

Kansas Lift cost reduction



Below is a table of the tangible individual well costs and benefits for the project. From May 2005 until October 2005 we have brought on 16 wells in total. The results average \$8,367 tangible savings per well for a total of \$133,865. This is not considering the elimination of well downtime required to pump the flush production. In addition as more and more wells are treated with KH-30 we expect to see strategic benefits beyond the well operations.

Cost benefit KH-30 Continuous Injection	Per Well Monthly	Per Well Yearly
Frequency of treatments	1.50	18
Cost per treatment	\$ 475	\$ 5,700
Overhead costs (perc.of treatment costs)	15%	15%
Total Costs of Hot Oil treatments	\$ 819	\$ 9,833
Cost of K-line KH-30	\$ 122	\$ 1,466
Cost savings	\$ 697	\$ 8,367
Avg.production delay (days)	1.25	15
Value oil Production Delay	\$ 956	\$ 11,475

Data used for Calculations	
Price of Oil (Barrel)	\$ 60
Average Oil Production per day (BPD)	8.50
KH-30 treatment (PPM)	500
KH-30 usage per day (gallons) *	0.18
Cost of K-line (gallon)	\$ 22.50

* Usage is based the average oil production per day

Strategic benefits beyond the Well operations

- By constantly dispersing paraffin at the wells the flow lines and pipelines will be treated as KH-30 will flow beyond the individual wells treated
- Improvements in flow lines production due to more laminar flow and viscosity reductions
- Potential avoidance of tank sludge buildup as the KH-30 travels past the pipelines into storage tanks

Hot Oiling Problems Eliminated

- Formation Plugging
- Hot oil safety incidents

KS #1

Below is an example of a small batch treatment that increased the well production by 57%.

	Well Name	Type of well	Well depth in feet	Water amount %	API	date of initial treatment
	KS #1	pumping	3,900	0%	26	1-Oct-05
Well problem	Hot oil treatments required bi-weekly due to high parraffin content					
Solution	Mix 15 gallons of KH-30 with with 5 bbl of lease crude on top. Let the well soak over night.					

	KS #1
KS #1	oil production (BNPD)
Before	35
After	55
Increase	20
Perc. Increase	57%

Trinidad – CO178

Below is an example of our first well in Trinidad with Petrotrin SF. The initial results are outstanding bringing the well production beyond its historic maximum of 20 BPD. The well is now producing steady 29 BPD and before was only producing 3 BPD because of the high paraffin sludge content.

	Well Name	Type of well / age	Well depth in feet	Water amount %	API	date of initial treatment
	CO-178 COORA	pumping, 56 yrs	5,840	0%	20	4-Nov-05
Well problem	Low production due to Paraffin sludge deposits					
Solution	Blended 4 drums of KX-100 with 4 drums of diesel and then followed that with 16 drums of diesel and 8 drums of light crude oil. The well was shut in for 48 hours, and it was then put back into production.					
			CO-178 COORA			
		CO-178 COORA	oil production (BNPD)	gas production (BNPD)		
		Before	3	0		
		After	29	0		
		Increase	26	0		
		Perc. Increase	867%	0		

Key Assumptions – for all measurements of Well Production improvements

- When measuring the oil production after treatment the flush production was not considered as increased production
- Results are measured for the initial production increase
- All Drums of our treatment are 55 gallon drums.
- All barrels of oil are 42 gallons.

Venezuela - Summary



Wells	Before	After	Initial Percentage improvement
GS 230	12	156	1200%
11M-254	55	371	575%
GVJ-6	89	158	78%
11M258	120	190	58%
GS-41	24	32	31%
GS 432	24	27	13%
Average per Well	54	156	188%



Well - Ven GS 230

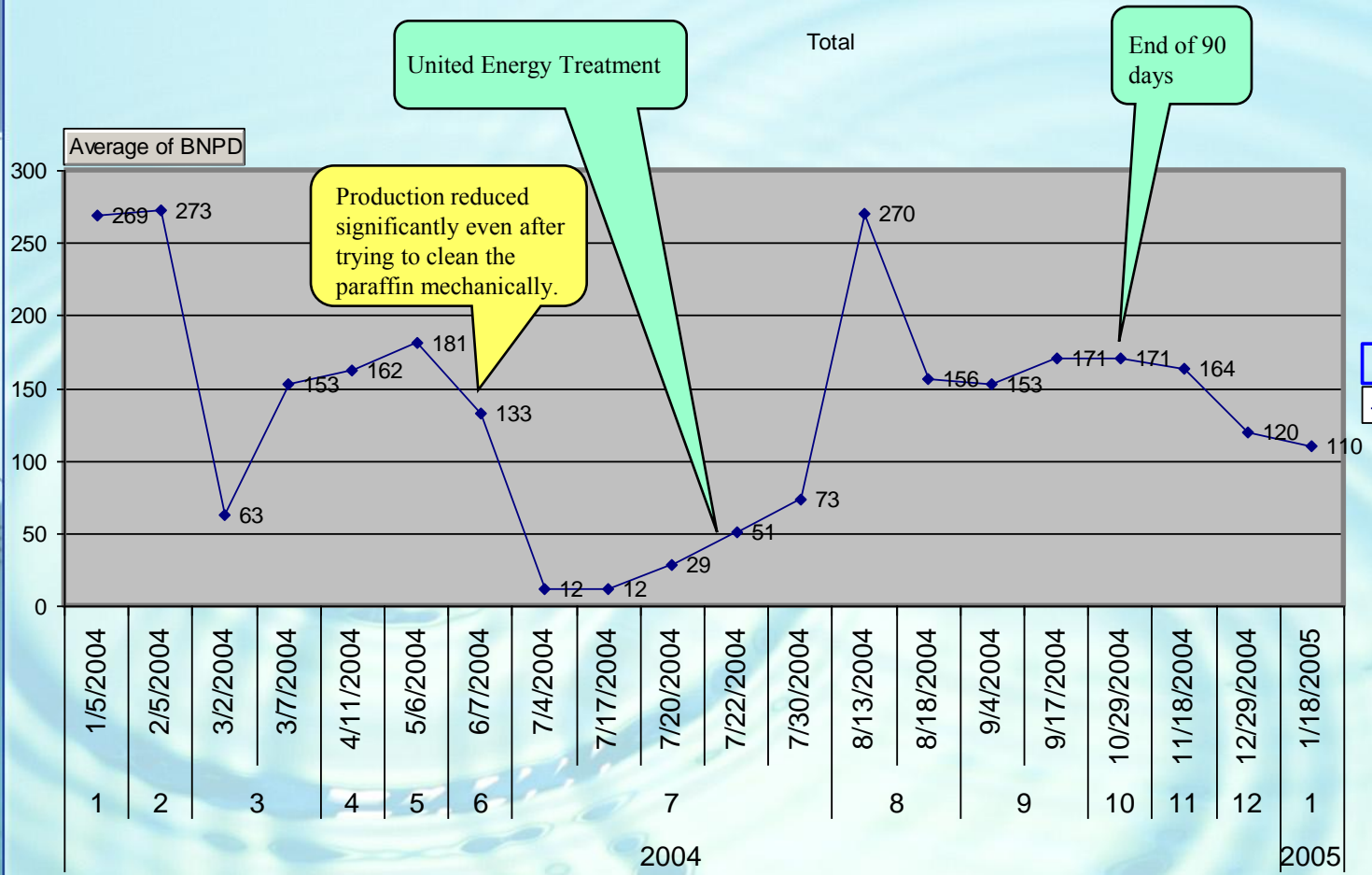


	Well Name	Type of well	Well depth in feet	Water amount %	API	date of initial treatment
	GS 230	Gas lift	4380	22%	27.3	26-Jul-04
Well problem	High Parrafin Build up and high parrafin in the crude					
Solution	Mix 4 drums of KX-91 with 140 barrels of oil and pump downhole. Wait 48 hours before starting well production. No Continuous Injection.					

GS 230	oil production (BNPD)
Before	12
After	156
Increase	144
Perc. Increase	1200%

Well GS 230

san tome feb 2005 (All) POZO GS 230 use for analysis yes YACIMIENTO (All)



Drop More Series
Total

year month FECHA



Well Ven 11M-254

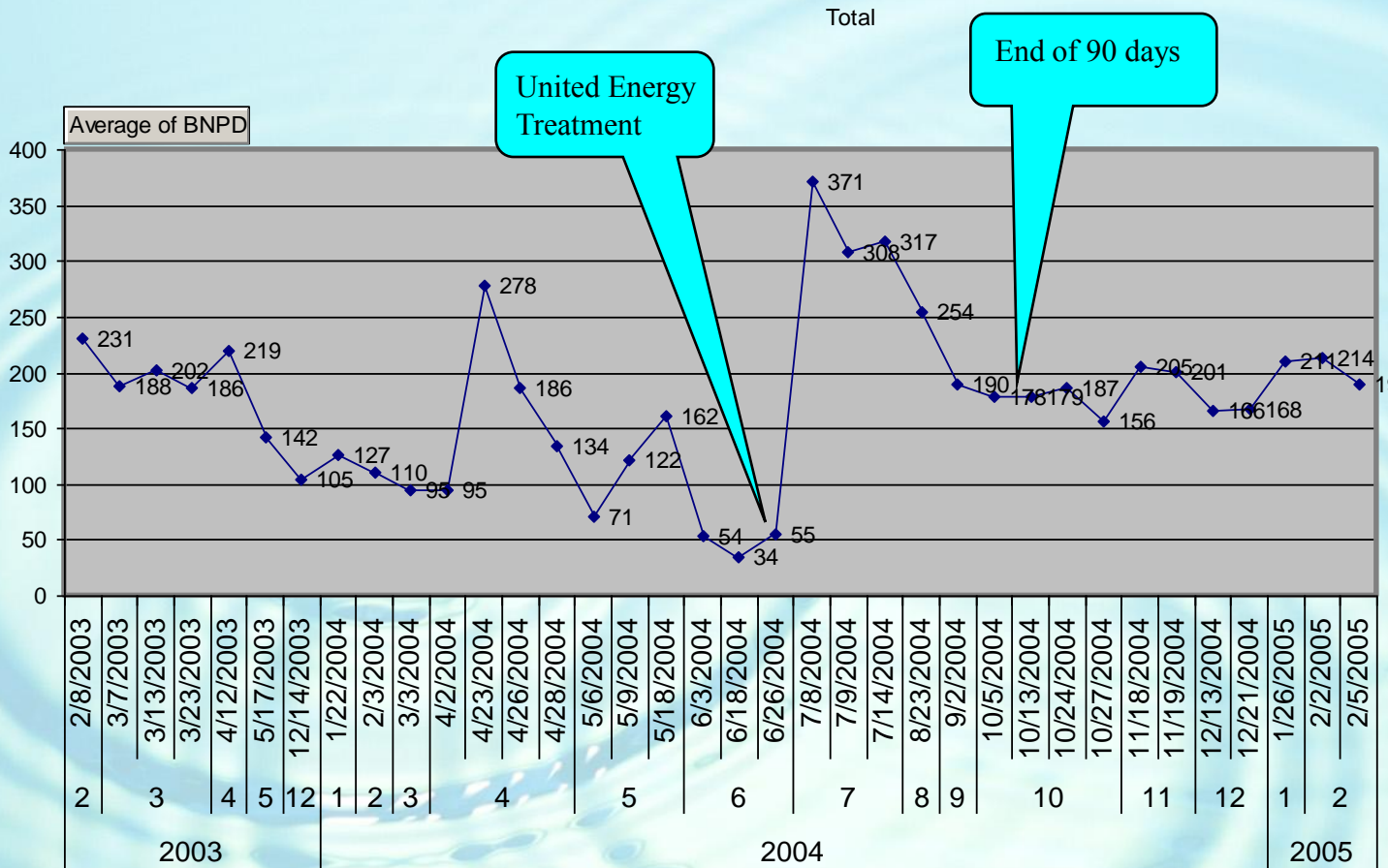


	Well Name	Type of well	Well depth in feet	Water amount %	API	date of initial treatment
	11M-254	gas lift	12022	10%	22.4	3-Jul-04
Well problem	Asphaltene content in the crude causing blockage in the perforations					
Solution	Mix 9 drums of KX-91 with 200 barrels of gasoil and pump downhole. Wait 48 hours before starting well production. No Continuous Injection.					

11M-254	oil production (BNPD)
Before	55
After	371
Increase	316
Perc. Increase	575%

11M254

san tome feb 2005 (All) POZO 11M254 use for analysis yes YACIMIENTO (All)



year month FECHA



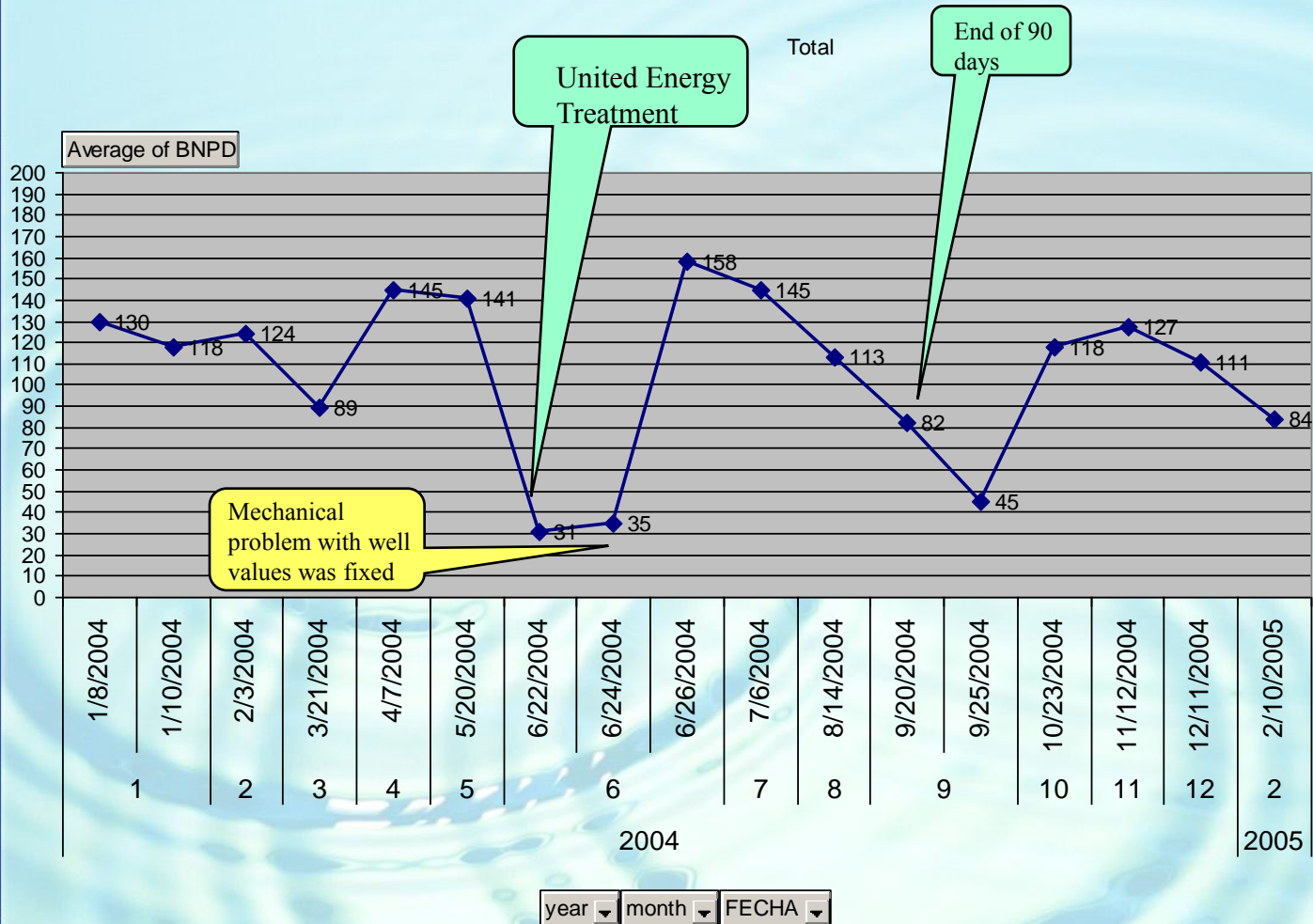
Well – Ven GVJ-6

	Well Name	Type of well	Well depth in feet	Water amount %	API	date of initial treatment
	GVJ-6	pumping well	4940	30%	13.9	18-Jun-04
Well problem	High pressure 800 to 1000 psi in the well head					
Solution	Mix 4 drums of KX-9 and 1 drum of KH-30 with 265 barrels of gasoil and pump downhole. Wait 48 hours before starting well production. No continuous injection.					

GVJ-6	oil production (BNPD)
Before	89
After	158
Increase	69
Perc. Increase	78%

Well GJV 6

san tome feb 2005 (All) POZO GJV 6 use for analysis yes YACIMIENTO (All)



Drop More Series File

Total

Well – Ven 11M-258

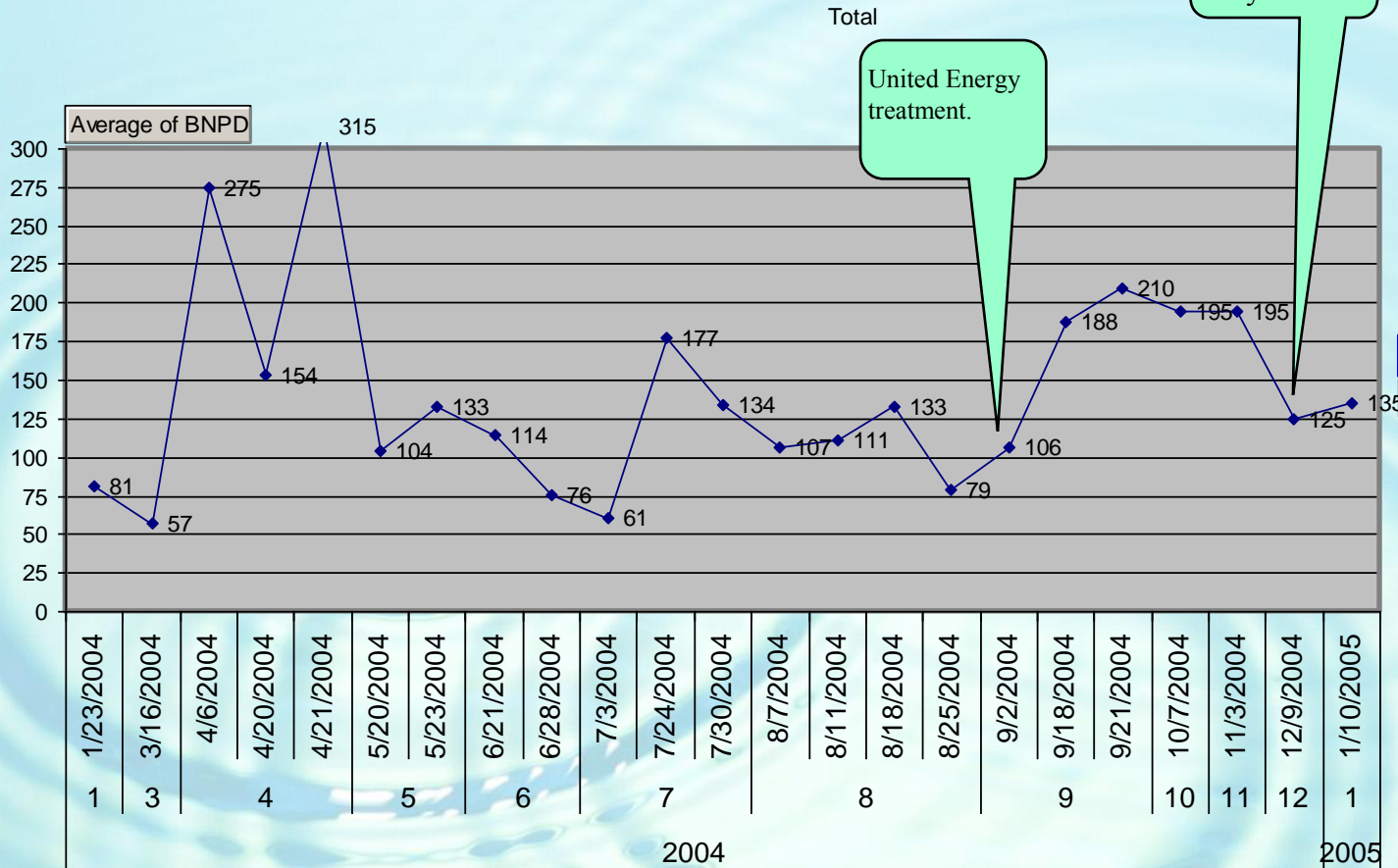


	Well Name	Type of well	Well depth in feet	Water amount %	API	date of initial treatment
	11M258	Gas lift	4380	0%	19.8	13-Sep-04
Well problem	High Asphaltene Build up downhole					
Solution	Mix 10 drums of KX-91 with 215 barrels of oil and pump downhole. Wait 48 hours before starting well production. No Continuous Injection.					

11M258	oil production (BNPD)
Before	120
After	190
Increase	70
Perc. Increase	58%

Well 11M258

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year month FECHA

Well – Ven GS-41



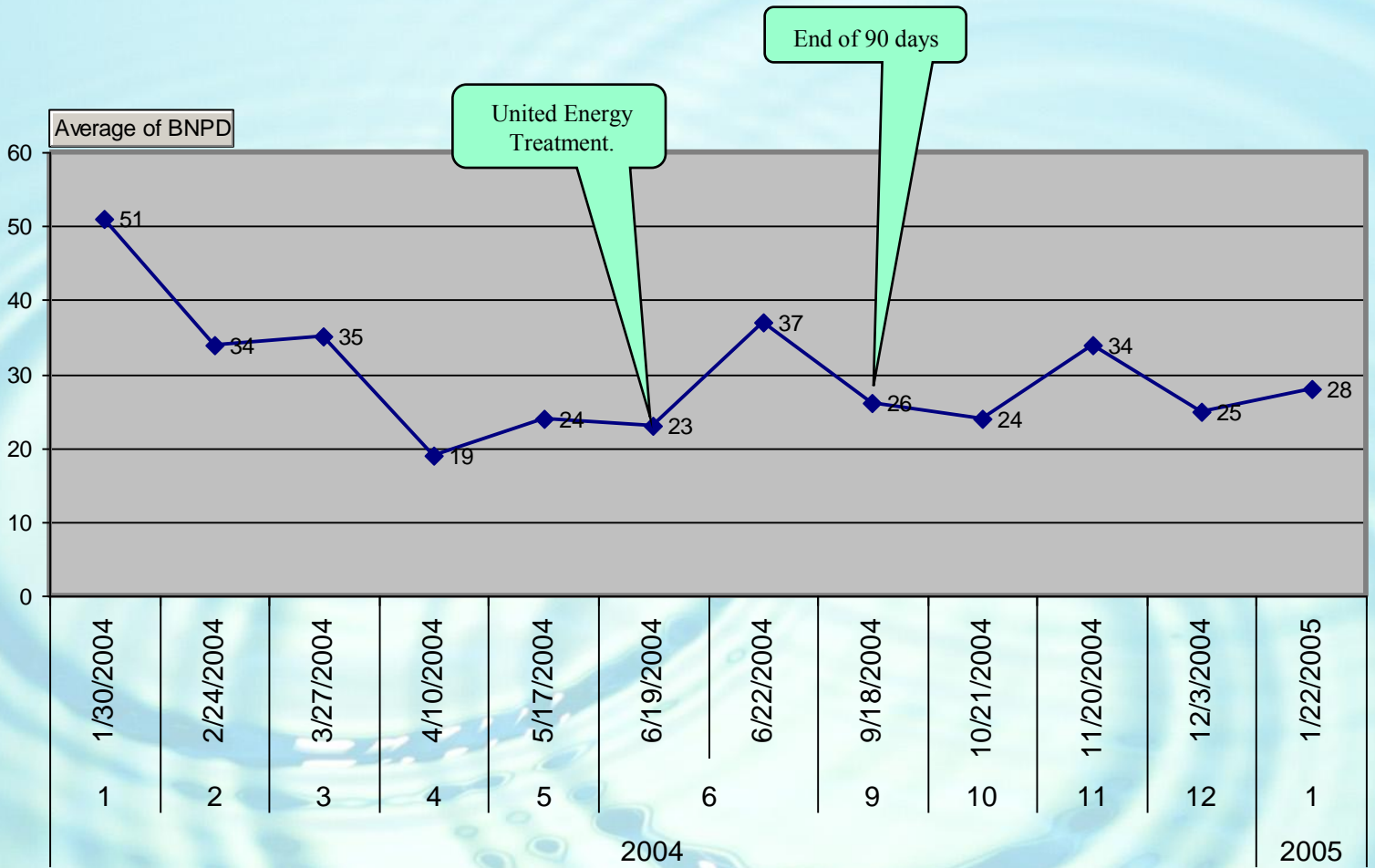
	Well Name	Type of well	Well depth in feet	Water amount %	API	date of initial treatment
	GS-41	Gas lift well	5045	34%	26.3	21-Jun-04
Well problem	High Parrafin Build up and high parrafin in the crude					
Solution	Mix 4 drums of KX-91 with 70 barrels of oil and pump downhole in 2 stages. Wait 48 hours before starting well production. No continuous injection.					

GS-41	oil production (BNPD)
Before	24
After	31.5
Increase	7.5
Perc. Increase	31%

Well GS 41



san tome feb 2005 (All) POZO GS 41 use for analysis yes YACIMIENTO (All)



year month FECHA

