

ANALYSIS OF BORONIZED TUBING RUN-TIMES

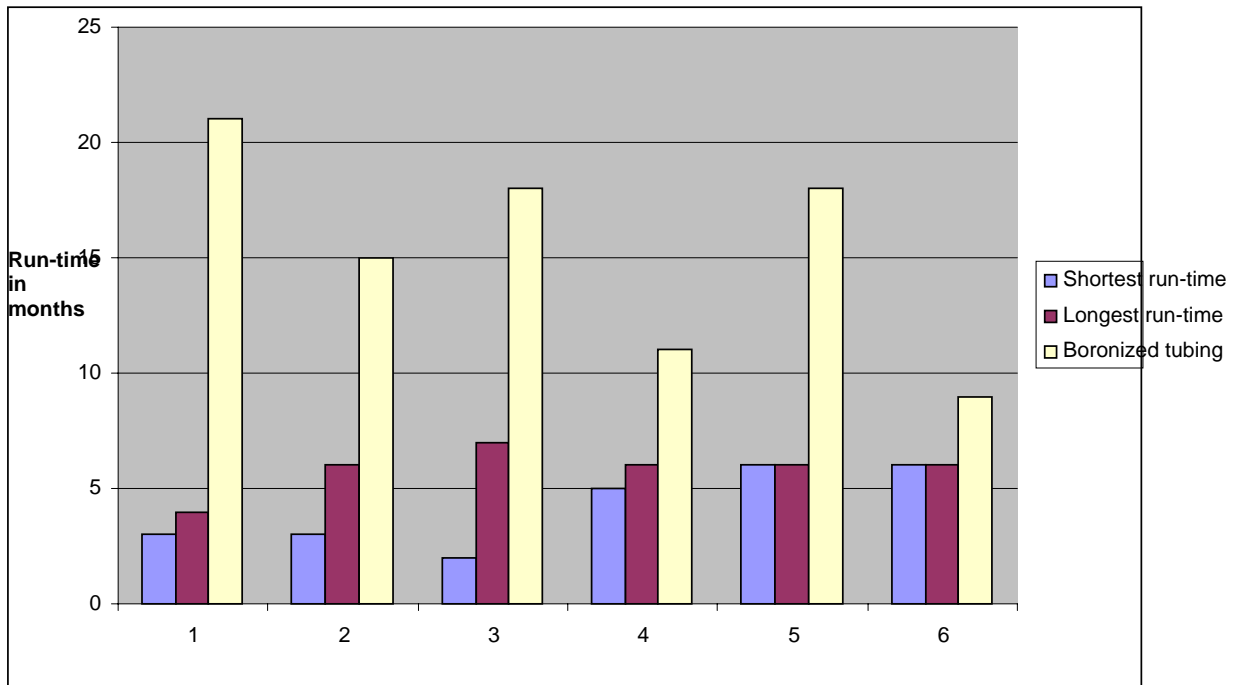
A MAJOR OIL COMPANY IN THE SAN JOAQUIN VALLEY, CALIFORNIA

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A major oil producer in the Valley installed boronized production tubing in 13 wells over the past 21 months.

The chart below depicts the run-time of J55 tubing vs. boronized tubing. The blue bar represents the shortest run-times with J55. The burgundy bar represents the longest run-time with J55. The pale bar represents the run-time with boronized tubing.

NOTE: For all wells except #4, the boronized tubing is still installed in the well. Therefore, the run-times for the wells with boronized tubing will be longer than shown in the chart.



Data for the other seven wells was not gathered because well files are incomplete or it was not possible to accurately determine run-times.

The boronized tubing was only installed in areas of significant wear, rather than full strings, due to the high cost of the product. Most of the installations were in rod pump wells with deviations and CO₂. Most wells received five to twelve joints.

CONCLUSION

Boronized tubing has provided a significant increase in run-times on wells that were previously being pulled on a frequent basis. In the best case scenarios (shortest run-times with J55), boronized tubing increased run-times by a factor of 6 or more. Except in well #6 (where boronized tubing was only installed in March/07 and is still in the ground), boronized tubing at a minimum doubled or tripled run-times.

Boronized tubing significantly improved the economics of the wells in question. Assuming an average pulling job costs \$8,000, and the incremental cost of the boronized tubing was in the neighborhood of \$700 per joint, the boronized tubing more than paid for itself by doubling run-times. If lost production was factored into the Return On Investment, the cost savings would be even higher.