

## ***Team Resources***

### ***California: Walnut Oil Field, LA Basin.***



*“Our field is a small mature field where production has been very consistent for two decades.*

*So why would we change anything, like replace the Lufkin pump jacks with 20 hp motors for the Direct Drive. To save electricity costs which in California are quite high.*

*We thought that we would certainly be able reduce our LOE (electric bill) if we could pump the same amount of oil from our wells from the same depth using a Direct Drive with a 5 hp motor.*

*Obviously you’d think so, but we were already running timers on the pump jacks at 50%. So, we installed our first Direct Drive in July 2004 and ran it on a continuous basis matching fluid entry and kept the pump jack on the pad just in case.*

*We discovered that we cut our electric bill on a per well basis by about 50% and that from this savings we could literally pay for the Drive Head through savings alone in about 20 months.*

*It got even better; we were able to sell the used Lufkin for more than the Direct Drive after we felt sure that we would not need it.*

*We installed a second Direct Drive in early January 2005 with similar results.*

*Two more Direct-Drive Drive-Heads were ordered in July, 2005. I plan to replace the remaining six Pump Jacks in the field as the tubing pumps fail. Don’t fix them if they are not broke is my thought, but change them out when the down hole pump fails because I’ll need a rig over the hole anyway. That’s kind of our strategy here for continued LOE cost reductions over the next six months or so.*

*And hey, I’m noticing we’ve got a lot more room on our pad site too.”*

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