



# Finding Oil is a "Piece of Cake"

Company name: \_\_\_\_\_

## COSTS

Land Lease			
Land	Lease Cost	How much land you want to lease	Your Cost
1/2 cake	\$500		\$
Whole cake	\$1,000		
Employees			
For 1/2 Land		\$300	\$
For whole Land		\$500	
Equipment for core samples			
Equipment	Cost per each	How many do you want	Your Cost
Straw	\$25		\$
Permit Applications			
Environmental and Health & Safety			\$1,000
<b>Your Total Costs</b>			\$

## Cost analysis:

How many barrels of oil would you need to sell to pay for your costs?

Your **total costs** / price of a **barrel of oil**

$$\frac{\text{_____}}{\text{_____}} = \text{_____ barrels}$$

If you were to extract 100,000 barrels, how much would you make?

Note: Taxes and royalties are **47%**

$$(100,000 \times \$ \text{barrel}) = \text{_____} \times 0.47(\text{taxes}) =$$

$$\text{Taxes to the state} = \text{_____}$$

$$100,000 \times \$ \text{barrel} - \text{taxes to the state} - \text{total costs} =$$

$$\text{_____} - \text{_____} - \text{_____} =$$

$$= \$ \text{_____ profit}$$

(how much you made!)

## PERMIT



Regulator's Signature **REQUIRED** BEFORE drilling

\_\_\_\_\_

## INCOME

Item	Current Value \$/barrel
Barrel of oil	



What do we use oil for?



# THINGS MADE FROM OIL

This list represents a fraction of the common, everyday products made from petroleum.

**BUILDING & HOME**  
paint & brushes  
socket covers  
extension cords  
tape measures

**AUTOMOTIVE**  
oil filters  
tires  
pylons

**KITCHEN & HOUSEHOLD**  
plastic bags  
Teflon pots & pans  
wax paper

**INFANTS & CHILDREN**  
toys  
pacifiers

**MEDICAL**  
inhalers  
bandages

**FURNISHINGS**  
lawn chairs  
lamps

**AROUND THE OFFICE**  
printer ink  
CDs  
tape  
sporting equipment  
cameras

**SPORTS, GAMES & HOBBIES**  
yarn

**BEAUTY**  
hair dryers  
jewelry  
makeup  
cologne & perfume

**AGRICULTURE**  
garden hose  
irrigation piping

**CLOTHING & TEXTILES**  
purses & wallets  
shoes  
tents  
umbrellas