999 ft 316 2,477,365 100%

Company	Rigs	Footage	Share
Chesapeake	33	267,895	10.8%
EOG	20	162,285	6.6%
BP	12	101,038	4.1%
Devon	11	96,900	3.9%
Williams	11	88,342	3.6%

Total 10,000 - 14,999 ft 416 5,098,923 100%

Company	Rigs	Footage	Share
XTO	43	524,196	10.3%
Chesapeake	35	423,701	8.3%
EOG	25	288,602	5.7%
Questar	15	190,197	3.7%
ConocoPhillips	15	181,433	3.6%

Total >15,000 ft 133 2,312,283 100%

Company	Rigs	Footage	Share
Chesapeake	16	298,438	12.9%
EnCana	10	200,000	8.6%
XTO	10	163,638	7.1%
Anadarko	7	117,000	5.1%
Total US Onshore	964	10,239,337	

Top Nonvertical Drilling Programs

Land 566 6,063,179 100%

Company	Rigs	Footage	Share
Chesapeake	72	727,653	12.00%
XTO	39	436,044	7.19%
EOG	36	360,719	5.95%
Devon	21	231,863	3.82%
BP	22	226,315	3.73%
Anadarko	18	214,444	3.54%
ConocoPhillips	18	204,126	3.37%
EnCana	12	145,076	2.39%
Newfield	14	142,786	2.35%
Petrohawk	11	137,157	2.26%
Questar	10	133,577	2.20%
Ultra	8	112,000	1.85%

Top Gas Drilling Programs

Land 760 8,385,397 100%

Company	Rigs	Footage	Share
Chesapeake	88	977,647	11.66%
XTO	57	666,243	7.95%
Devon	22	244,363	2.91%
Anadarko	24	292,944	3.49%
EOG	35	346,100	4.13%
EnCana	26	376,894	4.49%
Newfield	17	194,486	2.32%
Samson	10	119,800	1.43%
Cimarex	4	47,509	0.57%
BP	18	186,023	2.22%
El Paso	8	109,755	1.31%
Apache	2	27,100	0.32%

E&P Firms 10 Rigs or More Active

3/13/09

Chesapeake Energy Corporation	91
XTO Energy, Inc.	65
EOG Resources, Inc.	45
ConocoPhillips Company	35
EnCana Corporation	26
Anadarko Petroleum Corporation	25
BP America Production Company	25
Devon Energy Corporation	23
Southwestern Energy Company	22
Newfield Exploration Company	19
Questar Exploration & Production Co.	16
Range Resources Corporation	14
Williams Companies, Inc., The	14
Occidental Petroleum Corporation	12
Petrohawk Energy Corporation	12
Concho Resources, Inc.	11
Laredo Petroleum, Inc.	11
Samson Investment Company	10
Subtotal	476
Share	49.4%
Total	964

U.S. Land Biweekly Recap

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The Land Rig Newsletter

Featured Operators

Oil and Gas Company	Q407 AVG	Q107 AVG	Q208 AVG	Q308 AVG	Q408 AVG	12/5/08	12/19/08	1/2/09	1/16/09	1/30/09	2/13/09	2/27/09	3/13/09	Avg	Sample	vs Q4 08*
Anadarko	39	42	35	40	46	48	47	40	35	29	29	32	25	36	0.70	0.77
Apache	12	18	23	24	14	7	5	4	4	3	4	3	2	4	0.50	0.29
BP	24	23	21	23	26	27	27	26	24	28	29	32	25	27	0.92	1.05
Chesapeake	127	121	130	136	121	115	109	114	100	98	105	95	91	103	0.88	0.85
Chevron	11	12	9	7	8	8	7	9	9	9	7	9	9	8	1.07	1.05
Cimarex	23	23	28	31	23	19	12	9	7	7	4	4	5	8	0.60	0.36
ConocoPhillips	48	46	46	48	48	49	47	43	41	39	39	36	35	41	0.85	0.86
Continental	14	14	19	24	23	16	16	12	8	11	7	6	8	11	0.76	0.46
Devon	66	60	65	72	79	74	76	70	63	59	45	29	23	55	0.42	0.69
El Paso	11	17	20	21	18	14	14	13	13	12	13	9	9	12	0.74	0.67
EnCana	37	38	45	43	45	46	43	42	39	36	39	32	26	38	0.69	0.84
Endeavor	11	10	11	10	12	12	14	10	12	10	8	9	6	10	0.59	0.84
EOG	49	59	62	61	57	53	58	54	49	58	52	44	45	52	0.87	0.91
ExxonMobil	5	8	9	10	10	11	11	10	9	10	9	9	8	10	0.83	0.96
Forest	12	13	19	23	22	17	17	11	11	6	6	6	4	10	0.41	0.44
Marathon	18	16	17	17	18	17	18	12	13	9	9	9	6	12	0.52	0.65
Newfield	27	27	28	29	31	30	32	31	30	28	24	22	19	27	0.70	0.87
Noble	13	13	14	13	11	11	10	13	9	10	9	9	8	10	0.81	0.90
OXY	15	15	18	23	28	28	28	29	19	18	18	13	12	21	0.58	0.74
Petrohawk	4	11	12	16	24	25	25	23	18	17	13	15	12	19	0.65	0.77
Pioneer Natural	23	22	23	24	18	11	12	10	7	7	2	1	1	6	0.16	0.35
Range	14	18	18	19	14	15	11	11	14	15	14	12	14	13	1.06	0.95
Questar	22	33	32	22	25	24	22	23	19	14	18	16	16	19	0.84	0.76
Quicksilver	12	11	12	12	10	11	10	6	7	7	5	4	7	7	0.98	0.71
Samson	20	20	22	24	20	20	15	18	11	10	10	9	10	13	0.78	0.64
SandRidge	32	34	36	34	29	28	26	20	13	15	12	9	5	16	0.31	0.55
Shell	11	14	10	11	12	11	12	11	9	6	4	3	6	8	0.77	0.65
Southwestern	25	23	21	23	22	20	18	22	23	22	19	21	22	21	1.05	0.95
Ultra	8	10	12	12	13	13	15	13	12	13	12	9	8	12	0.67	0.91
Williams	41	32	34	40	48	48	47	39	40	39	21	19	14	33	0.42	0.70
XTO	65	67	72	77	84	84	85	76	76	69	66	63	65	73	0.89	0.87
Totals	839	870	923	969	959	912	889	824	744	714	652	589	546	734	0.74	0.77
Share	47.3%	50.5%	49.4%	48.3%	50.9%	48.8%	51.0%	53.5%	53.4%	55.0%	54.7%	54.3%	56.6%	53.0%	1.07	1.04
US Count	1,773	1,721	1,869	2,008	1,883	1,869	1,742	1,541	1,393	1,298	1,191	1,085	964	1,385	0.70	0.74

*Trend Indicators represent the ratio of current activity to recent trends. A ratio greater than one signals rising activity; a ratio less than one indicates declining activity. The Sample Indicator compares the current sample with the running average. The vs column compares current running average versus the previous quarter