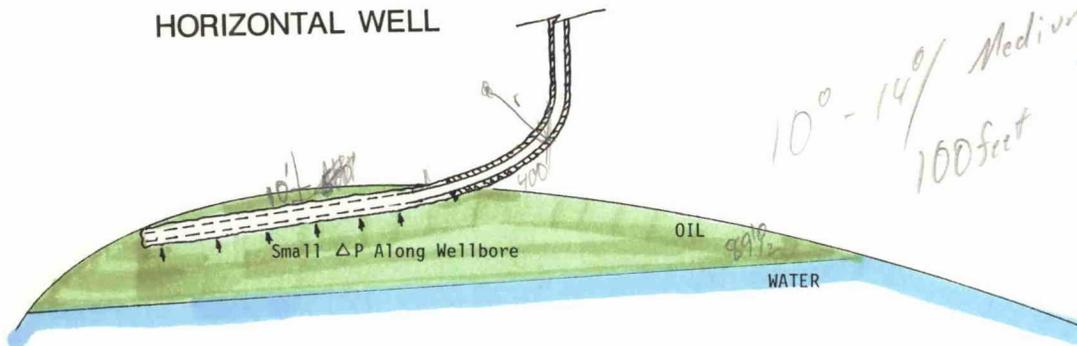


REASONS SUPPORTING HORIZONTAL DRILLING



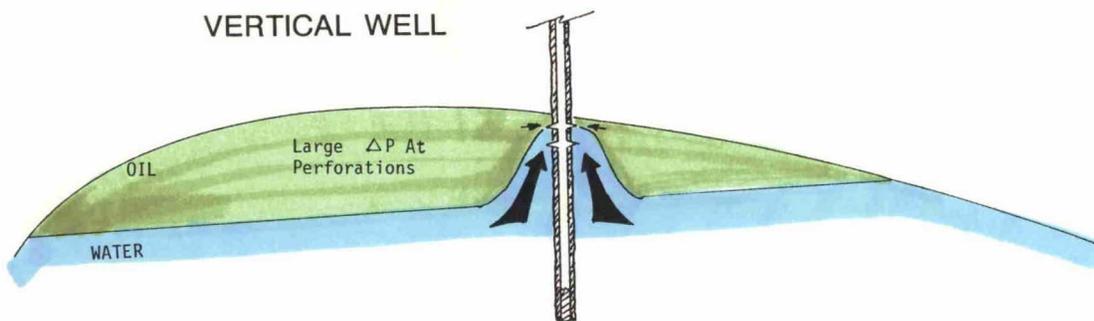
ADVANTAGES -

- \* Less tendency to form a water cone.
- \* Less produced water to handle.
- \* Lower operating costs.
- \* Higher oil production rates.
- \* Larger reservoir contact, better drainage.

DISADVANTAGES -

- \* Higher drilling cost.
- \* More difficult and costly to repair.
- \* Difficult to alter completion.

*slotted liner*



ADVANTAGES -

- \* Less expensive to drill.
- \* Easier to repair.

DISADVANTAGES -

- \* Water cone unavoidable.
- \* High water rates and operating costs.
- \* Less oil recovery due to economics.
- \* Less efficient drainage.