PROPOSED PRODUCTION LIMITATION FACTOR

FOR

MONSANTO UNORTHODOX WELL LOCATION

1. Variation From Standard Location

North/South (1320') - 80% of 1650' location East/West (1320') - 80% of 1650' location

2. Net Area of Encroachment on Offset Acreage (210 ac.)

33% of 640 ac drainage area

Recommended Penalty with 80% East/West factor, 80% North/South factor, and 33% net-acre factor (80% † 80% † 33%)/3 = 64% restriction of unorthodox well's production

or

36% Production Limitation Factor to be applied against the well's prorated allowable

