

PRODUCTION PENALTY CALCULATIONS

a) Based on reservoir area:

17 acres in Section 13 out of 271 acres in the entire reservoir

$$100 [17/271] = 6.3\% \text{ allowable} \\ = > 93.7\% \text{ penalty}$$

b) Based on distance:

Yates' proposed location is 330' from common lease line
BHP's Puffer State location is 660' from common lease line

$$100 [330/660] = 50.0\% \text{ allowable} \\ = > 50.0\% \text{ penalty}$$

DATE OF CALCULATION: 06/09/92

BHP 3

CASE NO. 10489

09-Jun-92 J. Ferrero