

MARATHON OIL COMPANY
MID CONTINENT REGION

LEA WOLFCAMP POOL
LEA COUNTY, NEW MEXICO

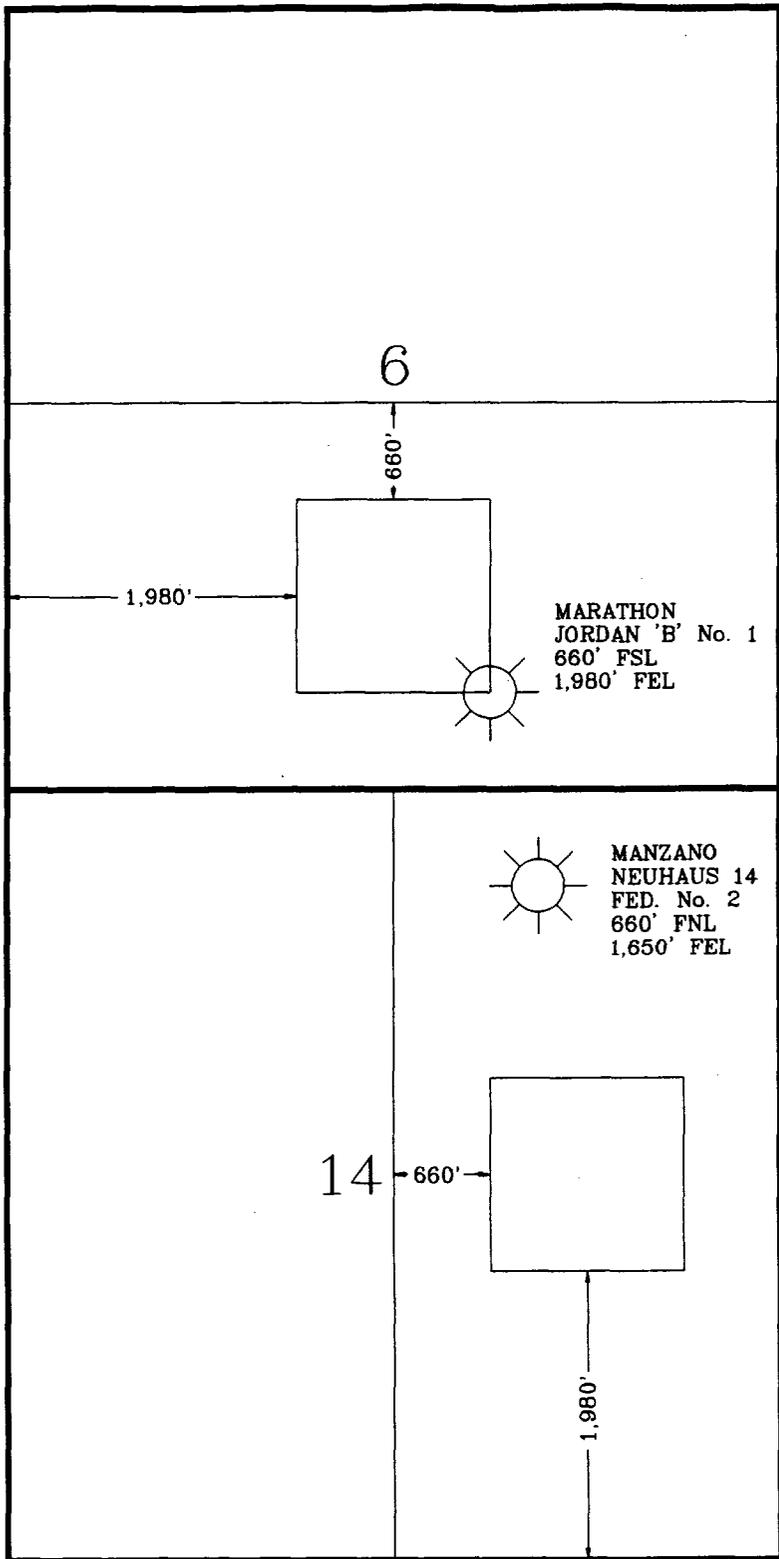
PENALTY CALCULATION

DISTANCE RATIO METHOD

$$\text{ALLOWABLE} = \frac{\text{ACTUAL STANDOFF}}{\text{LEGAL STANDOFF}}$$

$$\text{ALLOWABLE} = \frac{660'}{1,980'}$$

ALLOWABLE = 33%



Before the
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Marathon Oil Company
Exhibit No. 14 Case No. 10796
Hearing Date: October 14, 1993