

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
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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
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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.

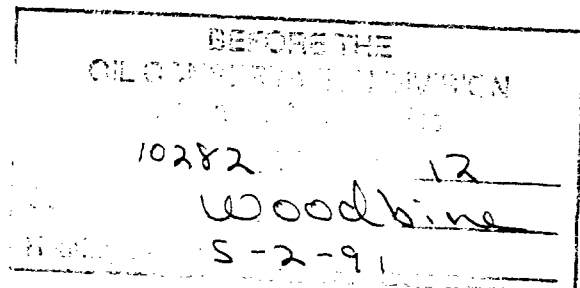


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