

NMOCC CASE NO. 9802

JANUARY 18, 1990

ORYX ENERGY EXHIBIT NO. 9

RECOMMENDED PENALTY

$$\frac{\text{EAST-WEST VARIANCE} + \text{NORTH-SOUTH VARIANCE}}{\text{EAST-WEST STANDARD SETBACK} + \text{NORTH-SOUTH STANDARD SETBACK}} = \text{PENALTY}$$

$$\frac{0 + 1320}{1650 + 1650} = 0.40$$

RECOMMENDED ACREAGE FACTOR REDUCTION

$$\text{ACREAGE FACTOR} \times (1 - \text{PENALTY}) = \text{REDUCED ACREAGE FACTOR}$$

$$(1.00) (1 - 0.40) = 0.60$$