

**Offshore Standardized UCA for Cryogenic Gas Plant  
SIMPLIFIED EXAMPLE FOR UCA**

Lessees may not substitute Standardized UCAs for plant-specific UCAs that ONRR has already published.

This example does not represent all contractual situations or include all transportation and processing fees that may be charged.

Royalty Rate:	12.5%	Wellhead Volume:	200,000 MMBtu
NGL Retainage Fee	20.0% NGL Gallons	Residue Volume:	110,000 MMBtu
Residue Gas Price:	\$2.50 Per MMBtu	Plant Shrink Volume:	87,000 MMBtu
Weighted Average NGL Price:	\$1.40 Per Gallon	Field Fuel:	- MMBtu
NGL Volume:	500,000 Gross Gallons	Plant Fuel:	3,000 MMBtu
Net Volume:	400,000 Net Gallons		200,000 Ties to Wellhead MMBtu
			200,000 Calculated Inlet MMBtu

**VOLUME AND VALUE REPORTING**

<u>Residue Volume (PC 03)</u>	Residue MMBtu	Total Plant Fuel MMBtu	Unbundling Plant Fuel Allocation		Disallowed/Allowed Plant Fuel MMBtu (B * C)	Total Residue MMBtu (A + E)
	A	B	C	D	E	F
	110,000	3,000	75% Non-Allowed		2,250	<b>112,250</b>
		3,000	25% Allowed		750	
			100.00%		3,000	

<u>Residue Value (PC 03)</u>	MMBtu	Residue Gas Price	Sales Value (A * B)
A	B	C	
	112,250	\$2.50	<b>\$280,625.00</b>

*n excludes the plant fuel allowed royalty free per 30 CFR 1202.151(b). Therefore, you may not take plant fuel as a processing allowance.*

<u>NGL Value (PC 07)</u>	Gallons	NGL Price	Sales Value (A * B)
A	B	C	
	500,000	\$1.40	<b>\$700,000.00</b>

**ALLOWANCE REPORTING**

<u>Processing Allowance PC 07</u>	NGL Volume (Gallons)	NGL Price	Sales Value (A * B)	NGL Retainage %	Total Processing Cost (C * D)	Allowed Unbundled Cost Allocation	Allowed Processing Cost (E * F)	Royalty Rate	Total Processing Allowance (G * H)
A	B	C	D	E	F	G	H	I	
	500,000	\$1.40	\$700,000.00	20%	(\$140,000.00)	65.00%	(\$91,000.00)	12.50%	<b>(\$11,375.00)</b>

\*Review your contract to determine if processing cost is based on inlet volume, wellhead volume, or NGL gallons and revise calculation accordingly. For this example, the processing cost is based on NGL Gallons.

**ROYALTY REPORTING**

Product Code/ Product	NGL Sales Volume (Gal)	Gas Sales Volume (MMBtu)	Sales Value	Royalty Value Prior to Allowances (D * 12.5%)	Transportation Allowance	Processing Allowance	Royalty Value Less Allowances (E + F + G)
A	B	C	D	E	F	G	H
03 Residue		112,250	\$280,625.00	\$35,078.13	-		\$35,078.13
07 Natural Gas Liquids	500,000		\$700,000.00	\$87,500.00	-	(\$11,375.00)	\$76,125.00
						Royalty Due ONRR	<b>\$111,203.13</b>

*For Percentage-of-Proceeds or Keepwhole agreements, you must apply the UCAs to determine the allowed fuel, transportation, and processing allowances.*

**Note to Reporters:**

*If you need assistance with royalty reporting, contact your representative with ONRR Financial Management.*

*The listing of Financial Management contacts is located at: <http://www.onrr.gov/ReportPay/PDFDocs/royassign.pdf>*