

RECOMMENDED PENALTY

$$\frac{\text{east - west variance}}{\text{standard setback (1980')}} = \text{PENALTY}$$
$$\frac{(1980' - 660')}{1980'} = \frac{1320'}{1980'} = 67\% \text{ PENALTY}$$

BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 10775 Exhibit No. 13

Submitted by: Texaco Exploration and
Production Inc.

Hearing Date: October 7, 1993