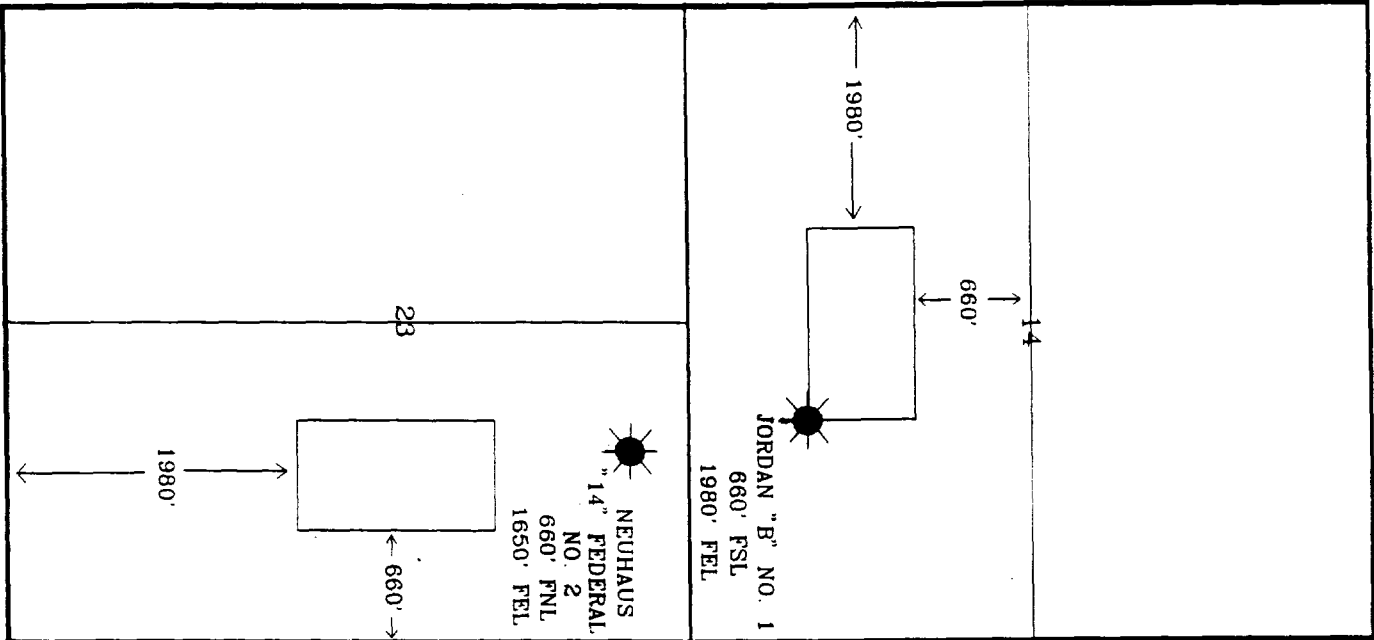


MARATHON OIL COMPANY
MID-CONTINENT REGION
LEA WOLFCAMP FIELD
LEA COUNTY, NEW MEXICO
T-20S, R-35E



PENALTY CALCULATIONS

DISTANCE RATIO METHOD

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

ALLOWABLE = $\frac{660'}{1980'}$

ALLOWABLE = $\frac{33\%}{}$

BEFORE THE
OIL CONSERVATION DIVISION
SANTA FE, NEW MEXICO
MARATHON OIL CO EXHIBIT NO. 9
CASE NO. 10796
AUGUST 19, 1993