

**Meeker Plant
COST ALLOCATIONS**

Meeker Plant Cost Allocation - Gas delivered to the White River Hub and the Northwest Pipeline							
YEAR	2011	2012	2013	2014	2015	2016	2017
Allowed Costs	61%	61%	61%	61%	61%	61%	61%
Disallowed Costs	39%	39%	39%	39%	39%	39%	39%
	100%	100%	100%	100%	100%	100%	100%
Fuel Allowed*	61%	61%	61%	61%	61%	61%	61%
Fuel Disallowed*	39%	39%	39%	39%	39%	39%	39%
	100%	100%	100%	100%	100%	100%	100%

*The electricity fee is 100% disallowed.

**Meeker Gas Plant
SIMPLIFIED EXAMPLE FOR 2017 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:	200,000	MMBtu
NGL Retainage Fee:	15% NGL Gallons	Residue Volume:	175,000	MMBtu
Residue Gas Price:	\$3.50 Per MMBtu	Plant Shrink Volume:	20,000	MMBtu
Weighted Average NGL Price:	\$1.75 Per Gallon	Field Fuel:	-	MMBtu
NGL Volume:	500,000 Gross Gallons	Plant Fuel:	5,000	MMBtu
Net Volume:	425,000 Net Gallons		200,000	Ties to Wellhead MMBtu
			200,000	Inlet MMBtu

VOLUME AND VALUE REPORTING

Residue Volume (PC 03)	Residue MMBtu	Total Plant Fuel MMBtu	Unbundling Plant Fuel Allocation	D	Disallowed/Allowed Plant Fuel MMBtu (B * C)	Total Residue MMBtu (A + E)
	A	B	C		E	F
	175,000	5,000	39% Non-Allowed		1,950	176,950
		5,000	61% Allowed		3,050	
			100%		5,000	

MMBtu	Residue Gas Price	Sales Value (A * B)
A	B	C
176,950	\$3.50	\$619,325.00

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	\$1.75	\$875,000.00

ALLOWANCE REPORTING

Processing Allowance PC 07

NGL Volume (Gallons)	NGL Price	Sales Value (A * B)	%	Processing Cost (C * D)	Unbundling Cost	Allowed (E * F)	Royalty Rate	Processing (G * H)
A	B	C	D	E	F	G	H	I
500,000	\$1.75	\$875,000.00	15%	(\$131,250.00)	61%	(\$80,062.50)	12.5000%	(\$10,007.81)

* 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 * 12.50%)	Transportation Allowance	Processing Allowance	Royalty Value Less Allowances (E + F + G)
A	B	C	D	E	F	G	H
03 Residue		176,950	\$619,325.00	\$77,415.63			\$77,415.63
07 Natural Gas Liquids	500,000		\$875,000.00	\$109,375.00		(\$10,007.81)	\$99,367.19
						Royalty Due ONRR	\$176,782.82

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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