

30. Correct. The answer is false.

$$K = 325 \text{ million}$$

$$Q = 450 \text{ million barrels}$$

$$r = 0.15$$

$$n = 15$$

$$S_t = (K/Q)/(-e^{-r^*t}/r) \Big|_0^n = (K/Q)/(1/r - e^{-r^*n}/r)$$

$$S_t = (325/450)/(1/0.15 - e^{-0.15*15}/0.15)$$

$$S_t = \$ 0.12 \text{ (unit cost)}$$