

**Minerals Management Service  
(Second) Summary of Amendments to Strategic Petroleum Reserve Fill  
IFO No. 1435-02-03-RP-40443**

**Revisions Dated January 27, 2004**

- Package 85: IFO "Quality Bank" section, Exhibit A and B revised:
  - Added Package: One new package (no. 85) offering additional HLS crude to IFO (see Exhibits A and B).
    - Package 85 (HLS) Quality Bank: Quality bank debits/credits should not be reflected in your offer. Successful offerors will pass back to MMS all quality bank(s) debits/credits received from the quality bank administrator(s).
- Packages 49 (LLS) and 55 (LLS): Exhibit A and B revised:
  - Added sulfur % for two of the LLS properties.
    - Package 49 EI 252 I 0.32%
    - Package 55 VR 215 A 0.11%
- Package 15 (HLS): Exhibit B revised:
  - Pipelines – common carrier is "no"; requires buy/sell with Plains

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**(First) Summary of Amendments to Strategic Petroleum Reserve Fill  
Revisions Dated January 15, 2004**

- Package 5: Exhibits A and B revised:
  - Custody Transfer Point at MP 313 A
  - MMS FMP No. 20177245700
  - Pipeline: Mountaineer P/L into (buy/sell with Williams); ChevronTexaco P/L (common carrier)
- Package 13 (HLS): Custody Transfer Point should read "Venice, LA"
- Package 15 (HLS): Custody Transfer Point should read "Venice, LA (into Plains)"
- Package 27: Exhibit B revised - FMP Operator is Apache
- Package 69: IFO "Offers", Exhibits A and B revised - Bids will be accepted on both a Mars and Poseidon basis



OMB Control Number 1010-0129  
Expiration Date: July 31, 2006

**INVITATION FOR OFFER – STRATEGIC PETROLEUM RESERVE FILL  
EXCHANGE OF ROYALTY IN KIND CRUDE OIL TO MARKET CENTERS  
IFO No. 1435-02-03-RP-40443  
Deliveries beginning April 1, 2004**

**Introduction**

The Minerals Management Service (MMS) of the U.S. Department of the Interior is soliciting offers from pre-qualified companies to exchange royalty oil and condensate produced from Federal offshore leases in the Gulf of Mexico for common stream quality crude oil (exchange oil) delivered to six Gulf Coast market centers. This exchange is for a six-month term beginning April 1, 2004.

This Invitation for Offer (IFO) is published in coordination with a separate solicitation of the Department of Energy (DOE) in a joint, 3-year initiative to fill the remaining capacity of the Strategic Petroleum Reserve (SPR). Exchange oil under this MMS IFO will be delivered at Gulf Coast market centers to MMS or its designated agent. MMS' designated agent, either DOE or its exchange contractor, is required to accept custody of all exchange oil delivered under the terms of this IFO.

Through a separate solicitation, DOE will contract for the exchange or direct movement of exchange oil resulting from this MMS IFO for crude oil delivered to the SPR. Please see the DOE website at <http://www.spr.doe.gov>. Additional MMS and DOE contracting efforts will occur over the course of the SPR initiative until the remaining SPR capacity is filled.

Regarding this MMS IFO, successful offerors will take custody of the royalty oil at offshore custody transfer points and will be responsible for moving the royalty oil downstream of these points. Deliveries of exchange oil at market centers will be reduced in volume to pay for the net value difference incurred due to location, quality, and other factors.

**Offers must be made in writing and submitted via facsimile (fax no. 303-231-3846) or email ([crystal.tobar@mms.gov](mailto:crystal.tobar@mms.gov)) by 2:00 p.m. Mountain Time on February 2, 2004.** MMS will confirm receipt of all offers. Royalty oil packages will be awarded by 2:00 p.m. Mountain Time on **February 6, 2004**. Technical questions can be addressed to Crystel Tobar at 303-231-3126. Contracting questions can be addressed to Maggie Miller at 303-231-3932. Credit or pre-qualification questions can be addressed to Larry Cobb at 303-231-3307.

**Offers**

Offerors must be pre-qualified to submit offers. Please see the section "Pre-qualification and Credit Requirements" for more information. MMS reserves the right to reject any offer received.

Exhibit A identifies **85** packages of royalty oil. Exhibit B provides further detail on Facility Measurement Point (FMP) operators, pipelines, and custody transfer points. Data in the exhibits is not warranted. Offerors are expected to contact the appropriate parties for the most recent information. The royalty volumes shown for each custody transfer point represent the most recent production data available for properties behind the custody transfer point. You may call the above technical point of contact for a one-year production history of royalty volumes associated with the custody transfer points in Exhibit A. Other pertinent information such as leases/agreements, operators, and royalty rates will be provided in an attachment to the "MMS Crude Oil Transaction Confirmation" when the packages are awarded. This information is also available upon request from the above technical point of contact.

Exhibit A is the offer sheet to be completed and faxed or emailed as indicated above. Offerors must make offers as a value to the nearest \$0.0001. MMS prefers to transact no more than one award for each package. However, consideration may be given to offers on only part of a royalty oil package if favorable to

the government. Tiered offers that include different prices based on levels of volumes delivered will not be accepted.

The offer should represent the offeror's view of the difference in value between the applicable Gulf Coast market center and the offshore custody transfer point identified in Exhibit A. Please see the "Quality" section for more information on how to account for gravity and sulfur in your offer.

Offerors may bid on custody transfer point GC 65 A in package 31 as any or all crude types Eugene Island, Mars, and Poseidon. For custody transfer point GC 19 A, also in package 31, offerors may bid as crude types Eugene Island and/or Mars.

Offerors may bid on custody transfer point GC 158 in package 69 as either or both crude types Mars and Poseidon.

For HLS deliveries occurring at the Empire terminal, the offeror should not include the outbound terminal fee in their offer. The successful offeror will invoice MMS the charge with appropriate third-party documentation. The outbound terminal fee may be netted against RIK quality bank credits owed the MMS.

Royalty oil from new wells on currently producing properties behind the custody transfer points that commence production during the term of this IFO will be automatically added to the volumes awarded under this IFO. Royalty oil from new properties behind the custody transfer points that commence production during the term of this IFO will be added to the volumes awarded under this IFO on a case-by-case basis pursuant to mutual consent of MMS and successful offerors.

Successful offerors are obligated to deliver common stream quality crude oil at the following Gulf Coast market centers according to royalty oil type:

<u>Royalty Oil Type</u>	<u>Gulf Coast Market Center</u>
Heavy Louisiana Sweet (HLS)	Empire
Light Louisiana Sweet (LLS)	St. James
Bonito	St. James
Eugene Island (EI)	St. James
Mars	Clovelly
Poseidon (POS)	Houma
Texas City Grade (TXG)	Texas City
HOOPS	Jones Creek

Deliveries of exchange oil will occur ratably during the month concurrent with royalty oil receipts.

The following formula will be used to calculate a Delivery Percentage to be applied to royalty oil volumes received at the offshore custody transfer point to arrive at exchange oil volumes to be delivered to DOE or its exchange contractor and volumes retained by successful offerors as described under the section "Transporting and Scheduling Royalty Oil":

$$\frac{\text{Platts Trade Month Price} - X}{\text{Platts Trade Month Price}} = \# \# \# \# \%$$

Where: Platts Trade Month Price: Average of the daily high and low spot price quotes (to the nearest \$0.0001) as published in Platts Oilgram Price Report for the relevant market center for the crude oil type exchanged for the period beginning the 26<sup>th</sup> of the second month prior to the Delivery Month and ending on the **20<sup>th</sup> of the month prior to the Delivery Month**.

For crude type designated as "TXG" offerors should use Platts crude type "WTI".  
For crude type designated as "HOOPS" offerors should use Platts crude type "WTS".

X: Accepted offer for the royalty oil.

Delivery Month: Physical month of delivery.

In the event that DOE rejects any offers for redelivery into the SPR of exchange oil related to successfully awarded royalty oil packages in this MMS IFO, the MMS award for such royalty oil packages will be for an outright purchase (see Exhibit C) at the offshore custody transfer points specified in Exhibit A.

MMS may award a contract on the basis of initial offer(s) received without discussions. Accordingly, each initial offer should be submitted on the most favorable terms that the offeror can submit. However, MMS may negotiate with offerors in the event offers of similar or unanticipated values are received. All information about the origin and value of offers received will remain confidential, except as noted above under "Imbalances" with respect to resolving certain extraordinary imbalances.

The MMS shall award a contract resulting from this IFO to the party whose offer, in MMS' judgment, is most advantageous to the Federal Government. MMS will award to successful offerors by means of the "MMS Crude Oil Transaction Confirmation." MMS will attempt to award 100% of the volume from an custody transfer point.

### **Term**

Deliveries of royalty oil to successful offerors begin April 1, 2004 and end September 30, 2004.

### **Quality**

For crude type **HLS**, packages 8–10, 12-16, 18–20, 23, and 26-30, quality bank debits/credits should be reflected in your offer. Successful offerors will not pass back to MMS any quality bank debits/credits received.

For crude type **HLS**, packages 1-7, 11, 17, 21-22, 24-25, and **85**, quality bank debits/credits should not be reflected in your offer. Successful offerors will pass back to MMS all quality bank(s) debits/credits received from the quality bank administrator(s).

For crude type **LLS**, packages 46-59, and 78a quality bank debits/credits should be reflected in your offer. Successful offerors will not pass back to MMS any quality bank debits/credits received.

For crude type **LLS**, packages 60–67, quality bank debits/credits should not be reflected in your offer. Successful offerors will pass back to MMS all quality bank(s) debits/credits received from the quality bank administrator(s).

For crude type **Bonito**, quality bank debits/credits should not be reflected in your offer for any leg flowing down the Bonito Pipeline System as they will be passed back to the MMS by the operator. All other quality banks downstream of the Bonito Pipeline System should be included in the offer.

For crude types **Eugene Island**, **Mars**, and **Poseidon**, quality bank debits/credits should not be reflected in your offer. Successful offerors will pass back to MMS all quality bank(s) debits/credits received from the quality bank administrator(s). Market center custody transfer point quality banks will not be included. For package 31, where offerors can bid on any or all crude types Eugene Island, Mars, or Poseidon, the quality bank debit/credit will be based on the crude type of the awarded offer.

For crude type **TXG**, quality bank debits/credits should not be reflected in your offer as they will be passed back to the MMS by the operator.

For crude type **HOOPS**, quality bank debits/credits should not be reflected in your offer. Successful offerors will pass back to MMS all quality bank(s) debits/credits received from the quality bank administrator(s).

Successful offerors will pay quality bank credits due to MMS by the 20<sup>th</sup> of the month after the quality bank credits are received. MMS will pay invoices from successful offerors for all quality bank debits received from the quality bank administrator within 30 days of receipt of the invoice. All quality bank data must be accompanied by supporting documentation. Actual gravity and sulfur during the term of this sale may vary. Data provided by MMS is based on the best information available at the time the IFO is published and is not warranted

### **Transporting and Scheduling Royalty Oil**

Successful offerors are responsible for transporting all royalty oil volumes downstream of the custody transfer points specified in Exhibit A. Successful offerors must nominate and schedule all volumes awarded through this IFO separately from all other volumes owned or controlled at each of the custody transfer points where royalty oil is received. When nominating to the pipeline, you are required to indicate that the nomination is for MMS sourced crude oil.

Exhibit D identifies a transportation rate agreement that MMS has arranged with Marathon Pipeline for packages 10, 11a, 11b, 35, and 38. For the royalty oil volume associated with this pipeline, the successful offeror will be designated as MMS' agent under this transportation agreement for the transportation rate and terms specified in Exhibit D. The successful offeror's contract will be amended in the event there is an increase or decrease in transportation costs relating to this agreement.

Within 10 days of execution of the "MMS Crude Oil Transaction Confirmation" relative to this IFO, successful offerors must request in writing to all pipeline companies that will move royalty oil, that MMS royalty volumes be itemized separately from non-MMS volumes. In cases where the pipeline companies are unable to itemize the MMS volumes on the pipeline statement, you must provide MMS with acceptable third-party data that itemizes the MMS volumes delivered or use a measurement facilitator designated by the pipeline. Any charges associated with obtaining this third-party data will be the responsibility of the successful offeror.

Successful offerors will provide MMS with pipeline statements and any third-party documentation within two days after the documents have been made available to the shipper. Documentation not received by the due date may be purchased by MMS and the successful offeror will be billed the associated costs.

Successful offerors, through customary industry practice, will communicate directly with MMS and the FMP operator and will make arrangements to deliver and transfer royalty oil from the identified custody transfer point(s). Successful offerors, at their expense, will make all necessary arrangements to receive the royalty oil at the custody transfer point(s). Successful offerors are not responsible for any transportation costs upstream of the custody transfer point(s).

On the 21<sup>st</sup> day of the month prior to the first day of each Delivery Month, the MMS and successful offerors will jointly communicate and agree on the Delivery Percentage and the anticipated daily royalty oil volumes for the following month of production. If the 21<sup>st</sup> is a Saturday, Sunday, or Federal holiday, then the Delivery Percentage and anticipated daily royalty oil volumes will be agreed upon the following business day. At the same time, MMS and successful offerors will apply this mutually agreed upon Delivery Percentage to the daily volumes anticipated to arrive at an agreed upon volume of exchange oil to be delivered to DOE or its agent. To facilitate resolution of market center imbalances at the end of the contract term, this volume may be reduced by an additional mutually agreed upon percentage to increase the likelihood that the successful offeror has under-delivered MMS at the end of the contract term. This reduced volume will be delivered ratably during the Delivery Month unless force majeure events apply or the applicable pipeline cuts successful offerors' nominations. Successful offerors understand that nominations are not warranties of actual deliveries to be made but are provided to facilitate the planning of delivery of royalty oil. This process will continue each month for the term of this IFO.

For crude type TXG, royalty oil volumes delivered to DOE or its agent will be based on the actual volumes allocated to MMS during the delivery month reduced by the Delivery Percentage.

The operators of properties offered in this IFO are instructed to use reasonable efforts, consistent with industry practice, to inform MMS and/or successful offerors regarding significant changes in royalty oil production levels and production shut-ins.

The successful offeror's contract may be amended upon mutual consent between MMS and its successful offeror when there is an increase or decrease in tariff-based transportation costs related to the awarded properties. Contract amendments will not be granted for rate changes in the offerors buy/sell arrangements, unless extraordinary circumstances exist.

### **Imbalances**

Successful offerors are granted the rights to royalty oil delivered by operators at the custody transfer points indicated in Exhibit A, not the actual entitlement due the Federal government.

MMS and the operator will jointly monitor imbalances between deliveries and entitlements. Routine imbalances will be resolved by adjusting the volume of royalty oil delivered to successful offerors in the second month following the month of delivery unless otherwise approved by MMS. These adjustments will be communicated from MMS to the successful offeror regarding the first of month availability of royalty oil.

Property imbalances not remedied within 90 days of the production month will be resolved by mutual agreement between MMS and the operator. The contract price under this IFO may form the basis of resolving certain extraordinary imbalances between MMS and operators. The rights and responsibilities of operators under RIK oil situations are outlined in MMS' Sample "Dear Operator" letter included as Exhibit E.

Market center imbalances are defined as the difference between the volumes delivered to MMS or its designated agent at the Gulf Coast market centers during the month of delivery and the actual volumes delivered to the successful offeror at the offshore custody transfer point adjusted by the Delivery Percentage. The successful offeror will resolve these imbalances by adjusting the nominated volumes to be delivered to MMS or its designated agent at the Gulf Coast Market Centers by noon on the 21<sup>st</sup> day of the month following the month of delivery, unless otherwise approved by MMS. If the 21<sup>st</sup> is a Saturday, Sunday, or Federal holiday, then the nominated volumes will be adjusted the following business day.

Market center imbalances existing at the conclusion of this contract will be settled by mutually agreed to arrangements in a crude type(s) and at a market center(s) at the earliest date possible.

MMS is not responsible for pipeline imbalances associated with royalty crude oil.

### **Confidentiality**

Neither MMS or the successful offeror shall disclose directly or indirectly without the prior written consent of the other party the terms of any transaction under this IFO to a third-party (other than the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons shall have agreed to keep such terms confidential) except; (i) to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary to enforce this Contract, (iii) to the extent necessary to implement any transaction, including any transaction as described above in the section "Transporting and Scheduling Royalty Oil", or (iv) to the extent such information is delivered to such third-party for the sole purpose of calculating a published index.

Each party shall notify the other party of any proceeding of which it is aware which may result in disclosing the terms of any transaction (other than as permitted above) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction.

### **Pre-qualification and Credit Requirements**

Offerors are required to pre-qualify by signing the MMS base contract "RIK Crude Oil General Terms and Conditions" and providing detailed financial information. Pre-qualification information can be found on our web site at <http://www.mrm.mms.gov/RIKweb/Oilprequal.htm>. By submitting an offer, the offeror agrees to be bound by the terms of its signed MMS base contract and this IFO.

Upon pre-qualifying, MMS will issue an amount of unsecured credit based on the creditworthiness of the offeror. In most cases where offerors that have previously submitted financial documentation for Calendar Year 2002 (or such information is available on ProEdgar.com), no additional information will be required. However, MMS reserves the right to request updated financial information in any situation it deems reasonable and may reissue approved lines of credit. Please be advised that MMS will require a parent guaranty in situations where the company submitting the offer is a different entity than the company that has pre-qualified.

For awards exceeding the amount of unsecured credit issued by MMS, successful offerors will be required to provide secured financial assurance in the form of an Irrevocable Letter of Credit (ILOC), Bond, or other MMS-acceptable surety instrument within five business days prior to first delivery of oil under the contract. If

additional security is required, successful offerors will be notified, and such notice will be included in the sales transaction confirmation.

The ILOC, Bond, or other MMS-acceptable surety instrument must be effective for a period beginning on the date of first delivery under the contract and ending when receipt of final delivery or payment under the contract is verified. Failure to provide adequate financial assurance when requested may result in a loss of award, unless the MMS Contracting Officer extends the date.

See the MMS website at <http://www.mrm.mms.gov/ReportingServices/PDFDocs/4071.pdf> for a sample of an ILOC, MMS Form-4071. See <http://www.mrm.mms.gov/ReportingServices/PDFDocs/4072.pdf> for a sample of a Bond, MMS Form-4072. The financial institution issuing the ILOC or surety company issuing the Bond must meet MMS requirements under 30 CFR Part 208.11.

The financial assurance amount shall be sufficient to cover the value of 30 days of deliveries of the estimated production of all royalty oil awarded, less the amount of unsecured credit issued by the MMS as previously notified. The value of the financial assurance should be calculated using the selected pricing mechanism plus the awarded offer amount applied to the February 2004 production month. This value must be multiplied by the daily royalty production (estimated in Exhibit A), multiplied by 30 days, and then reduced by the amount of unsecured credit issued by MMS. The amount of unsecured credit available for this sale is contingent upon the successful offeror's current participation in other RIK sales or exchange programs.

Significant and sustained increases in the value of crude oil during the term of the contract may result in a requirement to increase the amount of financial assurance. Further, should the creditworthiness, financial responsibility, or ability to perform become unsatisfactory to the MMS at any time during the term of this agreement, satisfactory assurances may be required as a condition to further perform under the agreement. Such assurances include, but are not limited to, a prepayment or a surety instrument in a form and amount satisfactory to MMS. Failure to provide additional performance assurances when requested may result in early termination of the contract. Where applicable, an investment-grade rating by Standard and Poor's is required by MMS to maintain creditworthiness.

### **Governing Contract**

This transaction is governed by the MMS base contract "RIK Crude Oil General Terms and Conditions" signed by the offeror and MMS. Conflicts between the MMS base contract and the terms of this IFO will be resolved in favor of this IFO. Only companies who have pre-qualified and signed the MMS base contract may receive a contract.

### **The Paperwork Reduction Act**

The PRA (44 U.S.C. 3501 et seq.) requires us to inform you that we collect this information to document fulfillment of royalty obligations on minerals removed from Federal lands. The MMS uses the information to maintain and audit lease accounts. Responses are voluntary (43 U.S.C. 1334). Proprietary information is protected in accordance with standards established by the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1733), the Freedom of Information Act (5 U.S.C. 552(1), (4)), and the Department regulations (43 CFR 2). An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number. Public reporting burden for this form is estimated to average one hour per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to the Information Collection Clearance Officer, Minerals Management Service, Mail Stop 4230, 1849 C Street, NW., Washington, DC 20240.

#### **5 Exhibits:**

- Exhibit A – Offer Sheet
- Exhibit B – RIK Custody Transfer Point Detail
- Exhibit C – Contingency for Outright Purchase
- Exhibit D – Marathon Transportation Agreement
- Exhibit E – Sample Dear Operator Letter

Offer Pkg	Royalty Oil Type	Gulf Coast Market Center	Custody Transfer Point	Volume Metered At	Custody Transfer Point Royalty Volume (bbls/day)	Gravity	Sulfur %	"X" Offer Quality Bank Debits/Credits Included *	"X" Offer Quality Bank Debits/Credits Not Included	Accept MMS' Transportation or Buy/Sell (Yes or No)
1	HLS	Empire	SP 65 A	SP 65 A	360	30.3	N/A			
2	HLS	Empire	SP 62	VK 989	2,220	34.6	N/A			
3	HLS	Empire	SP 62 Ai	VK 900 A	200	37.3	N/A			
4a	HLS	Empire	MP 311 A	MP 311 A	150	27.0	N/A			
4b	HLS	Empire	MP 311 B	MP 311 B	150	24.8	N/A			
5	HLS	Empire	MP 313 A	MP 313 A	490	29.4	N/A			
6	HLS	Empire	SP 62 A	SP 62 A	550	35.9	N/A			
7	HLS	Empire	SP 70 C	SP 70 C	290	22.5	N/A			
8	HLS	Empire	SP 87 D	SP 87 D	370	38.8	N/A			
9	HLS	Empire	SP 86 C	SP 86 C	60	36.3	N/A			
10	HLS	Empire	WD 79 A	WD 79 A	160	37.4	N/A			Yes - See IFO
11a	HLS	Empire	SP 89 B	SP 89 B	100	32.5	N/A			Yes - See IFO
11b	HLS	Empire	SP 89 B	SP 89 B (Zia)	800	32.5	N/A			Yes - See IFO
12	HLS	Empire	SP 50 ssti	MC 109	1,720	27.5	N/A			
13	HLS	Empire	Venice, LA	WD 117 G	250	35.5	N/A			
14	HLS	Empire	SP 77 A	SP 77 A	1,090	36.6	N/A			
15	HLS	Empire	Venice, LA (into Plains)	Venice, LA	460	34.0	N/A			
16	HLS	Empire	SP 49 A	SP 49 A	380	34.5	N/A			
17	HLS	Empire	MC 474 A	MC 474 A	12,500	unknown	N/A			
18a	HLS	Empire	MP 299 A	MP 299 FP	320	35.6	N/A			
18b	HLS	Empire	MP 299 B	MP 299 FP	380	35.6	N/A			
18c	HLS	Empire	MP 144	MP 299 FP	740	35.6	N/A			
19	HLS	Empire	MP 123	MP 123 A	190	35.9	N/A			
20	HLS	Empire	MP 133 C	MP 133 C	190	42.1	N/A			
21	HLS	Empire	MP 69 (from MPOG)	See Exhibit B	8,610	36.4	N/A			
22	HLS	Empire	MP 73 CF	MP 73 CF	310	30.4	N/A			
23	HLS	Empire	Grand Bay	Grand Bay	280	28.6	N/A			
24	HLS	Empire	S.W. Pass 24	MC 194	910	31.6	N/A			
25	HLS	Empire	MP 69 PS	MP 69 PS	920	37.1	N/A			
26	HLS	Empire	WD 133i	WD 133 B	210	35.8	N/A			
27	HLS	Empire	MC 311 A	MC 311 A	150	36.6	N/A			
28	HLS	Empire	WD 103i	WD 104 C	500	28.9	N/A			
29	HLS	Empire	WD 89 A	WD 89 A	130	36.2	N/A			
30	HLS	Empire	WD 90i	WD 90 A	200	28.9	N/A			
31a	EI	St. James	GC 19 A	GC 19 A	30	31.0	1.24			
31a	EI	St. James	GC 65 A	GC 65 A	3,500	31.4	1.60			
31b	Mars	Clovelly	GC 19 A	GC 19 A	30	31.0	1.24			
31b	Mars	Clovelly	GC 65 A	GC 65 A	3,500	31.4	1.60			
31c	Poseidon	Houma	GC 65 A	GC 65 A	3,500	31.4	1.60			
32	EI	St. James	SM 128 A	SM 128 A	1,290	40.5	unknown			
33	EI	St. James	SS 181 B	SS 181 B	290	29.4	0.32			
34	EI	St. James	EW 989 ssti	GC 18 A	660	32.5	1.50			
35	EI	St. James	VR 369 ssti	VR 386 B	600	31.3	0.93			Yes - See IFO
36	EI	St. James	SM 137 ssti	VR 356 A	130	25.9	1.00			



Offer Pkg	Royalty Oil Type	Gulf Coast Market Center	Custody Transfer Point	Volume Metered At	Custody Transfer Point Royalty Volume (bbls/day)	Gravity	Sulfur %	"X" Offer Quality Bank Debits/Credits Included *	"X" Offer Quality Bank Debits/Credits Not Included	Accept MMS' Transportation or Buy/Sell (Yes or No)
37	EI	St. James	SM 141 ssti	SM 160 A	200	27.9	unknown			
38	EI	St. James	VR 331 ssti	EC 346 A	200	31.1	unknown			Yes - See IFO
39a	EI	St. James	EI 327 ssti	EI 325 A	180	39.1	unknown			
39b	EI	St. James	EI 327 ssti	EI 341 A	250	35.6	0.91			
40a	Bonito	St. James	EI 316 ssti	EI 361 A	450	35.0	unknown			
40b	Bonito	St. James	EI 316 ssti	EI 360 E	960	36.3	0.01			
41	Bonito	St. James	EI 330 S	EI 330 S	1,890	32.1	0.01			
42	Bonito	St. James	EI 339 B	EI 339 B	980	32.5	0.01			
43	Bonito	St. James	EI 330 ssti	EI 314 A	440	34.0	0.80			
44	Bonito	St. James	EI 337 A	EI 337 A	200	34.0	unknown			
45	Bonito	St. James	EI 338 A	EI 338 A	220	30.1	unknown			
46	LLS	St. James	EI 175 C	EI 175 C	130	36.0	unknown			
47	LLS	St. James	EI 174 ssti	EI 182 A	290	35.2	0.32			
48	LLS	St. James	EI 188 P	EI 189 B	215	36.3	unknown			
49	LLS	St. James	EI 254 ssti	EI 252 I	980	39.0	<b>0.32</b>			
50a	LLS	St. James	EI 259 ssti	EI 258 B	600	35.8	0.52			
50b	LLS	St. James	EI 259 ssti	EI 276 B	260	35.7	unknown			
51	LLS	St. James	SM 130 A	SM 130 A	900	28.1	0.61			
52	LLS	St. James	SM 132 A	SM 149 C	225	37.4	unknown			
53	LLS	St. James	EI 259 ssti	SS 274 C	160	36.2	unknown			
54	LLS	St. James	VR 214 A	VR 214 A	230	36.9	unknown			
55	LLS	St. James	VR 215 A	VR 215 A	195	38.0	<b>0.11</b>			
56	LLS	St. James	VR 250 ssti	VR 252 A	400	35.7	unknown			
57	LLS	St. James	VR 331 ssti	VR 315 A	105	35.1	unknown			
58	LLS	St. James	VR 376 A	VR 376 A	255	36.0	0.51			
59	LLS	St. James	WC 498 B	WC 498 B	165	36.6	unknown			
60	LLS	St. James	EC 321 A	EC 321 A	340	32.1	1.22			
61	LLS	St. James	EC 332 A	EC 332 A	125	38.8	unknown			
62	LLS	St. James	EC 338 A	EC 338 A	220	40.8	unknown			
63	LLS	St. James	EC 272 C	EC 272 C	115	28.7	0.53			
64	LLS	St. James	EC 272 D	EC 272 D	105	28.2	0.53			
65	LLS	St. James	SM 40 ssti	SM 39 A	90	36.0	unknown			
66	LLS	St. James	SM 69 B	SM 69 B	965	35.1	unknown			
67	LLS	St. James	VR 250 C	VR 250 C	180	34.1	unknown			
68	Mars	Clovelly	GI 116 A	GI 116 A	530	43.6	0.39			
69a	Mars	Clovelly	GC 158 A	GC 158 A	3,250	34.5	1.45			
69b	Poseidon	Houma	GC 158 A	GC 158 A	0	0.0	0.00			
70	Mars	Clovelly	ST 317 ssti	ST 317 A	330	31.9	0.75			
71	Mars	Clovelly	GI 115 ssti	EW 921 A	850	26.2	unknown			
72	Mars	Clovelly	MC 807 A	MC 807 A	20,600	29.4	2.10			
73	Mars	Clovelly	WD 117 ssti	GI 78 A	350	35.9	0.10			
74	Mars	Clovelly	MC 809 A	MC 809 A	17,000	30.7	2.05			
75	Poseidon	Houma	GB 72 A	GB 72 A	330	36.0	0.76			
76	Poseidon	Houma	EW 1003 A	EW 1003 A	185	30.2	1.26			
77	Poseidon	Houma	ST 204 B	ST 204 B	180	53.5	0.03			

Offer Pkg	Royalty Oil Type	Gulf Coast Market Center	Custody Transfer Point	Volume Metered At	Custody Transfer Point Royalty Volume (bbls/day)	Gravity	Sulfur %	"X" Offer Quality Bank Debits/Credits Included *	"X" Offer Quality Bank Debits/Credits Not Included	Accept MMS' Transportation or Buy/Sell (Yes or No)
78a	LLS	St. James	GB 128 A	GB 128 A	330	33.8	unknown			
78b	Bonito	St. James	GB 128 A	GB 128 A	3,500	37.9	0.88			
79a	TXG	Texas City	Segment I (GA 256 ssti)	GA 209 B	565	34.1	0.10			
79b	TXG	Texas City	HIA 474 A	HIA 474 A	150	40.7	unknown			
80a	TXG	Texas City	EB 159 A	EB 159 A	230	42.5	unknown			
80b	TXG	Texas City	EB 160 A	EB 160 A	235	34.6	unknown			
80c	TXG	Texas City	HIA 536 C	HIA 536 C	195	33.4	unknown			
80d	TXG	Texas City	HIA 563 B	HIA 563 B	190	35.4	0.26			
80e	TXG	Texas City	HIA 582 C	HIA 582 C	1,430	40.7	0.13			
81a	TXG	Texas City	IP#4/SEG III (HIA 546 ssti)	HIA 376 A	195	35.3	0.43			
81b	TXG	Texas City	HIA 379 B	HIA 379 B	170	37.9	0.32			
81c	TXG	Texas City	HIA 443 ssti	HIA 442 A	140	36.6	unknown			
81d	TXG	Texas City	HIA 573 B	HIA 573 B	210	35.7	unknown			
81e	TXG	Texas City	HIA 595 C	HIA 595 C	215	33.5	unknown			
81f	TXG	Texas City	GB 189 A	WC 661 A	420	33.4	0.65			
82	HOOPS	Jones Creek	AC 25 A	AC 25 A	1,125	30.5	1.10			
83	HOOPS	Jones Creek	EB 602 A	EB 602 A	2,700	34.9	0.46			
84	HOOPS	Jones Creek	EB 643 A	EB 643 A	4,000	29.3	1.23			
85	HLS	Empire	ST 177 E	ST 177 E	380	47.7	N/A			

\* For packages 40-45, quality bank debits/credits should not be reflected in your offer for any leg flowing down the Bonito Pipeline System as they will be passed back to the MMS by the operator. All other quality banks downstream of the Bonito Pipeline System should be included in the offer.

\_\_\_\_\_  
 Your Name

\_\_\_\_\_  
 Phone No.

\_\_\_\_\_  
 Company Name

\_\_\_\_\_  
 Fax No.

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Offer Pkg	Royalty Oil Type	Gulf Coast Market Center	Custody Transfer Point	Volume Metered At	MMS FMP No.	Common Industry Name	FMP Operator	Custody Transfer Point Royalty Volume (bbls/day)	Gravity (Note 5)	Sulfur % (Note 5)	Pipelines	Common Carrier(s)	Buy/Sell (Note 9)
1	HLS	Empire	SP 65 A	SP 65 A	20177215102		Devon Louisiana Corp.	360	30.3	N/A	(Devon private line into) Pompano P/L into Delta P/L	no yes	STUSCO
2	HLS	Empire	SP 62	VK 989	20608165102	Pompano	BP Expl. and Prod.	2,220	34.6	N/A	Pompano P/L into Delta P/L	no yes	STUSCO
3	HLS	Empire	SP 62 Ai	VK 900 A	20608165101		ChevronTexaco	200	37.3	N/A	Pompano P/L into Delta P/L	no yes	STUSCO
4a	HLS	Empire	MP 311 A	MP 311 A	20177245100		GOM Shelf	150	27.0	N/A	Pompano P/L into Delta P/L	no yes	STUSCO
4b	HLS	Empire	MP 311 B	MP 311 B	20177245101		GOM Shelf	150	24.8	N/A	Pompano P/L into Delta P/L	no yes	STUSCO
5	HLS	Empire	MP 313 A	MP 313 A	20177245700		ChevronTexaco	490	29.4	N/A	Mountaineer P/L into ChevronTexaco P/L	no yes	Williams
6	HLS	Empire	SP 62 A	SP 62 A	20177215100		Apache Corp.	550	35.9	N/A	Pompano P/L into Delta P/L	no yes	STUSCO
7	HLS	Empire	SP 70 C	SP 70 C	20177215114		Devon Louisiana Corp.	290	22.5	N/A	Pompano P/L into Delta P/L	no yes	STUSCO
<b>Pipeline Total</b>								<b>4,410</b>					
8	HLS	Empire	SP 87 D	SP 87 D	20177224602		Marathon Oil Company	370	38.8	N/A	South Pass-West Delta System (Marathon P/L) into ChevronTexaco P/L	yes no yes	Anadarko
9	HLS	Empire	SP 86 C	SP 86 C	20177224601		Marathon Oil Company	60	36.3	N/A	South Pass-West Delta System (Marathon P/L) into ChevronTexaco P/L	yes no yes	Anadarko
10	HLS	Empire	WD 79 A	WD 79 A	20177194600		Amerada Hess Corp.	160	37.4	N/A	South Pass-West Delta System (Marathon P/L) into ChevronTexaco P/L	yes yes	(Note 2)
11a	HLS	Empire	SP 89 B	SP 89 B	20177224600		Marathon Oil Company	100	32.5	N/A	South Pass-West Delta System (Marathon P/L) into ChevronTexaco P/L	yes yes	(Note 2)
11b	HLS	Empire	SP 89 B	SP 89 B	20177224600	Zia	Devon Energy	800	32.5	N/A	South Pass-West Delta System (Marathon P/L) into ChevronTexaco P/L	yes yes	(Note 2)
<b>Pipeline Total</b>								<b>1,490</b>					
12	HLS	Empire	SP 50 ssti	MC 109	20608174952	Amberjack	BP Expl. and Prod.	1,720	27.5	N/A	SP 49 P/L into Delta P/L	yes	
13	HLS	Empire	Venice, LA	WD 117 G	20177204300		ChevronTexaco	250	35.5	N/A	ChevronTexaco P/L	yes	
14	HLS	Empire	SP 77 A	SP 77 A	20177224701		ChevronTexaco	1,090	36.6	N/A	ChevronTexaco P/L	yes	
15	HLS	Empire	Venice, LA (into Plains)	Venice, LA	20170755200		Samedan Oil Corp.	460	34.0	N/A	ChevronTexaco P/L	no	Plains
16	HLS	Empire	SP 49 A	SP 49 A	20177214950		ChevronTexaco	380	34.5	N/A	ChevronTexaco P/L	yes	
<b>Pipeline Total</b>								<b>3,900</b>					

Offer Pkg	Royalty Oil Type	Gulf Coast Market Center	Custody Transfer Point	Volume Metered At	MMS FMP No.	Common Industry Name	FMP Operator	Custody Transfer Point Royalty Volume (bbls/day)	Gravity (Note 5)	Sulfur % (Note 5)	Pipelines	Common Carrier(s)	Buy/Sell (Note 9)
17	HLS	Empire	MC 474 A	MC 474 A	20608175111	Na Kika	BP Expl. and Prod.	12,500 (Note 4)	unknown	N/A	Na Kika P/L into Delta P/L	yes yes	
<b>Pipeline Total</b>								<b>12,500</b>					
18a	HLS	Empire	MP 299 A	MP 299 FP	20177245400		ChevronTexaco	1,440	35.6	N/A	ChevronTexaco P/L	yes	
18b	HLS	Empire	MP 299 B	MP 299 FP									
18c	HLS	Empire	MP 144	MP 299 FP									
19	HLS	Empire	MP 123 A	MP 123 A	20177255400		Pogo Producing	190	35.9	N/A	Pogo private line into ChevronTexaco P/L	no yes	(Note 8)
20	HLS	Empire	MP 133 C	MP 133 C	20177255402		Petro Ventures	190	42.1	N/A	ChevronTexaco P/L	yes	
<b>Pipeline Total</b>								<b>1,820</b>					
21	HLS	Empire	MP 69 (from MPOG)	VK 826 A VK 915 A MP 281 A VK 823 A MP 225 A	20608165111 20608165114 2017724511G 20608165115 2017724511C	Neptune Nile Virgo	Kerr-McGee BP Expl. and Prod. Dominion E & P Total E & P Dominion E & P	8,610 (Note 1)	36.4 (Note 6)	N/A	Delta P/L or Cypress P/L	yes	
<b>Pipeline Total</b>								<b>8,610</b>					
22	HLS	Empire	MP 73 CF	MP 73 CF	20177255401		ExxonMobil	310	30.4	N/A	Cypress P/L	yes	
23	HLS	Empire	Grand Bay Rec. Stn.	Grand Bay Rec. Stn.	20170755600		Apache Corp.	280	28.6	N/A	Cypress P/L	yes	
24	HLS	Empire	S.W. Pass 24	MC 194	20608174850	Cognac	Shell Offshore	910	31.6	N/A	(Cognac P/L into) Delta P/L	no yes	STUSCO
25	HLS	Empire	MP 69 PS	MP 69 PS	20177255111		BP Expl. and Prod.	920	37.1	N/A	Delta P/L	yes	
<b>Pipeline Total</b>								<b>2,420</b>					
26	HLS	Empire	WD 133i	WD 133 B	20177203900		Apache Corp.	210	35.8	N/A	(Shell Bourbon P/L into) West Delta/Marlin P/L	no	STUSCO
27	HLS	Empire	MC 311 A	MC 311 A	20608173900		Apache Corp.	150	36.6	N/A	(Shell private line into) West Delta/Marlin P/L	no	STUSCO
28	HLS	Empire	WD 103i	WD 104 C	20177193903		Apache Corp.	500	28.9	N/A	West Delta/Marlin P/L	no	STUSCO
29	HLS	Empire	WD 89 A	WD 89 A	20177193905		ENI Petroleum	130	36.2	N/A	(ENI private line into) West Delta/Marlin P/L	no	STUSCO
30	HLS	Empire	WD 90i	WD 90 A	20177193906		Apache Corp.	200	28.9	N/A	West Delta/Marlin P/L	no	STUSCO
<b>Pipeline Total</b>								<b>1,190</b>					
31a	El or Mars	St. James or Clovelly	GC 19 A	GC 19 A	20608112953	Boxer	Shell Offshore	30	31.0	1.24	Boxer P/L into Eugene Island P/L into Shell's S. LA Sys. or; Amberjack P/L into Mars Oil P/L	yes yes yes	
31a	El or Mars or Poseidon	St. James or Clovelly or Houma	GC 65 A	GC 65 A	20608117000	Bullwinkle	Shell Offshore	3,500 (Note 1)	31.4	1.60	Amberjack P/L or; Amberjack P/L into Boxer P/L into EIPL into Shell's S. LA Sys. or; Shell 12" into Boxer P/L (except Angus) into EIPL into Shell's S. LA Sys. or; Shell 12" P/L (except Angus) into Shell Trading 12" P/L into Poseidon P/L	yes yes yes no yes no no no	Shell Offshore STUSCO STUSCO Poseidon

Offer Pkg	Royalty Oil Type	Gulf Coast Market Center	Custody Transfer Point	Volume Metered At	MMS FMP No.	Common Industry Name	FMP Operator	Custody Transfer Point Royalty Volume (bbls/day)	Gravity (Note 5)	Sulfur % (Note 5)	Pipelines	Common Carrier(s)	Buy/Sell (Note 9)
							<b>Pipeline Total</b>	<b>3,530</b>					
32	EI	St. James	SM 128 A	SM 128 A	20177082951		Devon Energy	1,290	40.5	unknown	Eugene Island P/L into Shell's South Louisiana System	yes yes	
33	EI	St. James	SS 181 B	SS 181 B	20177112951		ChevronTexaco	290	29.4	0.32	Shell P/L into Eugene Island P/L into Shell's South Louisiana System	yes yes	
							<b>Pipeline Total</b>	<b>1,580</b>					
34	EI	St. James	EW 989 ssti	GC 18 A	20608112950		ExxonMobil	660	32.5	1.50	Boxer P/L into Eugene Island P/L into Shell's South Louisiana System	yes yes	
							<b>Pipeline Total</b>	<b>660</b>					
35	EI	St. James	VR 369 ssti	VR 386 B	20177062954		Houston Exploration	600	31.3	0.93	Marathon P/L into Eugene Island Pipeline System (Marathon capacity) into Shell's South Louisiana System	yes yes yes	(Note 2)
36	EI	St. James	SM 137 ssti	VR 356 A	20177062959		El Paso Production	130	25.9	1.00	Marathon P/L into Eugene Island Pipeline System (Marathon capacity) into Shell's South Louisiana System	yes yes yes	
37	EI	St. James	SM 141 ssti	SM 160 A	20177082956		Newfield Exploration	200	27.9	unknown	Marathon P/L into Eugene Island Pipeline System (Marathon capacity) into Shell's South Louisiana System	yes yes yes	
38	EI	St. James	VR 331 ssti	EC 346 A	20177042950		Remington Oil and Gas	200	31.1	unknown	Marathon P/L into Eugene Island Pipeline System (Marathon capacity) into Shell's South Louisiana System	yes yes yes	(Note 2)
39a	EI	St. James	EI 327 ssti	EI 325 A	20177102952		Forest Oil Corp.	180	39.1	unknown	Marathon P/L into Eugene Island Pipeline System (Marathon capacity) into Shell's South Louisiana System	yes yes yes	
39b	EI	St. James	EI 327 ssti	EI 341 A	20177102958		ChevronTexaco	250	35.6	0.91	Marathon P/L into Eugene Island Pipeline System (Marathon capacity) into Shell's South Louisiana System	yes yes yes	
							<b>Pipeline Total</b>	<b>1,560</b>					
40a	Bonito	St. James	EI 316 ssti	EI 361 A	2017710260J		ChevronTexaco	450	35.0	unknown	(Chevron P/L capacity into Bonito P/L ) into Ship Shoal P/L	yes yes	
40b	Bonito	St. James	EI 316 ssti	EI 360 E	2017710260K		ChevronTexaco	960	36.3	0.01	(Chevron P/L capacity into Bonito P/L ) into Ship Shoal P/L	yes yes	
41	Bonito	St. James	EI 330 S	EI 330 S	20177102607		Devon Energy	1,890	32.1	0.01	Bonito P/L into Ship Shoal P/L	yes	
42	Bonito	St. James	EI 339 B	EI 339 B	20177102609		ChevronTexaco	980	32.5	0.01	(Chevron P/L capacity into Bonito P/L ) into Ship Shoal P/L	yes yes	
43	Bonito	St. James	EI 330 ssti	EI 314 A	20177102605	Teal	ExxonMobil	440	34.0	0.80	Bonito P/L into Ship Shoal P/L	yes	
44	Bonito	St. James	EI 337 A	EI 337 A	2017710260B		Devon Energy	200	34.0	unknown	Bonito P/L into Ship Shoal P/L	yes	
45	Bonito	St. James	EI 338 A	EI 338 A	20177102608		ChevronTexaco	220	30.1	unknown	Bonito P/L into Ship Shoal P/L	yes	

Offer Pkg	Royalty Oil Type	Gulf Coast Market Center	Custody Transfer Point	Volume Metered At	MMS FMP No.	Common Industry Name	FMP Operator	Custody Transfer Point Royalty Volume (bbls/day)	Gravity (Note 5)	Sulfur % (Note 5)	Pipelines	Common Carrier(s)	Buy/Sell (Note 9)
							<b>Pipeline Total</b>	<b>5,140</b>					
46	LLS	St. James	EI 175 C	EI 175 C	20177092601		Apache Corp.	130	36.0	unknown	Central Gulf Gathering System into Tarpon P/L into Ship Shoal P/L	no yes	STUSCO
47	LLS	St. James	EI 174 ssti	EI 182 A	2017709260C		Newfield Exploration	290	35.2	0.32	Central Gulf Gathering System into Tarpon P/L into Ship Shoal P/L	no yes	STUSCO
48	LLS	St. James	EI 188 P	EI 189 B	2017709260F		Apache Corp.	215	36.3	unknown	Central Gulf Gathering System into Tarpon P/L into Ship Shoal P/L	no yes	STUSCO
49	LLS	St. James	EI 254 ssti	EI 252 I	2017709260K		ChevronTexaco	980	39.0	0.32	Central Gulf Gathering System into Tarpon P/L into Ship Shoal P/L	no yes	STUSCO
50a	LLS	St. James	EI 259 ssti	EI 258 B	20177092609		Nexen Petroleum	600	35.8	0.52	Central Gulf Gathering System into Tarpon P/L into Ship Shoal P/L	no yes	STUSCO
50b	LLS	St. James	EI 259 ssti	EI 276 B	20177102601		Unocal	260	35.7	unknown	Unocal P/L into Central Gulf Gathering System into Tarpon P/L into Ship Shoal P/L	yes no yes	STUSCO
51	LLS	St. James	SM 130 A	SM 130 A	20177082604		Energy Resource Technology	900	28.1	0.61	Central Gulf Gathering System into Tarpon P/L into Ship Shoal P/L	no yes	STUSCO
52	LLS	St. James	SM 132 A	SM 149 C	2017708260A		Unocal	225	37.4	unknown	Central Gulf Gathering System into Tarpon P/L into Ship Shoal P/L	no yes	STUSCO
53	LLS	St. James	EI 259 ssti	SS 274 C	2017712260E		Apache Corp.	160	36.2	unknown	Central Gulf Gathering System into Tarpon P/L into Ship Shoal P/L	no yes	STUSCO
54	LLS	St. James	VR 214 A	VR 214 A	20177052600		ChevronTexaco	230	36.9	unknown	Chevron P/L into Central Gulf Gathering System into Tarpon P/L into Ship Shoal P/L	yes no yes	STUSCO
55	LLS	St. James	VR 215 A	VR 215 A	20177052601		Newfield Exploration	195	38.0	0.11	Central Gulf Gathering System into Tarpon P/L into Ship Shoal P/L	no yes	STUSCO
56	LLS	St. James	VR 250 ssti	VR 252 A	2017706260A		Seneca Resources	400	35.7	unknown	Central Gulf Gathering System into Tarpon P/L into Ship Shoal P/L	no yes	STUSCO
57	LLS	St. James	VR 331 ssti	VR 315 A	20177062608		Noble Energy	105	35.1	unknown	Central Gulf Gathering System into Tarpon P/L into Ship Shoal P/L	no yes	STUSCO
58	LLS	St. James	VR 376 A	VR 376 A	2017706260C		PetroQuest Energy	255	36.0	0.51	Central Gulf Gathering System into Tarpon P/L into Ship Shoal P/L	no yes	STUSCO
59	LLS	St. James	WC 498 B	WC 498 B	20177022600		El Paso Production	165	36.6	unknown	El Paso Merchant Energy P/L into Central Gulf Gathering System into Tarpon P/L into Ship Shoal P/L	no no yes	El Paso STUSCO
							<b>Pipeline Total</b>	<b>5,110</b>					
60	LLS	St. James	EC 321 A	EC 321 A	20177042202		Marathon Oil Company	340	32.1	1.22	Marathon P/L into ExxonMobil P/L into ExxonMobil S. LA System	yes yes	
61	LLS	St. James	EC 332 A	EC 332 A	20177042208		Noble Energy	125	38.8	unknown	Marathon P/L into ExxonMobil P/L into ExxonMobil S. LA System	yes yes	

Offer Pkg	Royalty Oil Type	Gulf Coast Market Center	Custody Transfer Point	Volume Metered At	MMS FMP No.	Common Industry Name	FMP Operator	Custody Transfer Point Royalty Volume (bbls/day)	Gravity (Note 5)	Sulfur % (Note 5)	Pipelines	Common Carrier(s)	Buy/Sell (Note 9)
62	LLS	St. James	EC 338 A	EC 338 A	20177042205		W&T Offshore	220	40.8	unknown	Marathon P/L into ExxonMobil P/L into ExxonMobil S. LA System	yes yes	
63	LLS	St. James	EC 272 C	EC 272 C	20177042200		ChevronTexaco	115	28.7	0.53	ExxonMobil P/L into ExxonMobil S. LA System	yes	
64	LLS	St. James	EC 272 D	EC 272 D	20177042201		ChevronTexaco	105	28.2	0.53	ExxonMobil P/L into ExxonMobil S. LA System	yes	
65	LLS	St. James	SM 40 ssti	SM 39 A	20177072207		Westport Resources Corp.	90	36.0	unknown	ExxonMobil P/L into ExxonMobil S. LA System	yes	
66	LLS	St. James	SM 69 B	SM 69 B	20177072206		Taylor Energy Co.	965	35.1	unknown	ExxonMobil P/L into ExxonMobil S. LA System	yes	
67	LLS	St. James	VR 250 C	VR 250 C	20177052203		El Paso Production	180	34.1	unknown	ExxonMobil P/L into ExxonMobil S. LA System	yes	
<b>Pipeline Total</b>								<b>2,140</b>					
68	Mars	Clovelly	GI 116 A	GI 116 A	20177183651		Anadarko Petroleum Corp.	530	43.6	0.39	Amberjack P/L into Mars Oil P/L	yes	
69a 69b	Mars or Poseidon	Clovelly or Houma	GC 158 A	GC 158 A	20608113652	Brutus	Shell Offshore	3,250	34.5	1.45	Brutus P/L into Amberjack P/L into Mars Oil P/L or; Amberjack P/L to SS301 to SS332 into Poseidon P/L; Delivery at Houma	yes yes no	Poseidon
70	Mars	Clovelly	ST 317 ssti	ST 317 A	20177163650		Houston Exploration	330	31.9	0.75	Brutus P/L into Amberjack P/L into Mars Oil P/L	yes	
71	Mars	Clovelly	GI 115 ssti	EW 921 A	20608103651	Morpeth	ENI Petroleum	850 (Note 1)	26.2	unknown	Amberjack P/L into Mars Oil P/L	yes	
<b>Pipeline Total</b>								<b>4,960</b>					
72	Mars	Clovelly	MC 807 A	MC 807 A	20608173650	Mars	Shell Offshore	20,600	29.4	2.10	Mars Oil P/L	yes	
73	Mars	Clovelly	WD 117 ssti	GI 78 A	20177173650		El Paso Production	350	35.9	0.10	Mars Oil P/L	yes	
<b>Pipeline Total</b>								<b>20,950</b>					
74	Mars	Clovelly	MC 809 A	MC 809 A	20608173651	Ursa	Shell Offshore	17,000	30.7	2.05	Ursa P/L into Mars Oil P/L	yes	
<b>Pipeline Total</b>								<b>17,000</b>					
75	Poseidon	Houma	GB 72 A	GB 72 A	20608072950		Flextrend Development Co.	330	36.0	0.76	Poseidon P/L	no	Poseidon
76	Poseidon	Houma	EW 1003 A	EW 1003 A	20608102952	Prince	El Paso Production	185	30.2	1.26	Poseidon P/L	no	Poseidon
77	Poseidon	Houma	ST 204 B	ST 204 B	20177152952		El Paso Production	180	53.5	0.03	Poseidon P/L	no	Poseidon
<b>Pipeline Total</b>								<b>695</b>					
78a	LLS	St. James	GB 128 A	GB 128 A	20608072601 (Note 3)	Enchilada	Shell Offshore	330 (Note 1)	33.8	unknown	Central Gulf Gathering System into Tarpon P/L into Ship Shoal P/L	no yes	STUSCO
78b	Bonito	St. James	GB 128 A	GB 128 A	20608077000	Enchilada	Shell Offshore	3,500 (Note 1)	37.7	0.88	Auger P/L into Ship Shoal P/L or; Auger P/L into Bonito P/L into Ship Shoal P/L or; Auger P/L into Eugene Island P/L into Shell's South Louisiana System	yes yes yes yes	
<b>Pipeline Total</b>								<b>3,830</b>					
79a	TXG	Texas City	Segment I (GA 256 ssti)	GA 209 B	20427060150		ExxonMobil	565	34.1	0.10	HIPS P/L	yes	

Offer Pkg	Royalty Oil Type	Gulf Coast Market Center	Custody Transfer Point	Volume Metered At	MMS FMP No.	Common Industry Name	FMP Operator	Custody Transfer Point Royalty Volume (bbls/day)	Gravity (Note 5)	Sulfur % (Note 5)	Pipelines	Common Carrier(s)	Buy/Sell (Note 9)
79b	TXG	Texas City	HIA 474 A	HIA 474 A	20427090153		Newfield Exploration	150	40.7	unknown	HIPS P/L	yes	
							<b>Pipeline Total</b>	<b>715</b>					
80a	TXG	Texas City	EB 159 A	EB 159 A	20608040150		Unocal	230	42.5	unknown	HIPS P/L	yes	
80b	TXG	Texas City	EB 160 A	EB 160 A	20608040151		Unocal	235 (Note 1)	34.6	unknown	HIPS P/L	yes	
80c	TXG	Texas City	HIA 536 C	HIA 536 C	20427090155		Newfield Exploration	195	33.4	unknown	HIPS P/L	yes	
80d	TXG	Texas City	HIA 563 B	HIA 563 B	20427090158		ChevronTexaco	190	35.4	0.26	HIPS P/L	yes	
80e	TXG	Texas City	HIA 582 C	HIA 582 C	2042709015E		ChevronTexaco	1,430	40.7	0.13	HIPS P/L	yes	
							<b>Pipeline Total</b>	<b>2,280</b>					
81a	TXG	Texas City	IP#4/SEG III (HIA 546 ssti)	HIA 376 A	20427110152		Anadarko Petroleum Corp.	195	35.3	0.43	HIPS P/L	yes	
81b	TXG	Texas City	HIA 379 B	HIA 379 B	20427110153		Kerr-McGee	170	37.9	0.32	Kerr-McGee private line into HIPS P/L	no yes	Kerr McGee
81c	TXG	Texas City	HIA 443 ssti	HIA 442 A	2042709015i		Devon Louisiana Corp	140	36.6	unknown	HIPS P/L	yes	
81d	TXG	Texas City	HIA 573 B	HIA 573 B	2042709015B		Apache Corp.	210	35.7	unknown	HIPS P/L	yes	
81e	TXG	Texas City	HIA 595 C	HIA 595 C	2042709015C		Apache Corp.	215	33.5	unknown	HIPS P/L	yes	
81f	TXG	Texas City	GB 189 A	WC 661 A	20177020150		Tarpon Offshore	420	33.4	0.65	HIPS P/L	yes	
							<b>Pipeline Total</b>	<b>1,350</b>					
82	HOOPS	Jones Creek	AC 25 A	AC 25 A	20608050130	Diana	ExxonMobil	1,125 (Note 7)	30.5	1.10	ExxonMobil Pipeline	yes	
83	HOOPS	Jones Creek	EB 602 A	EB 602 A	20608040154	Nansen	Kerr-McGee	2,700 (Note 1)	34.9	0.46	ExxonMobil Pipeline	yes	
84	HOOPS	Jones Creek	EB 643 A	EB 643 A	20608040155	Boomvang	Kerr-McGee	4,000	29.3	1.23	ExxonMobil Pipeline	yes	
							<b>Pipeline Total</b>	<b>7,825</b>					
<b>Property Added as of 1/26/2004:</b>													
85	HLS	Empire	ST 177 E	ST 177 E	20177153605		ChevronTexaco	380	47.7	N/A	ChevronTexaco P/L into Fourchon into ChevronTexaco P/L	yes	
							<b>Grand Total</b>	<b>116,045</b>					



Offer Pkg	Royalty Oil Type	Gulf Coast Market Center	Custody Transfer Point	Volume Metered At	MMS FMP No.	Common Industry Name	FMP Operator	Custody Transfer Point Royalty Volume (bbbls/day)	Gravity (Note 5)	Sulfur % (Note 5)	Pipelines	Common Carrier(s)	Buy/Sell (Note 9)
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- STUSCO contact for HLS properties, all deliveries at Empire: Brett Jones (713-277-5534)
- STUSCO contact for LLS properties, all deliveries at El 188: Chuck Morelli (713-277-5535)
- Shell Offshore contact: Mike Faulise (713-230-1967)
- Poseidon Pipeline contact: James Hostetler (720-956-3054)
- El Paso Merchant Energy-Petroleum Company contact: Tommy Wimberly (713-420-3950)
- Kerr-McGee contact for TXG properties: Beth Sachs (281-618-6605)
- Marathon contact for Marathon Pipeline Incentive Program (see Exhibit D): Ted Skinner (713-296-3719) or Bruce Norcini (713-296-3738)
- MPOG contact: Chris O'Neill (918-660-4383)
- Pogo contact: Don McGregor (713-297-5010)
- Anadarko contact: Glenn Karnei (832-636-7186)
- Williams contact: Guy Suffridge (918-573-9205)
- Plains Marketing contact: Jerry Brice (337-224-7122)
- FMP: Facility Measurement Point
- N/A: Not Applicable

- Note 1: FMP contains a lease in Royalty Relief status. Volumes from that lease will not be included in deliveries to purchaser.
- Note 2: Reserve Commitment Program for Marathon's tariff, see Exhibit D.
- Note 3: All production currently flowing down Auger P/L (Bonito) although Central Gulf Gathering System (LLS) continues to be an option.
- Note 4: Na Kika came online in November 2003, production may vary.
- Note 5: Gravity is a 3-mo. average (Sep-Nov 2003). Gravity and Sulfur are measured at the Facility Measurement Point unless otherwise noted.
- Note 6: Gravity shown is the commingled MPOG gravity, measured at the MP 69 inlet to Delta and Cypress Pipelines.
- Note 7: Volume reflects only non-ExxonMobil share of volumes.
- Note 8: No charge across the Pogo private line.
- Note 9: For all properties that are Buy/Sells with STUSCO, the gravities listed were supplied by STUSCO and represent an average from Apr-Oct 2003.

**CONTINGENCY FOR OUTRIGHT PURCHASE  
IFO No. 1435-02-03-RP-40443**

**Introduction**

In the event the Department of Energy rejects any offer for redelivery into the Strategic Petroleum Reserve of exchange oil related to a successfully awarded royalty oil package from this MMS Invitation for Offer (IFO), the MMS award will be for an outright purchase at the offshore custody transfer point specified in Exhibit A, rather than an exchange.

MMS will notify successful offerors by February 17, 2004, of any royalty oil packages awarded as an outright purchase rather than an exchange. **Any outright purchases of royalty oil packages will be for a 6-month term beginning April 1, 2004, and ending September 30, 2004.** Payment terms are governed by the MMS base contract "RIK Crude Oil General Terms and Conditions," previously signed by the offeror and MMS.

**Pricing Mechanism**

For any royalty oil package awarded as an outright purchase rather than an exchange, the accepted IFO offer ("X") will be used to price the royalty crude oil and will represent an increment or decrement from the following pricing formula:

$$\text{(Koch Posting + Platts P}^*\text{) - (Platts WTI - Platts Crude Type Price)}$$

Where: Koch Posting: Koch Supply and Trading's posting for West Texas/New Mexico Intermediate (WTI), deemed 40° API, for the *Physical Month of Delivery*

Physical Month of Delivery: The calendar month during which delivery of crude oil occurs

Platts P\*: Platts Oilgram Price Report (Platts) arithmetic average of the daily high and low price quotes for "P-Plus WTI" for the *Platts Month of Delivery*

Platts Month of Delivery: Refers to quotes in Platts for the period of time from the 26<sup>th</sup> day of the month two months prior to the Physical Month of Delivery through the 25<sup>th</sup> day of the month one month prior to the Physical Month of Delivery (excluding weekends and holidays)

Platts WTI: The arithmetic average of the daily high and low price quotes for WTI for the Platts Month of Delivery

Platts Crude Type Price: The arithmetic average of the daily high and low price quotes for the crude oil type that is the subject of the bid (HLS, Eugene Island, Bonito, LLS, Mars, Poseidon, TXG (Platts WTI) or Hoops (Platts WTS)) for the Platts Month of Delivery

**Pre-qualification and Credit Requirements**

For royalty oil packages awarded as outright purchases rather than as exchange agreements, all pre-qualification and credit requirements outlined under this IFO will continue to apply, with the following modifications. If required, the financial assurance amount shall be sufficient to cover the value of 60 days of deliveries of the estimated production of all royalty oil awarded, less the amount of unsecured credit issued by the MMS, as previously notified. The financial assurance must be effective for a period beginning on the date of first delivery under the contract and ending when final payment under the contract is verified. The value of the financial assurance should be calculated as the price per barrel using the above pricing mechanism plus the submitted offer applied to the February 2004 delivery month prices. Alternatively, the most currently available Platts pricing data may be used instead of Platts Month of Delivery.

Any questions regarding calculation of the financial assurance amount should be directed to Larry Cobb at 303-231-3307. Failure to provide adequate financial assurance when requested may result in a loss of award unless the date is extended by the MMS Contracting Officer.

**Marathon Pipe Line LLC  
Incentive Rates**

**Exhibit D**

**Marathon contacts: Ted Skinner (713-296-3719) for SPWD properties  
and Bruce Norcini (713-296-3738) for Eugene Island properties.**

<b>Offer Pkg</b>	<b>Custody Transfer Point</b>	<b>Incentive Program Rate</b>	<b>FERC Number</b>
10	WD 79 A	\$0.450	33
11a	SP 89 B	\$0.850	32
11b	SP 89 B (Zia)	\$0.450	54
35	SM 139/VR 331	\$1.070	52
38	VR 369 ssti	\$1.270	52

**Note:** Line loss based on actuals.

MMS/MRM/RIK  
Mail Stop 330B2

OMB Control Number 1010-0129  
Expiration Date: July 31, 2006

(Address)

Dear (Title, Name):

The Minerals Management Service (MMS) has selected one or more offshore Federal leases in the Gulf of Mexico (GOM) that you operate or are a working interest owner of to be included in a Royalty In-Kind (RIK) program where we will take crude oil and condensate royalty production in-kind beginning April 1, 2004. This letter supercedes previous operator letters you have received regarding oil royalties taken in-kind and is effective the first day of the month following its receipt by you.

This letter provides the procedures and establishes the terms and conditions under which the United States (Lessor) will take crude oil royalties in-kind. Our authority is the Outer Continental Shelf Lands Act of 1953 (43 U.S.C. § 1353) and the royalty provisions contained in your Federal lease. For the purposes of this letter, royalty oil means the Federal lease oil and condensate production multiplied by the lease royalty rate. The volumes of royalty oil taken in-kind by the Lessor will reflect and be consistent with all grants of royalty relief.

Term

The Lessor will take all royalty oil in-kind from the properties listed in the enclosure beginning April 1, 2004, and will continue taking royalties in-kind until we notify you that in-kind status is terminated. We will provide Lessees and Operators with at least a 45-day prior written notice when terminating the in-kind status.

Royalty Oil Delivery

The custody transfer points for royalty oil produced from the properties are at the Facility Measurement Point(s) (FMP) or first interconnect into a main pipeline, as identified in the enclosure. The Lessor or its designee will take custody and responsibility for royalty oil at the custody transfer point. You can be reimbursed for transportation and quality bank debits of royalty oil to any custody transfer points identified in the enclosure that are downstream of the FMP. If gathering upstream of the FMP has been approved by MMS, you may take this deduction, as well as other related fees, on the Report of Sales and Royalty Remittance (Form MMS-2014). You will be required to report quality bank debits and credits for properties where the quality bank is passed back to the operator/producer, as allowed in applicable MMS regulations.

Royalty oil must be placed in marketable condition at no cost to the Lessor. Marketable condition means the condition generally acceptable to purchasers in the field or area. Questions on marketable condition should be directed to the Lessor's points of contact identified in this letter.

You must deliver all royalty oil from the selected leases, including royalty oil from newly producing wells on these leases. During the in-kind period, you will make the best effort to notify the Lessor's designated point of contact of new oil production flowing to the FMP identified in the

enclosure. Royalty oil from such new properties will be added to the RIK volumes at the existing custody transfer points only upon mutual consent of the purchaser and the Lessor.

#### Fulfillment of Royalty Obligations

Delivering the accurate volume of royalty oil (taking into account the effects of normal operational imbalances) in accordance with the terms of this letter will satisfy in full the Lessee's royalty obligation to the Lessor.

For properties where the Lessee has applied for deepwater royalty rate relief, you may use the proposed royalty rate in the interim before MMS/Offshore Minerals Management (OMM) approves the reduction. If OMM does not approve the royalty rate reduction, the resulting imbalance will be resolved in the same manner as described below for imbalances not remedied within 90 days (see "Balancing Account and Imbalances").

All rent or minimum royalty obligations remain the responsibility of the Lessee. If the Lessee owes minimum royalties, the Lessor will issue a bill including information supporting the calculation. The Lessee will have 30 days to review the bill and make payment or appeal the bill.

#### Lessor's Obligation to Take

We agree to take 100 percent of the royalty oil delivered to the custody transfer point for the account of the Lessor. Using reasonable and customary industry practices, we will try to minimize imbalances with you and the Lessees.

To facilitate timely and accurate custody transfer of royalty oil, we will communicate with you regarding arrangements to transfer the royalty oil from the custody transfer point. The Lessee will not incur royalty-related penalties because of the Lessor's failure to take delivery of oil volumes as communicated by the Operator.

#### Communication with Lessor

No later than 10 business days before the first day of each month, you must notify the Lessor in writing via facsimile (303-231-3846) or e-mail addressed to our mailbox ([rik.project@mms.gov](mailto:rik.project@mms.gov)) of the daily royalty oil volumes (Avails) anticipated for the following month of production for each of the custody transfer points identified in the enclosure (Enclosure). On this same schedule, for each of the custody transfer points, you will also provide any anticipated volume adjustments to resolve previous months' imbalances. The total volumes to be delivered to our purchaser at each of the delivery points must be indicated as a volume net of anticipated production plus or minus any adjustments. The Lessor understands that any such estimates are not warranties of actual deliveries but are provided to facilitate planning.

You must use reasonable efforts, consistent with industry practice, to inform the Lessor as soon as practical regarding significant changes to the information listed in the enclosure; e.g., oil production levels, oil type, and/or royalty rates for the RIK contract properties, as well as if the property is sold and who it was sold to.

#### Volume Reconciliation

You must provide the pipeline with the volume allocation for MMS' royalty oil separately from other take in-kind owners.

You must send all volume allocation schedules provided to pipeline companies that address royalty oil volumes at the custody transfer points in the enclosure to MMS at the same time they are submitted to the pipeline companies.

You must provide the lease imbalance statement to MMS no later than 45 days after the end of the month of production, unless MMS approves an alternative timeframe for submitting the statement. We will monitor and reconcile royalty entitlements with the royalty oil deliveries you make. Reconciliation will involve communication between you and MMS. Upon project termination, you, as the Operator must issue a final oil imbalance statement. You will settle in accordance with the section "Balancing Account and Imbalances." Volume allocation schedules and lease imbalance statements should be submitted to the [rik.project@mms.gov](mailto:rik.project@mms.gov) mailbox.

#### Operator Assignments

For leases which are being taken in-kind and which you are assigning to another operator, you will make best reasonable efforts to notify one of the New Lease Production-Lessor's Point of Contact listed below. In addition, any ending imbalance existing at the effective date of the assignment will be cashed out as described under "Balancing Account and Imbalances".

#### Balancing Account and Imbalances

You and MMS will jointly monitor imbalances between delivered and entitled volumes of royalty oil. You will take timely action to remedy such imbalances by adjusting the royalty oil volumes delivered to MMS. Such volume adjustments will be identified in your communication of royalty oil volumes anticipated before the month of production (see above under "Communication with Lessor").

Imbalances will be remedied in the production month following the month that the imbalance is identified. Imbalances not remedied within 90 days of the end of the production month will be resolved as follows:

- Mutually agreed upon make-up delivery schedule.
- Cash out payment based on the contract price (at the custody transfer point) that MMS actually received (or would have received) from its Purchaser during the month or months that the imbalance occurred. Interest will accrue from 60 days after notification that cash out payment is due.

When the lease is no longer taken in kind or after cessation of production from a lease, imbalances will be cashed out based on the MMS contract price (at the custody transfer point) for the last month the lease is taken in kind. Interest will accrue from 60 days after the final month of delivery. Imbalances remaining at the time of any sale/assignment of properties identified in the enclosure will be settled in compliance with your Purchase and Sale Agreement assignments. Imbalance provisions will be reviewed six months from initial contract date.

#### Reporting

You must continue to report crude oil production on the Oil and Gas Operations Report (OGOR). You must also report transportation allowances and quality bank debits/credits on the Form MMS-2014 for any royalty volumes that are delivered downstream of the FMP or where the quality bank

is passed back to the operator/producer under requirements specified in the MMS regulations and the MMS *Minerals Revenue Reporter Handbook*, please see our website at <http://www.mrm.mms.gov/ReportingServices/PDFDocs/RevenueHandbook.pdf>.

You will not be required to report royalties for the RIK properties listed in the enclosure on the Form MMS-2014 for the term during which the Lessor takes royalty in-kind, with the exception of properties noted as Royalty Relief and any retrograde or free condensate not delivered to the Lessor. You must continue to report these properties on the Form MMS-2014 per the MMS regulations. Reporting does not change for non-RIK leases.

#### Lessor's Designee

The Lessor may act by or through a duly authorized designee. Enclosed is a list of designees, including contacts. The designee will agree in writing to comply with all provisions of this letter that are applicable to the Lessor when the designee acts on our behalf. You are allowed, but not required to direct communications to our designee. You are required to direct communications to us. We will provide written notification when the designee changes or is no longer authorized to act on our behalf for the purposes of this letter.

#### Audit

The Lessor may audit your records regarding all information relevant to volumes and qualities of royalty oil produced, measured, delivered, and, if applicable, transported. We reserve the right to examine your financial records for the subject properties related to any transportation allowances and quality banks prior to the custody transfer point.

Lessees, Operators, and revenue payors must maintain all records of transactions mentioned in the above paragraph in accordance with the Federal Oil and Gas Royalty Simplification and Fairness Act of 1996 (Public Law 104-185 Section 115(f)).

#### Lessor's Point of Contact

Copies of all correspondence between the Operator and Lessor should be kept on file by the Operator. Points of contact for the Lessor are listed below:

- Volume Avails (Anticipated Volumes), Volume Allocation Schedules, and Operator Imbalance Statements:

Ms. Bernie Muniz  
Telephone: 303-231-3854; Fax: 303-231-3846  
E-mail: [Bernadette.Muniz@mms.gov](mailto:Bernadette.Muniz@mms.gov)

- New Lease Production:

Ms. Crystel Tobar  
Telephone: 303-231-3126; Fax: 303-231-3846  
E-mail: [Crystel.Tobar@mms.gov](mailto:Crystel.Tobar@mms.gov) or

Mr. Richard Fantel  
Telephone: 303-231-3502; Fax: 303-231-3846  
E-mail: [Richard.Fantel@mms.gov](mailto:Richard.Fantel@mms.gov) or

Ms. Karen Krock  
Telephone: 303-231-3209; FAX: 303-231-3846  
E-Mail: [Karen.Krock@mms.gov](mailto:Karen.Krock@mms.gov)

- Electronic Funds Transfer:  
Mr. Joe Romero  
Telephone: 303-231-3123; Fax: 303-231-3501;  
E-mail: [Joseph.Romero@mms.gov](mailto:Joseph.Romero@mms.gov)
- Marketable Condition Questions:  
Mr. Roman Geissel  
Telephone: 303-231-3226; Fax: 303-231-3473  
E-mail: [Roman.Geissel@mms.gov](mailto:Roman.Geissel@mms.gov)

We acknowledge that you and the Lessees have given proper notice when using the telephone number or fax number provided to communicate with us. Any telephone communication regarding volumes must be confirmed by fax or e-mail no later than 1 business day after telephone communication occurs. We further agree to make arrangements to receive such communications regarding oil scheduling issues during normal business hours. You and the Lessees should communicate with one of the points of contact to answer any further questions.

The Paperwork Reduction Act

The PRA (44 U.S.C. 3501 et seq.) requires us to inform you that we collect this information to document fulfillment of royalty obligations on minerals removed from Federal lands. The MMS uses the information to maintain and audit lease accounts. Responses are mandatory (43 U.S.C. 1334). Proprietary information is protected in accordance with standards established by the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1733), the Freedom of Information Act (5 U.S.C. 552(1), (4)), and the Department regulations (43 CFR 2). An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number. Public reporting burden for this form is estimated to average one hour per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to the Information Collection Clearance Officer, Minerals Management Service, Mail Stop 4230, 1849 C Street, NW., Washington, DC 20240.

Sincerely,

Gregory W. Smith  
Deputy Program Manager  
for Royalty In-Kind

Enclosures