

CALUMET GAS PLANT UNBUNDLING COST ALLOCATION					
YEAR	2008	2009	2010	2011	2012
Allowed Costs	93%	93%	93%	93%	93%
Disallowed Costs	7%	7%	7%	7%	7%
	100%	100%	100%	100%	100%
Fuel Allowed	98%	98%	98%	98%	98%
Fuel Disallowed	2%	2%	2%	2%	2%
	100%	100%	100%	100%	100%

These UCAs are based on the most current information available (see "Disclaimer for ONRR Unbundling Website")

CALUMET GAS PLANT SIMPLIFIED EXAMPLE FOR 2012 UCA

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:	1,225 MMBtu
Bundled Processing Rate:	\$0.10 Per Gallon	Residue Volume:	1,000 MMBtu
Residue Gas Price:	\$4.00 Per MMBtu	Plant Shrink Volume:	100 MMBtu
Weighted Average NGL Price:	\$1.50 Per Gallon	Field Fuel:	75
NGL Volume:	2,000 Gross Gallons	Plant Fuel:	50 MMBtu
NGL Retainage Fee	10%		1,225 Ties to Wellhead MMBtu
Net Volume:	1,800 Net Gallons		1,150 Inlet MMBtu

VOLUME AND VALUE REPORTING

Residue Volume (PC 03)

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
1,000	50	2%	Non-Allowed	1	1,001
	50	98%	Allowed	49	
		100%		50	

Residue Value (PC 03)

MMBtu	Residue Gas Price	Sales Value (A * B)
A	B	C
1,001	\$4.00	\$4,004.00

The calculation accounts for plant fuel allowed royalty free per 30 CFR 1202.151(b). Therefore, you may not take plant fuel as a processing allowance.

NGL Value (PC 07)

Gallons	NGL Price	Sales Value (A * B)
A	B	C
2,000	\$1.50	\$3,000.00

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SIMPLIFIED EXAMPLE FOR 2012 UCA**

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ALLOWANCE REPORTING

Processing Allowance PC 07

	Gallons	Bundled Processing Rate	Total Bundled Processing Cost (A * B)	Allowed Unbundling Cost Allocation	Allowed Processing Cost (C * D)	Royalty Rate	Total Processing Allowance (E * F)
	A	B	C	D	E	F	G
*Processing Rate Cost	2,000	\$0.10	(\$200.00)	93%	(\$186.00)	12.50%	(\$23.25)
NGL Retainage Cost	200	\$1.50	(\$300.00)	93%	(\$279.00)	12.50%	(\$34.88)
					Total Processing Cost		(\$58.13)

* 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		1,001	\$4,004.00	\$500.50			\$500.50
07 Natural Gas Liquids	2,000		\$3,000.00	\$375.00		(\$58.13)	\$316.87
						Royalty Due ONRR	\$817.37

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 at:

<http://www.onrr.gov/ReportPay/PDFDocs/royassign.pdf>

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