LAND CEILING EXAMPLE COMPUTATIONS  *(Data information from Figure 1)*

Numbers are shown as integers but are rounded only when the calculation is complete.

AUTHORIZED 2,000 ACRES FOR $1,000,000 –

1) CURRENT COST ESTIMATE METHOD FOR 1,800 ACRES –

\[
\frac{(2000 - 1800)}{2000} \times 1000 \times \left(\frac{305}{174}\right) + 1100 = 1275
\]

2) ACTUAL COST METHOD FOR 1,800 ACRES –

\[
\frac{(2000 - 1800)}{2000} \times 1000 \times \left(\frac{305}{174}\right) + 1150 = 1325
\]

NOTE: For either estimated or actual acreage greater than the authorized acreage, the computations for 2,500 acres at $1,750,000 would be –

\[
\frac{(2000 - 2500)}{2000} \times 1000 \times \left(\frac{305}{174}\right) + 1750 = 1312
\]

3) INDEXING METHOD – *(Land and Rights, Base Authorized Amount - 1,000)*

1,000 \(\times\) \(\frac{211}{174}\) = 1,213 \(\text{(New ceiling before 1-74 expenditures are deducted)}\)

\[
\frac{-900}{313} \left(\frac{229}{211}\right) = 339 \text{\ (New remaining ceiling for L/R)}
\]

\[
\frac{-250}{89} \left(\frac{305}{229}\right) = 119 \text{\ (Remaining ceiling avail.)}
\]

\[
+1,150 \text{\ (Total expenditures)}
\]

\[
1,269 \text{\ (Total ceiling for L/R)}
\]

See also example in Figure 5.