

## Cost comparison of drilling with the LDT 360

LDT 360 Cost of drilling a well comparison to Rotary Drilling in Developing Countries							
Assumes a 150 foot (47 meter) well							
<b>LDT 360</b>					<b>Rotary Drilling</b>		
			cost per well				cost per well
Labor	2 men at 4 feet/hour@\$10/day		94	(75 man hrs)	5men 1.5 days		75
Fuel	\$6/gal 1.2 gal/hr @ hrs (80 liters)		270		50 gallons total use (190 liters)	(60 man hrs)	300
Replacement parts							
	bit \$700 for each 2000 feet (600 m)		52		\$2000 bit drill 2000 ft		150
	cable yearly replacement		10				
	2 year replacement or 60 wells						
	engine		10		100 wells per year \$15000/yr maintenance		150
	Hydraulic pump		1				
	3 hydraulic motors		10		mud	300 pounds	60
	chain		1				
	sandline		4				
	brake		1				
	oil		8				
	labor		10				
Transportation to site (\$2/mi at 50 mi)			100		4 trucks@\$2/mi at 50 mi		400
Capital cost @10%					Capital cost @10%		
	rig	67,000	223		rig	300,000	300
	truck	50,000	166		service truck	50,000	50
					water truck	50,000	50
					drill pipe trailer	10,000	10
					shaker	50,000	50
					air compressor	50,000	50
<b>Total investment</b>		<b>117,000</b>			<b>Total investment</b>	<b>510,000</b>	
<b>Total cost per bore hole</b>			<b>865</b>				<b>1,645</b>

**Assumptions:**

Labor cost \$10/day

Average well dept 150 ft (47 meters)

Time to drill a 150 ft well and set up:

LDT 360 37.5 hours

rotary drill 12 hours

All equipment purchased new

Average distance to drill site 50 miles (80 kilometers)

Number of wells per year

<b>LDT 360</b>	<b>Rotary drill rig</b>
30	100

**Return on investment calculation**

		LDT 360	Rotary rig
Annual revenue at \$5000 per well		150,000	500,000
Annual cost including casing, gravel, cement		55,950	254,000
Annual profit		94,050	246,000
Gross margin		62.70%	49.20%
		<b>profit/capital cost</b>	
ROI	LDT 360	94050/117000	80%
	Rotary	246000/510000	48%