

ENTERPRISE - CARLSBAD GATHERING SYSTEM AND PLANT

Charges on the Carlsbad system are explicitly identified by Enterprise for various services including gathering, dehydration, compression and product extraction. Dehydration and compression charges are not allowed. A portion of the gathering and products extraction fees are allowed as specified below. Enterprise bills separately for the James Ranch and Burton Flats compressors; these costs together with any associated fuel are not allowed.

CARLSBAD GATHERING SYSTEM COST ALLOCATION				
YEAR	2004	2005	2006	2007
Allowed Costs	93.40%	85.10%	90.50%	90.00%
Disallowed Costs	6.60%	14.90%	9.50%	10.00%
	100.00%	100.00%	100.00%	100.00%

CARLSBAD PLANT COST ALLOCATION				
YEAR	2004	2005	2006	2007
Allowed Costs	0.00%	0.00%	8.20%	8.20%
Disallowed Costs	100.00%	100.00%	91.80%	91.80%
	100.00%	100.00%	100.00%	100.00%

Processing began in 2006. Allocation does not change until plant is modified.

Sample Case - 2006	<i>The data in the highlighted fields may be changed to reflect reporter's actual contract data</i>
Gathering charge: \$0.38 per Dth	Product extraction charge: \$0.15 per Dth
Your Royalty Rate: 12.50%	Your Volume: 10,000 Dth

Step 1	total charges for			
	Fee per Dth		Your Volume	Total Charges
	\$0.38	*	10,000	= \$3,800.00

Step 2	transportation				
	Total Charges		Allowed Gathering Costs %	Your Royalty Rate	Allowed Transportation Allowance
	\$3,800.00	*	90.00%	* 12.5%	= \$427.50

Step 3	total charges for			
	Fee per Dth		Your Volume	Total Charges
	\$0.15	*	10,000	* \$1,500.00

Step 4	processing				
	Total Charges		Allowed Processing Cost %	Your Royalty Rate	Allowed Processing Allowance
	\$1,500.00	*	8.20%	* 12.50%	= \$15.38