

**EUNICE PLANT  
UNBUNDLING COST ALLOCATION**

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YEAR	01/2008-09/2008	10/2008-12/2008	01/2009-03/2009	04/2009-12/2009	2010	2011	2012	2013
Allowed Costs	60%	49%	49%	43%	43%	43%	43%	43%
Disallowed Costs	40%	51%	51%	57%	57%	57%	57%	57%
	100%	100%	100%	100%	100%	100%	100%	100%
Fuel Allowed	43%	14%	14%	13%	13%	13%	13%	13%
Fuel Disallowed	57%	86%	86%	87%	87%	87%	87%	87%
	100%	100%	100%	100%	100%	100%	100%	100%

ONRR calculated these UCAs using the most current information available (see "Disclaimer for ONRR Unbundling Website")  
UCAs differ during the years of 2008 and 2009 due to operational changes.

**Eunice Gas Plant  
SIMPLIFIED EXAMPLE FOR 2013 UCA**

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

Royalty Rate:	16.6667%	Wellhead Volume:	200,000 MMBtu
NGL Retainage Fee:	10% NGL Gallons	Residue Volume:	180,000 MMBtu
Residue Gas Price:	\$5.00 Per MMBtu	Plant Shrink Volume:	15,000 MMBtu
Weighted Average NGL Price:	\$2.00 Per Gallon	Field Fuel:	- MMBtu
NGL Volume:	50,000 Gross Gallons	Plant Fuel:	5,000 MMBtu
Net Volume:	450,000 Net Gallons		200,000 Ties to Wellhead MMBtu
			200,000 Inlet MMBtu

**VOLUME AND VALUE REPORTING**

Residue MMBtu	Total Plant Fuel MMBtu	Unbundling Plant Fuel Allocation		Disallowed/Allowed Plant Fuel MMBtu	Total Residue MMBtu
A	B	C	D	(B * C)	(A + E)
180,000	5,000	87% Non-Allowed		4,350	184,350
	5,000	13% Allowed		650	
		100.00%		5,000	

MMBtu	Residue Gas Price	Sales Value (A * B)
A	B	C
184,350	\$5.00	\$921,750.00

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

Gallons	NGL Price	Sales Value (A * B)
A	B	C
500,000	\$2.00	\$1,000,000.00

**ALLOWANCE REPORTING**

NGL Volume (Gallons)	NGL Price	Sales Value (A * B)	NGL Retainage %	Total Bundled Processing Cost (C * D)	Allowed Unbundled Cost Allocation	Total Processing Allowance (E * F)	Royalty Rate	Total Processing Allowance (G*H)
A	B	C	D	E	F	G	H	I
500,000	\$2.00	\$1,000,000.00	10%	(\$100,000.00)	43.00%	(\$43,000.00)	16.67%	(\$7,166.68)

\* Review your contract to determine if processing cost is based on inlet or wellhead volume 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 * 16.6667%)	Transportation Allowance	Processing Allowance	Royalty Value Less Allowances (E + F + G)
A	B	C	D	E	F	G	H
03 Residue		184,350	\$921,750.00	\$153,625.31	-		\$153,625.31
07 Natural Gas Liquids	500,000		\$1,000,000.00	\$166,667.00	-	(\$7,166.68)	\$159,500.32
						Royalty Due ONRR	\$313,125.63

*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>

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