

WOODBINE PETROLEUM, INC.
SHUGART YATES, SEVEN RIVERS, QUEEN, GRAYBURG FIELD
EDDY COUNTY, NEW MEXICO

WATER DISPOSAL COST PER BARREL

| | |
|---------------------------------|-------------|
| Current disposal cost (Apr. 91) | \$ 1.28 |
| NM Tax (5.0%) | <u>0.06</u> |
| Total disposal cost per barrel | \$ 1.34 |
| | ===== |

LEASE WATER DISPOSAL EXPENSE

| | |
|--|-----------------|
| Current water production | 79 BWPD |
| Immediate future water production | |
| Yates Federal Wells No. 3 and No. 4 | 100 BWPD |
| Proposed Hadson Federal Well No. 3 and No. 4 | <u>120 BWPD</u> |
| Projected additional water production with decline | 299 BWPD |
| | ===== |

At anticipated total salt water production of 300 BPD, total salt water disposal expense will be \$146,730 per year, with no adjustment for inflation.

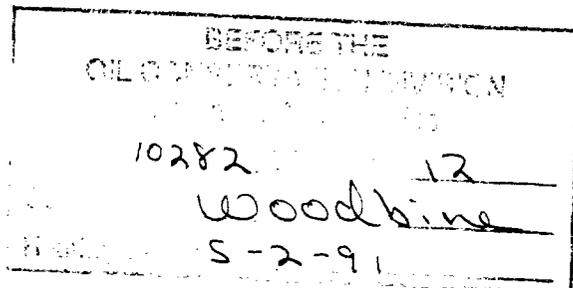


EXHIBIT _____