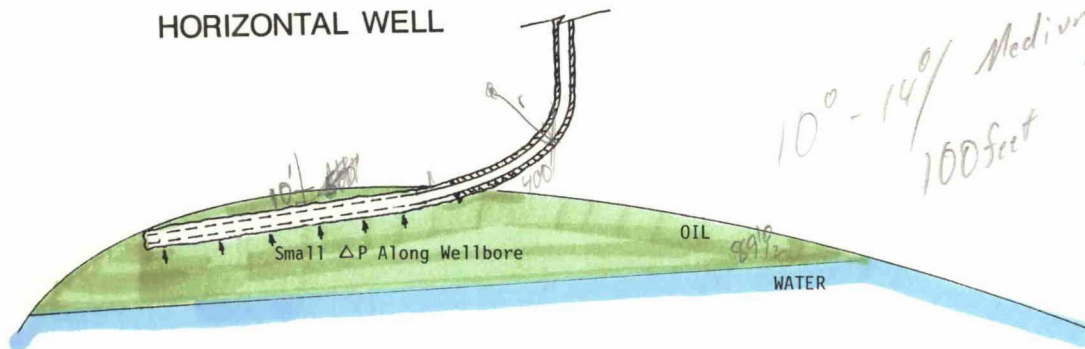


REASONS SUPPORTING HORIZONTAL DRILLING

HORIZONTAL WELL



ADVANTAGES -

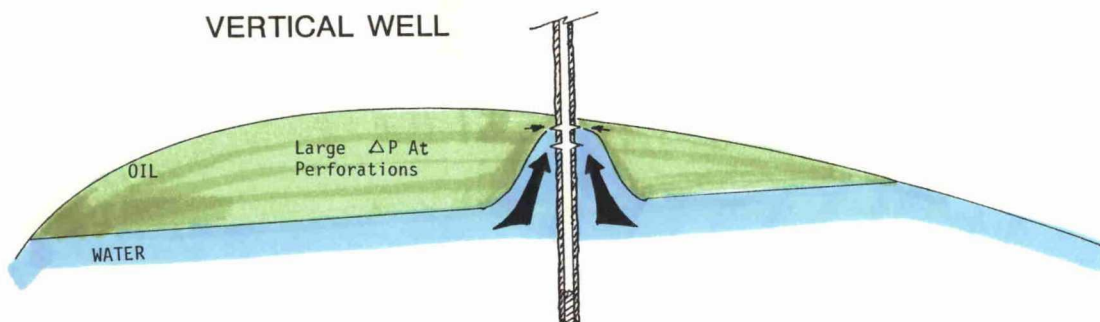
- * Less tendency to form a water cone.
- * Less produced water to handle.
- * Lower operating costs.
- * Higher oil production rates.
- * Larger reservoir contact, better drainage.

DISADVANTAGES -

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

slotted liner

VERTICAL WELL



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.