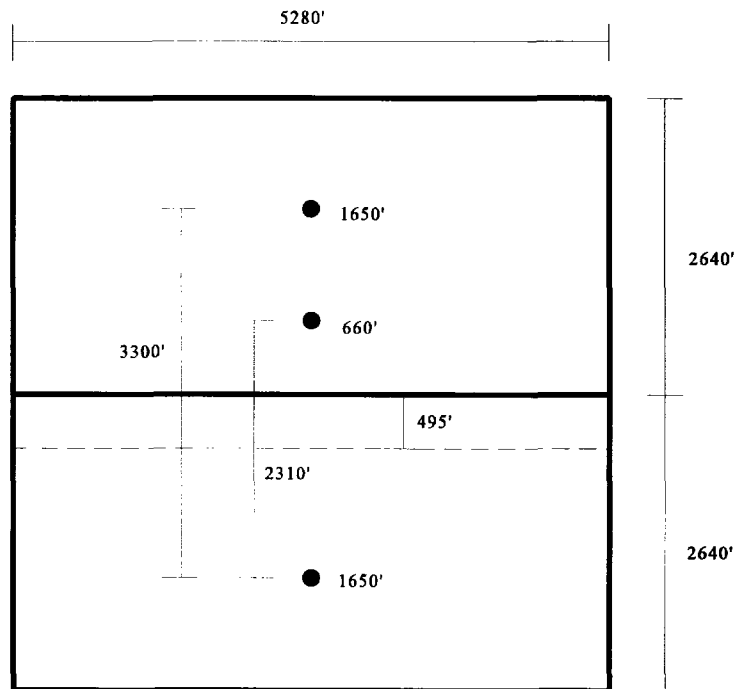


## Catclaw Draw Prospect



### Field Rules - Wells at 1650 ft from section line:

Top  $1650/3300 = 0.50$

Bottom  $1650/3300 = 0.50$

$(\text{Penalty}) * (0.50) = 0.50$

Penalty = 0.00 or 0%

NEW MEXICO  
OIL CONSERVATION DIVISION

EXHIBIT 20  
CASE NO. 11723

### One well at 1650 ft; one well at 660 ft from section line:

Top  $(1650+495)/3300 = 0.65$

Bottom  $(1650-495)/3300 = 0.35$

$(\text{Penalty}) * (0.65) = 0.5$

Penalty = 0.769 or 77%

Therefore the top well should only be able to produce 77% of its capability.