

ECONOMICS
BW Federal "31" No. 1
Collins & Ware, Inc.
Lea County, New Mexico

Attached to Sundry Notice dated March 11, 1993.

Economics:

Due to the high cost to reclaim 211 barrels of oil; it was pumped down hole. Below are comparative cost.

Cost to Reclaim the oil:		Cost to pump the 298 barrels of total fluid down hole	
100 barrels of condensate to treat with		Kill Truck	\$310
market value \$18.00	\$1,800		
Treating approximately 300 barrels of fluid		Pump Truck	\$300
estimated 4 hours at \$65.00/hour	\$260		
Vacuum truck		Supervision	\$200
estimated 3 hours at \$54.00/hour	\$162		
Supervision plus expenses:	\$200		\$810
Total to reclaim the oil:	\$2,422		

Because of the economics it was decided to pump the heavy oil and fluid down hole.