



# United States Department of the Interior

## MINERALS MANAGEMENT SERVICE

Royalty Management Program  
P.O. Box 5760  
Denver, Colorado 80217-5760



IN REPLY REFER TO

ARD-FB-RIK  
Mail Stop 3132

SEP 21 1999

### INFORMATION PACKAGE TO ROYALTY-IN-KIND PROGRAM APPLICANTS

As provided in the September 21, 1999, Federal Register Notice, we are forwarding an information package on Federal Royalty Oil Sale 99-1 to be held on October 28, 1999. This package contains the following enclosures:

1. Sale Arrangements
2. Royalty-in-Kind Contract Sample
3. Statement on Contract Award Procedure
4. Statement on Contract Surety Requirement
5. Schedule of Federal Oil Leases and Quantities Being Offered for Sale
6. Statement on Imbalances

To participate in this sale, each applicant must have submitted a valid application by the close of business (4:00 PM, Mountain Standard Time), on October 15, 1999. By the close of business (4:00 PM, Mountain Standard Time) on October 27, 1999, each applicant must submit their bid proposal, a signed contract, and a surety instrument equal to 30 days of production.

If you have any questions regarding this information package, please call me at (303) 231-3217.

Sincerely,

Robert F. Prael  
Chief, Royalty-in-Kind Section

6 Enclosures

**MINERALS MANAGEMENT SERVICE**  
ROYALTY OIL SALE 99-1

**SALE ARRANGEMENTS**

Description: Pacific Offshore - 20,000 barrels per day  
Gulf of Mexico Offshore - 80,000 barrels per day  
Note: The barrels per day volumes are approximate.

Date: October 28, 1999

Time: 8:00 a.m to 5:00 p.m.

Location: The sale will be conducted electronically. The highest bidder will be notified by phone or e-mail, and provided with a list of properties to choose from. After the highest bidder selects their properties, the remaining list of leases will be provided to the next highest bidder. This process will continue until all the oil is selected or the minimum bid threshold is met.

Comments:

An otherwise eligible refiner will not be permitted to participate in the sale if, at the time of the sale, it is in arrears on payments owed to the Minerals Management Service (MMS).

The royalty oil purchased under contract with MMS may not be re-sold. The royalty oil, or oil exchanged for it, must be processed in the purchaser's refinery.

An executed contract will be mailed at the end of the sale. Amended surety amounts will be calculated by MMS and refiners will be notified of changes.

Invitation for Bids

IFB No. 99-1  
U. S. Department of the Interior  
Minerals Management Service  
Western Administrative Service Center  
Procurement Branch  
P.O. Box 25165, MS 2730  
Denver Federal Center  
Denver, CO 80225-0165

## COVER PAGE

The Minerals Management Service (MMS) referred to herein as the Seller – is inviting bids to purchase royalty crude oil (Royalty Oil) produced from Federal leases, located in the Gulf of Mexico and Offshore California for a term of one year, with an automatic renewal for another year, subject to a 90 day termination notice by Seller or Purchaser, which can only be exercised after the completion of the original award year.

The Purchaser may bid on oil types listed in **Exhibit A**, and the Seller will award no more than one contract for purchase of Royalty Oil from each property listed in **Exhibit B**. The Seller retains the right to reject any and all bids. In each contract month, Purchaser will report and pay on the delivered volume of the Sellers Royalty Oil at the Point(s) of Delivery. If Purchaser fails to pay for delivered Royalty Oil made available at the Point(s) of Delivery, the Seller may terminate the contract (See Section C, Paragraph C.4, FAILURE BY THE PURCHASER AND PURCHASER LIABILITY).

AUTHORITY. This Notice is published pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), and the Mineral Leasing Act for Acquired Lands of 1974, as amended (30 U.S.C. 351-359), the Outer Continental Shelf Lands Act, as amended (43 U.S.C. 1331-1356), the Outer Continental Shelf Lands Act Amendments of 1978, as amended (43 U.S.C. 1331 et. Seq.) and the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1701 et seq.)

IFB No: 99-1

Issue Date: September 29, 1999

Bid Due date: October 27, 1999

Bidders who obtain solicitation off of the Internet are cautioned to check the Internet site for any changes that may affect the bid requirements.

Contracts will be awarded for purchasing Royalty Oil for one year, commencing on January 1, 2000, subject to a 90-day termination notice by Seller or Purchaser that can only be exercised after September 30, 2000, with an automatic renewal for another year. The Purchaser may terminate specific leases with a 90-day termination notice to the Seller after September 30, 2000.

Address any questions regarding this IFB to:

For Contract Questions:

Mr. Todd Leneau (303) 275-7385; Fax (303) 275-7303; Email – ([Todd.Leneau@mms.gov](mailto:Todd.Leneau@mms.gov)).

For Technical Questions:

Mr. Robert Prael (303) 231-3217; Fax (303) 231-3219; Email – ([Robert.Prael@mms.gov](mailto:Robert.Prael@mms.gov)).

Seller will not accept collect telephone calls.

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**SECTION A**

**BIDDER'S CERTIFICATION AND ACCEPTANCE SIGNATURE PAGE**

BIDDER'S BUSINESS NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CORPORATE OR PARTNERSHIP OFFICER: \_\_\_\_\_

TYPED NAME AND TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

CORPORATE SEAL: \_\_\_\_\_

Bids by corporations must be executed over the corporate seal.

Having examined the bidding documents, including any modifications to IFB No. 99-1 (if applicable), the receipt of which is hereby duly acknowledged, we, the undersigned, offer to purchase Royalty Oil in conformity with our bid prices for specific crude types and other information included in **Exhibit A**, attached herewith and made part of this Bid.

We undertake, if our Bid for a specific crude oil type is accepted, to select leases from **Exhibit B**, a list of leases selected will be attached herewith and made a part of the contract, and to purchase the Royalty Oil in accordance with the provisions in the IFB.

We will obtain the Letter of Credit in accordance with the provisions in the IFB.

We agree to abide by this Bid for a period of 45 days from the date fixed for Bid opening under the Instructions to Bidders, and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

Your Bid, this signed Bidder's Certification and Acceptance Signature page, the MMS notification of award, and the final list of leases that you choose for your winning crude oil type, shall constitute a binding Contract between the Purchaser and the Seller.

We certify that we are a qualified bidder as described in H.1 of the IFB and that the information, representations and certifications include herein are accurate and complete.

The making of false statements to the Seller is punishable by a fine of not more than \$10,000 and/or not more than five years imprisonment, see 18 U.S.C. 1001.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_\_.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Title

**DOCUMENTS TO ACCOMPANY BID:** Bidders must submit the following documents with their bids. Seller may reject, as nonresponsive, bids not accompanied by these documents:

1. Section A, Executed Bidder's Certification and Acceptance Signature Page (3 copies)
2. Exhibit A (Your BID for Federal Oil) (One Copy)
3. Section J - Representations and Certifications (One Copy)
4. An ILOC equal to 30 days of crude oil production for the leases that you are bidding on the crude oil type. (One copy)
5. List of Bidder's Representatives from Paragraph D.5, Page 16 (One copy)

## SECTION B

### BIDS AND INSTRUCTIONS

#### B.1. BIDDER QUALIFICATIONS

Bids will be accepted only from qualified bidders, defined in Section H.1. Certification as to qualifications is contained in Section A, Bidder's Certification and Acceptance Signature Page.

#### B.2. INSTRUCTIONS TO BIDDERS

**B.2.1.** To obtain a contract award based on Sale Number 99-1, the applicant must:

1. Qualify as an eligible refiner.
2. Submit application form MMS-4070 by October 15, 1999.
3. Submit bid package by 4:00 p.m. October 27, 1999.
4. Make lease selections from **Exhibit B** via email or FAX on October 28, 1999.
5. Provide an ILOC in the amount of bid multiplied by 30 days of production from the leases that the refiner is bidding on to be submitted with your bid and with an effective date of October 27, 1999. The ILOC must be irrevocable for a period of 60 calendar days.

Failure to comply with these requirements will result in disqualification from the sale and contract award.

#### **Gulf of Mexico:**

Applicants will make a bid proposal based on the price per grade of crude oil (i.e., Light Louisiana Sweet, Bonita Sour, etc.). This bid proposal must be based on the following formulas and then have premiums added or deductions subtracted:

<b>Crude Oil Type</b>	<b>Delivery Point</b>	<b>Price per Barrel</b>
Light Louisiana Sweet	St. James, La	(Koch Posting + Platt's P+)-(Platt's WTI – LLS)
Light Louisiana Sweet	South Bend, La	(Koch Posting + Platt's P+)-(Platt's WTI – LLS)
Heavy Louisiana Sweet	Empire, La	(Koch Posting + Platt's P+)-(Platt's WTI – HLS)
Eugene Island	St. James, La	(Koch Posting + Platt's P+)-(Platt's WTI – EI)
Mars Blend	Clovelly, La	(Koch Posting + Platt's P+)-(Platt's WTI – Mars)
Heavy Louisiana Sweet	Grand Isle, La	(Koch Posting + Platt's P+)-(Platt's WTI – HLS)



(For definitions see Section C, Terms and Conditions, Paragraph C.1., Definitions.)

**Offshore California:**

Applicants will make a bid proposal specific to any or all of the nine oil groups at the associated locations:

<b>Oil Group</b>	<b>Fields Comprising Group (Assumed Delivery Gravity)</b>	<b>Location of Delivery</b>
Coastal Light (CL-M)	Santa Clara (21°)	Mandalay Beach, CA
Coastal Light (CL-C)	Santa Clara, Sockeye (24°)	Carpinteria, CA
Coastal Heavy (CH-C)	Carpinteria (23.4°)	La Conchita, CA
Coastal Heavy (CH-R)	Dos Cuadras (24°)	Rincon Separation Facility
Heavy (H-H)	Hueneme (21°)	Mandalay Beach, CA
Heavy (H-A)	Pt. Arguello (20.5°)	Inlet of Gaviota
Heavy (H-Y)	Santa Ynez (20.9°)	Los Flores Canyon, All American Pipeline
Beta (BTA)	Beta (17.8°)	Beta Onshore Facility
Pt. Pedernales (PTP)	Pt. Pedernales (16.2°)	Lompoc, CA

This bid proposal must be based on the average of the Platt’s Oilgram spot price for Alaska North Slope (ANS) and Petroleum Argus ANS spot value applicable to the month of delivery. A gravity adjustment will be made when the delivered gravity deviates more than one degree from the assumed delivery gravity. The gravity adjustment will be based on the Chevron Crude Oil Price Bulletins applicable to the month of delivery. The bid variable then becomes a fixed premium or deduction from the ANS average price for the month of delivery.

The high bidder for each crude oil type will select lease bundles from **Exhibit B** of that crude until the crude type is exhausted or the refiner has met their refinery capacity (limited by 30 CFR 208.7(d) to 60% of refinery capacity). The next high bidder per crude oil type will then select lease bundles of that crude and so on until the crude oil type is exhausted or minimum bid thresholds have been met. All other crude oil types will follow this scenario.

The offshore royalty oil is to be sold by oil type lease bundles. Applicants participating in the sale offering will select oil from the available lease bundles shown in **Exhibit B**. Unless otherwise approved by MMS, the applicant must select the total bundle of leases and not split a lease bundle. The royalty oil to be sold from each lease bundle includes all allocated royalties from unit agreements/ if applicable.

**B.2.2. Exhibit B**, entitled “RIK Listing of Leases for October 1999 Sale”, contains a listing of properties for the crude oil packages for which Royalty Oil is available for purchase by qualified bidders. For each property, the table identifies:

- Lease Number
- Agreement Number
- Area
- Block
- FMP Number
- Oil Type
- Market Center
- Section 6
- Pre 1969
- Daily Royalty Share
- Operator

Volumes of Royalty Oil shown in **Exhibit B** are estimates based on the most current available data on average daily property production multiplied by the most current tract allocations and royalty rates. The volume represents the Royalty Oil reasonably expected to be available for taking by the Purchaser each month. Production volumes may vary significantly through the term of this contract.

## SECTION C

### TERMS AND CONDITIONS OF OIL SALES AND PURCHASE

#### C.1. DEFINITIONS

ANS means Alaska North Slope

API means the American Petroleum Institute.

Argus means Petroleum Argus spot market price postings.

Audit refers to any review, conducted in accordance with generally accepted accounting and auditing standards, of royalty payment compliance activities of lessees or other interest holders who pay royalties, rents, or bonuses on Federal and Indian Leases, and, as used herein, refers to such review of Purchaser's compliance with the provisions of this Contract.

Barrel means 42 U.S. gallons of 231 cubic inches per gallon corrected to 60 degrees Fahrenheit.

BS (Bonito Sour) means the arithmetic average of the daily high and low price quotes for "Bonito" for Platt's Month of Delivery.

Contract means this IFB No. 99-1, immediately after it has been fully executed and accepted by Bidder and the MMS, and includes any amendments or revisions thereto, between the Parties, and constitutes an obligation which, with due consideration, is enforceable by law.

Contracting Officer (CO) is a person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings. The term includes the authorized representative of a CO acting within the limits of his or her authority, as delegated by the CO, except as otherwise provided in this contract.

Contracting Officer's Technical Representative (COTR) is that person named to administer day-to-day technical contracting matters.

Crude Oil means a mixture of hydrocarbons that existed in the liquid phase in natural underground reservoirs and remains liquid at atmospheric pressure after passing through surface separating facilities and is marketed or used as such.

Day, Month, and Year mean respectively, calendar day, calendar month, and calendar year, unless otherwise specified.

EDQ Means equal daily quantities.

EI (Eugene Island) means the arithmetic average of the daily high and low price quotes for “Eugene Island” for Platt’s Month of Delivery.

Force Majeure means, except for payment due hereunder, either party hereto shall be relieved from liability for failure to perform hereunder for the duration and to the extent such failure is occasioned by war, riots, insurrections, fire, explosions, sabotage, strikes, and other labor or industrial disturbances, acts of God or the elements, Sellers’ laws, regulations, or requests, acts in furtherance of the international Energy Program, disruption or breakdown or production or transportation facilities, delays of pipeline carrier in receiving and delivering crude oil tendered, or by any other cause, whether similar or not, reasonably beyond the control of such party. Any such failures to perform shall be remedied with all reasonable dispatch, but neither party shall be required to supply substitute quantities from other sources of supply. Failure to perform due to events of Force Majeure shall not extend the terms of this Agreement.

HLS (Heavy Louisiana Sweet) means the arithmetic average of the daily high and low price quotes for “HLS” for Platt’s Month of Delivery.

Irrevocable Letter of Credit (ILOC) means a written commitment by a federally insured financial institution to pay all or part of the stated amount of money until the expiration date of the letter upon presentation by the Sellers (the beneficiary) of a written demand therefor. Neither the financial institution nor the Bidder/Purchaser can revoke or condition the Letter of Credit.

Koch Posting means Koch Oil Company’s posting for West Texas/New Mexico Intermediate, deemed 40 degrees, EDQ for the Physical Month of Delivery.

LLS (Light Louisiana Sweet) means the arithmetic average of the daily high and low price quotes for “LLS” for Platt’s Month of Delivery.

Lease refers herein to any contract, profit-share arrangement, joint venture, or other agreement issued or approved by the Seller for the exploration for, and development of, the extraction of, or removal of crude oil from Federal lands in the Gulf of Mexico.

Leaseholder means a company, corporation, partnership, association, person or other entity with whom the Seller has contracted to, explore for, produce, handle, deliver,

and/or market Royalty Oil owned by the Seller as its royalty on production from or attributable to Seller's Leases.

MMS' Lessee is that party through Federal lease ownership which has entered into a Lease with the Seller, or which owns operating rights in such a Lease, as defined herein. The activities referred to in this document as being performed by the Lessee can be performed by the operating rights owners on behalf of the Lessee.

Marketable condition means lease products which are sufficiently free from impurities and otherwise in a condition that they will be accepted by a purchaser under a sales contract typical for the field or area.

Operating Rights means the interest created out of a lease authorizing the holder of that right to enter upon the leased lands to conduct drilling and related operations, including production of oil or natural gas from such lands in accordance with the terms of the lease. A record title owner is the owner of operating rights under a lease except to the extent that the operating rights or a portion thereof have been transferred from record title.

Parties mean the Seller and the Purchaser.

Physical Month of Delivery means the calendar month during which the delivery of crude oil occurs.

Platt's means Platt's Oilgram Price Report.

Platt's/Argus Month of Delivery means a) for the Gulf of Mexico, Platt's quotes from the twenty-sixth day of the month two months prior to the physical month of delivery through the twenty-fifth day of the month one month prior to the physical month of delivery (excluding weekends and holidays), and b) for Offshore California, Platt's/Argus quotes from the first day through the last day of the month, one month prior to the physical month of delivery (excluding weekends and holidays).

Point(s) of Delivery means the point of royalty determination or royalty measurement point approved by the jurisdictional office of the Minerals Management Service. It is the point at which Seller's Lessee is to make available to the Purchaser, and Purchaser is required to take Royalty Oil described in this document.

Posted price means the price specified in publicly available posted price bulletins, or other price notices net of all adjustments for quality (e.g., API gravity, sulfur content, etc.) and location for oil in marketable condition.

P+ (Posting Plus) means the arithmetic average of the daily high and low price quotes for "P-Plus WTI" for Platt's Month of Delivery.

Pre 1969 means leases issued before October 1969.

Property means a Federal lease or a Federal pooling agreement for which the Seller is inviting bids for Royalty Oil. Numerous Federal leases may contribute to pooling agreements.

Purchaser means the bidder to this IFB whose bid is accepted by the Seller and who is a purchaser of Royalty Oil subject to the provisions of this IFB No. 99-1.

Royalty Oil means that portion of crude oil produced from or attributable to the properties listed in this document to which the Seller is entitled to as the royalty percentage of the production from or attributable to said Leases.

Transporter means principally the pipeline or trucking company receiving delivery of Royalty Oil at the Point(s) of Delivery, but may mean any upstream or downstream pipeline transporter, as dictated by context.

Underpayment means payment for less than the full price or for less than the full volume of Royalty Oil actually delivered to the Purchaser. Underpayment does not result from the under-delivery of Royalty Oil to the Purchaser by the Sellers' Lessees.

WTI (West Texas Intermediate) means the arithmetic average of the daily high and low price quotes for "WTI" for Platt's Month of Delivery.

## **C.2. GENERAL TERMS**

**C.2.1.** Purchaser and the Seller agree that one hundred (100) percent of the Royalty Oil made available by Seller's Lessees at the Point(s) of Delivery will be purchased and taken by Purchaser at the Point(s) of Delivery. Unless otherwise specified, all crude oil will be physically delivered by the lessees at MMS's expense to the trading centers identified in **Exhibit A** for sale by MMS to the Purchaser at such trading centers. The Purchaser will be responsible for transportation from the designated delivery point. Lessees shall be deemed to be in exclusive control and possession of said Royalty Oil prior to the time of delivery to the Purchaser, and, if taken at the Point(s) of Delivery, the Purchaser shall be deemed to be in exclusive control and possession of said Royalty Oil thereafter.

**C.2.2.** The Seller shall not be liable for consequential, incidental, special or punitive damages or losses which may be suffered as a result of the failure to make available or take the Royalty Oil hereunder.

**C.2.3.** As stated in RIK regulation 30 CFR § 208.8 (b), the lessee shall deliver royalty oil from Section 8 offshore leases issued before October 1969 and Section 6 offshore leases at a delivery point to be designated by the lessee. Purchasers who are unable to make satisfactory delivery arrangements with the lease operator will have to drop the lease(s) from their contracts as MMS cannot force delivery of the oil from these leases to any specific delivery point.

**C.2.4.** The Purchaser shall hold the Seller and its Lessees harmless for all costs and penalties, including any which may be assessed or imposed by a Transporter against Purchaser at or after the Point(s) of Delivery, including without limitation purchases or sales of imbalance quantities of crude oil at unfavorable prices. The Seller shall not hold the Purchaser responsible for any costs and penalties which may be assessed against the Seller prior to the Point(s) of Delivery.

The Purchaser and the Seller's Lessees shall work with each other and with the Transporter to verify delivery and receipt of Royalty Oil on a timely basis.

It is specifically agreed that there are no third party beneficiaries to this contract, and that the contract shall not impart any rights enforceable by any person, firm, organization, or corporation not a party hereto.

**C.2.5.** The Purchaser shall not assign any of the rights awarded under this IFB and contract without having prior written approval from MMS.

### **C.3. NOTIFICATION OF ROYALTY OIL AVAILABILITY AND PURCHASER ACKNOWLEDGMENT**

Purchaser is authorized and required to communicate with Seller's Lessees to the extent practicable and consistent with industry practice regarding crude oil availability. The Seller's Lessees will be required to provide to Purchaser initial estimates of Royalty Oil available during the month preceding the start of the contract term. The Seller's Lessees will also be required to notify the Purchaser of any changes in Royalty Oil availability during the contract term, consistent with industry practice.

### **C.4. FAILURE BY THE PURCHASER AND PURCHASER LIABILITY**

If the Seller identifies an underpayment by the Purchaser, the Purchaser will be notified and granted 15 days to pay or demonstrate to the MMS that underpayment does not exist. Beyond the 16<sup>th</sup> day, for the MMS as affected, may choose to call on the letter of credit for the underpaid amount, if the reasons for the underpayment are other than a Force Majeure occurrence. The Seller may choose to terminate the contract when the cumulative underpaid amount exceeds 50% of the amount of the letter of credit.

### **C.5. PURCHASER LIABILITY**

**C.5.1. Purchaser Liability for Bid Value of Royalty Oil.** Notwithstanding contract termination pursuant to C.4, the Purchaser shall be liable for the bid value of one hundred percent (100%) of the Royalty Oil delivered to it by Lessees including oil made available but not taken by the Purchaser. In the event that any Royalty Oil not taken is sold to a third party at a price below the Purchaser's bid price, the Purchaser will be liable for the difference between the price received by the MMS and the Purchaser's bid price and if the oil not taken is not sold during the month of delivery, the Purchaser will be liable for the full bid value of the oil. Administrative costs and other expenses the MMS incurs as a

result of obtaining another buyer for the oil for which the Purchaser contracted will also be due to the MMS. The Purchaser shall pay all amounts due within 7 calendar days after deemed receipt of an invoice. Any disagreement with the respect to the amount of such payment due the MMS will be deemed a dispute and will be decided by the Contracting Officer.

**C.5.2. Liability for Transporter Penalties.** The Purchaser shall be liable for any pipeline penalties imposed as a result of the Purchaser's breach.

## **C.6. DELIVERY VARIANCES TO PURCHASERS BY MMS' LESSEES**

The Purchaser shall not be liable for under payments resulting from deliveries by MMS Lessees that vary from the proper monthly royalty volume. In the event that Lessees significantly over/under deliver Royalty Oil to the Purchaser, the Lessees will be responsible for payment to the MMS. Variances that are not significant will be delivered in Royalty Oil volumes to the Purchaser in the next month after identified and resolved with the Lessees.

## **C.7. AUDIT RIGHTS**

The MMS retains the right to adjust the amount of monthly payments due MMS based on contract reconciliation or audits related to volumes taken by the Purchaser. Notwithstanding any other provision herein, MMS or the Purchaser may adjust the price due to mathematical errors in its calculations.



## SECTION D

### CONTRACT ADMINISTRATION DATA

#### D.1. PERFORMANCE PERIOD

The contract will be for a term of one year. Subject to a 90-day termination notice by Seller or Purchaser, which can only be exercised after the completion of the one year, the contract will be automatically renewed for another year.

#### D.2. PAYMENT AND REPORTING

**D.2.1. Responsibilities of Purchaser.** The following reporting and payment requirements are the monthly responsibility of the Purchaser during the term of this Oil Sales and Purchase Contract:

a. Purchaser shall render payment to the MMS in accordance with the procedures at D.2.1.(b) for all Royalty Oil made available to it at the Point(s) of Delivery. The Purchaser is required to make payment to the MMS for all Royalty Oil made available to it by MMS' Lessees, whether or not Purchaser accepts delivery of such oil. The Purchaser will calculate the amount due each month based on the contract bid price made in **Exhibit A** and the Royalty Oil volumes recorded at the Point of Delivery identified in **Exhibit B**.

b. The Purchaser will remit the total monthly amount due to the MMS by electronic funds transfer (EFT), under procedures outlined in **Exhibit C**. Payment must be credited to MMS' account by close of business on the last day of the month following the month of delivery.

In addition, the reporting to MMS will be in accordance with the Memo dated August 13, 1999, in **Exhibit D**. The MMS will answer any questions over the telephone or by E-mail regarding reporting requirements (contact an MMS Representative at the phone number listed in the last paragraph of the Exhibit D memo).

c. Purchaser shall provide access during normal working hours, to any documents of Purchaser, which are pertinent to the contract and Purchaser's obligation to pay Seller. Such records shall be retained for a period of at least seven years after the final reporting and payment date of the contract.

#### D.3. SET-OFF

The Purchaser shall not reduce payments due hereunder because of any claim against the Seller arising outside of this contract.

**D.4. MMS REPRESENTATIVES**

Mr. Todd W. Leneau is the Contracting Officer (CO) and can be reached at (303) 275-7385.

Mr. Robert Prael is the Contracting Officer’s Technical Representative (COTR), and can be reached at (303) 231-3217

**D.5. PURCHASERS REPRESENTATIVES**

Purchasers shall provide the following information at the time of contract award:

Bidder’s Business Number:
Fax Number:
Accounts Payable Rep:
Telephone:
Alternate Accounts Payable Rep:
Telephone:
Purchaser’s Field Rep:
Telephone:

**SECTION E**  
**SPECIAL PROVISIONS**

**E.1. NOTICES/CORRESPONDENCE**

(a) Any notices shall be in writing, shall include the contract number, and shall be forwarded, prepaid, to the appropriate addresses in (b) below.

(b) Correspondence to MMS shall be to:

(1) For contract matters:

Mr. Todd W. Leneau, Contracting Officer  
U.S. Department of the Interior  
Minerals Management Service  
P. O. Box 25165, MS 2730  
Denver Federal Center  
Denver, Colorado 80225-0165  
PHONE: (303) 275-7385      Email: [Todd.Leneau@mms.gov](mailto:Todd.Leneau@mms.gov)  
FAX: (303) 275-7303

(2) For technical matters and ILOC verification:

Mr. Robert Prael  
Contracting Officer's Technical Representative  
U.S. Department of the Interior  
Minerals Management Service  
Post Office Box 25165, MS3131  
Denver, Colorado 80215-0165  
PHONE: (303) 231-3217      Email: [Robert.Prael@mms.gov](mailto:Robert.Prael@mms.gov)  
FAX: (303) 231-3219

**E.2. INDEMNIFICATION**

Purchaser shall indemnify and save the Seller and Lessees harmless from and against any loss, expense, liability, or claim of any kind for damage to property of, or for injury to or death of persons which Purchaser, its agents, employees, or personnel intentionally or negligently or otherwise cause, arising in any way from or connected with performance of this contract.

**E.3. GOVERNING LAWS AND REGULATIONS**

Solely applicable Federal Law and this IFB hereunder govern the sale of Royalty Oil. The Federal Acquisition Regulations (FAR), 48 CFR, Ch. 1, Pts. 1-53 do not apply to this sale; however, the Seller may use the FAR as guidance in bid solicitation and contract award.

**SECTION F**  
**GENERAL PROVISIONS**

**F.1. WITHHOLDING OF DELIVERIES AND TERMINATION FOR PURCHASER DEFAULT**

(a) The Contracting Officer for MMS, without liability to the MMS, may terminate this contract in whole or in part as pertains to each respective interest, by written notice to the Purchaser effective upon such notice being delivered personally to any authorized representative of the Purchaser, being deposited in the United States Postal System, or with an overnight delivery service addressed to the Purchaser at the address shown on the award page in the event:

- (1) Purchaser breaches any warranty made herein;
- (2) Purchaser fails to take delivery in accordance with the terms of this contract;
- (3) Purchaser no longer meets the financial qualifying criteria specified in this IFB No. 99-1, as determined by the Seller;
- (4) There are instituted by or against Purchaser proceedings in bankruptcy or other insolvency law; or
- (5) Purchaser fails to comply with any other term or condition of this contract within 48 hours after the Contracting Officer or their designee, gives telephonic or other oral notice. The Seller will confirm any oral notification in writing.
- (6) After the first year, the Purchaser may terminate the contract or specific leases with a 90-day notice to Seller.

(b) Seller may cancel in the event that Koch posting, Platt's posting, or Petroleum Argus is no longer available in the calculation of the price, or the contract price can be renegotiated using available pricing tables.

(c) Notwithstanding other provisions of this IFB, Purchaser shall not be charged with any liability to the MMS under circumstances which prevent Purchaser's acceptance of delivery hereunder due to causes beyond the control and without the fault or negligence of Purchaser, as deemed by the Contracting Officer.

(d) Nothing herein will limit the Seller in the enforcement of any legal or equitable remedy, which it might otherwise have, and a waiver of any particular cause for termination will not prevent termination for the same cause occurring at any other time or for any other cause.

(e) Upon termination of a contract for Purchaser's default, the Contracting Officer may sell or otherwise dispose of the remaining crude oil in an appropriate manner. Any net loss experienced by the seller, calculated as the difference between the price received for the remainder of the contract period as sold by the Contracting Officer, to include administrative cost and the price that would have accrued had the Purchaser paid for the volumes until the term of the contract expired will be due from the Purchaser.

## **F.2. TERMINATION FOR THE CONVENIENCE OF THE GOVERNMENT**

The Contracting Officer, by written notice, may terminate this contract, in whole or in part, when it is in the Government's interest.

## **F.3. LIMITATION OF THE SELLER'S LIABILITY**

The MMS is not liable for nonperformance due to Force Majeure. In addition, see Section C.5.

## **F.4. DISPUTES**

(a) For the purpose of this contract, the Contract Disputes Act of 1978 (41 U.S.C. §601 *et seq.*, PL 95-563) is applicable. If a dispute arises, the Purchaser may submit a claim to the Contracting Officer, who will issue a written decision on the dispute. A "claim" is a written request submitted to the Contracting Officer for payment of money, adjustment of contract terms, or other relief requiring a Contracting Officer's decision.

(b) In the case of disputed requests or any amendments to such requests for payments exceeding \$50,000, the Purchaser shall certify, at the time of the submission of a claim:

I certify that the claim is made in good faith, that the supporting data is accurate and complete to the best of my knowledge and belief, and that the amount requested accurately reflects the contract adjustment for which Purchaser believes the MMS is liable.

Purchaser's Name:  
Signature of Certifying Official:  
Title:

(c) The Purchaser shall pay the MMS, as applicable, interest on the amount found due from the date the amount is due until the Purchaser makes payment at the underpayment rate in 30 U.S.C. 1721. The Internal Revenue Service Rate will be used as prescribed in 30 CFR 218.54 and 218.102 .

(d) The decision of the Contracting Officer will be final and conclusive and not subject to review by any forum, tribunal, or MMS agency unless an appeal or action is timely commenced as specified by the Contract Disputes Act of 1978.

(e) Purchaser shall comply with any Contracting Officer decision, and at the Contracting Officer's direction will diligently perform under this contract pending final resolution of any claim, appeal, or action related to this contract.

#### **F.5. GRATUITIES**

(a) The Seller may terminate the contract by written notice if, after notice and hearing, the agency head or designee determines that the Purchaser, its agent, or another representative offered or gave a gratuity (e.g., entertainment or gift) to an officer, official, or employee of the Seller and intended to obtain a contract or favorable treatment under a contract.

(b) Any court having lawful jurisdiction may review the facts supporting this determination.

(c) If this contract is terminated under (a) above, the MMS is entitled to pursue the same remedies as in a breach of contract. The Seller may, at its discretion, terminate this contract without liability, or deduct from the contract price or consideration or otherwise recover the full amount of any commission percentage, brokerage, or contingency fee.

(d) The rights and remedies of the MMS provided in this Article are in addition to any other rights and remedies provided by law or under this contract.

#### **F.6. INTEREST**

All amounts due and payable, including interest assessed on late payments, must be paid by the bill due date. Amounts not so paid shall bear interest, computed on a daily basis, from the date due (i.e., date of deemed receipt of invoice) until the MMS receives payment, at the underpayment rate under 30 U.S.C. 1721.

#### **F.7. EXPORT LIMITATIONS AND LICENSING**

Purchasers are subject to all the limitations and licensing requirements of the Export Administration Act of 1969 (83 Stat. 841) in accordance with 10 U.S.C. §7430(e).

#### **F.8. PURCHASER'S RELEASE OF CLAIMS**

Purchaser hereby releases the MMS from all claims arising in connection with this contract, except in the case of those federal claims meeting the requirements of the Contract Disputes Act which the Contracting Officer receives prior to the date upon which final payment is due hereunder. Claims not received before such date are forever barred.

Supplemental billings and credits issued after the final invoice will not extend the data for submission of claims beyond the final payment date shown on the final invoice.

**F.9. IRREVOCABLE LETTER OF CREDIT**

The ILOC must be increased to 99 days worth of production on the properties listed in the Purchaser's lease list as stated in H.12 by no later than December 17, 1999. Additional specifics for ILOC requirements are set out in H.12. and Exhibit E.

## **SECTION G**

The following are attached hereto and made part of the documents:

EXHIBIT A: Table of MMS Crude Oil Types Offered for Bid (Two pages)

EXHIBIT B: Table of MMS Lease Bundles and Delivery Points (Thirty-seven pages)

EXHIBIT C: Instructions for Wire Transfer of Funds for MMS (Two pages)

EXHIBIT D: August 13, 1999 Reporting Format Memo (Two pages)

EXHIBIT E: Surety Instrument Posting Instructions (Eight pages)



**Exhibit A**

**Table of MMS Crude Oil Pricing and Bid**

<b>Gulf of Mexico:</b>			
<b>Crude Oil Type</b>	<b>Delivery Point</b>	<b>Price per Barrel</b>	<b>Bid + or -</b>
Light Louisiana Sweet	St. James, LA	(Koch Posting + Platt's P+)-(Platt's WTI-LLS)	
Light Louisiana Sweet	South Bend, LA	(Koch Posting + Platt's P+)-(Platt's WTI-LLS)	
Heavy Louisiana Sweet	Empire, LA	(Koch Posting + Platt's P+)-(Platt's WTI-HLS)	
Eugene Island	St. James, LA	(Koch Posting + Platt's P+)-(Platt's WTI-EI)	
Mars Blend	Clovelly, LA	(Koch Posting + Platt's P+)-(Platt's WTI-Mars)	
Heavy Louisiana Sweet	Grand Isle, LA	(Koch Posting + Platt's P+)-(Platt's WTI-HLS)	

**Table of MMS Crude Oil Pricing and Bid**

<b>Pacific:</b>				
<b>Oil Group</b>	<b>Fields Comprising Group</b>	<b>Location of Delivery Assumed Delivery gravity</b>	<b>Price per Barrel</b>	<b>Bid + or -</b>
Coastal Light (CL-M)	Santa Clara	Mandalay Beach, CA 21°	Average of Platt's Oilgram and Petroleum Argus's spot price for ANS +/- a gravity adjustment	
Coastal Light (CL-C)	Santa Clara Sockeye	Carpinteria, CA 24°	Average of Platt's Oilgram and Petroleum Argus's spot price for ANS +/- a gravity adjustment	
Coastal Heavy (CH-C)	Carpinteria	La Conchita, CA 23.4°	Average of Platt's Oilgram and Petroleum Argus's spot price for ANS +/- a gravity adjustment	
Coastal Heavy (CH-R)	Dos Cuadras	Rincon Separation Facility 24°	Average of Platt's Oilgram and Petroleum Argus's spot price for ANS +/- a gravity adjustment	
Heavy (H-H)	Hueneme	Mandalay Beach, CA 21°	Average of Platt's Oilgram and Petroleum Argus's spot price for ANS +/- a gravity adjustment	

Heavy (H-A)	Pt. Arguello	Inlet of Gaviota 20.5°	Average of Platt's Oilgram and Petroleum Argus's spot price for ANS +/- a gravity adjustment	
Heavy (H-Y)	Santa Ynez	Las Flores Canyon, All American Pipeline 20.9°	Average of Platt's Oilgram and Petroleum Argus's spot price for ANS +/- a gravity adjustment	
Beta (BTA)	Beta	Beta Onshore Facility 17.8°	Average of Platt's Oilgram and Petroleum Argus's spot price for ANS +/- a gravity adjustment	
Pt. Pedernales (PTP)	Pt. Pedernales	Lompoc, CA 16.2°	Average of Platt's Oilgram and Petroleum Argus's spot price for ANS +/- a gravity adjustment	

# Exhibit B

## RIK Lease Listing for Sale 99-1

Bundle	Lease Number	FMP Number	Agreement Number	Operator Name	Area	Block	Oil Type	Quality	Pre 1969	Market Center	Daily Royalty Share
1	054-000978-0	20171012400	891-008654-0	Louisiana Land and Exploration	EI	217	EI			St. James	1
1	054-000978-0	20177092604	891-008654-0	Amoco Production Company	EI	217	EI			St. James	17
1	054-000978-0	20177092604	891-008654-0	Burlington Resources Offshore	EI	217	EI			St. James	27
1	054-000978-0	2017709260Q	891-008654-0	Louisiana Land and Exploration	EI	217	EI			St. James	0
1	054-013821-0	20171012400	891-008654-0	Louisiana Land and Exploration	EI	196	EI			St. James	1
1	054-013821-0	20177092604	891-008654-0	Amoco Production Company	EI	196	EI			St. James	10
1	054-013821-0	20177092604	891-008654-0	Burlington Resources Offshore	EI	196	EI			St. James	16
1	054-013821-0	2017709260Q	891-008654-0	Louisiana Land and Exploration	EI	196	EI			St. James	0
1	055-000802-0	20171012400	891-008654-0	Louisiana Land and Exploration	EI	196	EI			St. James	1
1	055-000802-0	20177092604	891-008654-0	Amoco Production Company	EI	196	EI			St. James	10
1	055-000802-0	20177092604	891-008654-0	Burlington Resources Offshore	EI	196	EI			St. James	17
1	055-000802-0	2017709260Q	891-008654-0	Louisiana Land and Exploration	EI	196	EI			St. James	0
1	055-000805-0	20171012400	891-008654-0	Louisiana Land and Exploration	EI	205	EI			St. James	2
1	055-000805-0	20177092604	891-008654-0	Amoco Production Company	EI	205	EI			St. James	26
1	055-000805-0	20177092604	891-008654-0	Burlington Resources Offshore	EI	205	EI			St. James	42
1	055-000805-0	2017709260Q	891-008654-0	Louisiana Land and Exploration	EI	205	EI			St. James	1
1	055-000806-0	20171012400	891-008654-0	Louisiana Land and Exploration	EI	206	EI			St. James	1
1	055-000806-0	20177092604	891-008654-0	Amoco Production Company	EI	206	EI			St. James	9
1	055-000806-0	20177092604	891-008654-0	Burlington Resources Offshore	EI	206	EI			St. James	14
1	055-000806-0	2017709260Q	891-008654-0	Louisiana Land and Exploration	EI	206	EI			St. James	0

# Exhibit B

## RIK Lease Listing for Sale 99-1

Bundle	Lease Number	FMP Number	Agreement Number	Operator Name	Area	Block	Oil Type	Quality	Pre 1969	Market Center	Daily Royalty Share
1	055-000808-0	20171012400	891-008654-0	Louisiana Land and Exploration	EI	219	EI			St. James	0
1	055-000808-0	20177092604	891-008654-0	Amoco Production Company	EI	219	EI			St. James	7
1	055-000808-0	20177092604	891-008654-0	Burlington Resources Offshore	EI	219	EI			St. James	11
1	055-000808-0	2017709260Q	891-008654-0	Louisiana Land and Exploration	EI	219	EI			St. James	0
<b>Bundle Subtotal</b>											213
2	054-000981-0	2017709260K		Chevron U.S.A., Inc.	EI	237	EI		Y	St. James	275
2	054-000982-0	20171012400		Chevron U.S.A., Inc.	EI	238	EI		Y	St. James	20
2	054-000982-0	2017709260K		Chevron U.S.A., Inc.	EI	238	EI		Y	St. James	196
2	054-000982-0	21171132800		Chevron U.S.A., Inc.	EI	238	EI		Y	St. James	1
2	054-000983-0	2017709260K		Chevron U.S.A., Inc.	EI	252	EI		Y	St. James	168
2	054-002099-0	20171012310		Chevron U.S.A., Inc.	EI	74	EI			St. James	19
2	054-002323-0	2017710260J		Chevron U.S.A., Inc.	EI	360	EI			St. James	19
2	054-002323-0	2017710260K		Chevron U.S.A., Inc.	EI	360	EI			St. James	418
2	054-002324-0	2017710260J		Chevron U.S.A., Inc.	EI	361	EI			St. James	442
2	054-002324-0	2017710260K		Chevron U.S.A., Inc.	EI	361	EI			St. James	455
2	054-005505-0	20171012400		Chevron U.S.A., Inc.	EI	229	EI			St. James	65
2	054-005505-0	21171132800		Chevron U.S.A., Inc.	EI	229	EI			St. James	2
<b>Bundle Subtotal</b>											2080
3	054-000985-0	2017709260A	891-012325-0	CXY ENERGY INC.	EI	259	EI		Y	St. James	20
3	054-000985-0	2017709260A	891-012321-0	CXY ENERGY INC.	EI	259	EI		Y	St. James	6
3	054-000985-0	2017709260A		CXY ENERGY INC.	EI	259	EI		Y	St. James	191

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## RIK Lease Listing for Sale 99-1

Bundle	Lease Number	FMP Number	Agreement Number	Operator Name	Area	Block	Oil Type	Quality	Pre 1969	Market Center	Daily Royalty Share
3	054-001958-0	20177092609		CXY ENERGY INC.	EI	255	EI			St. James	116
3	054-001958-0	2017709260A	891-012325-0	CXY ENERGY INC.	EI	255	EI			St. James	0
3	054-001959-0	20177092609		CXY ENERGY INC.	EI	258	EI			St. James	763
3	054-002103-0	20177092609		CXY ENERGY INC.	EI	257	EI			St. James	251
<b>Bundle Subtotal</b>											1347
4	054-004940-0	20608112950		MOBIL OIL EXP & PROD SE INC	GC	18	EI			St. James	1314
4	054-005809-0	20608112950		MOBIL OIL EXP & PROD SE INC	EW	988	EI			St. James	763
4	054-014021-0	20608112950		MOBIL OIL EXP & PROD SE INC	GC	60	EI			St. James	75
<b>Bundle Subtotal</b>											2152
5	054-002893-0	20177092201		Cockrell Oil Corp	EI	24	LLS-SB			South Bend	24
<b>Bundle Subtotal</b>											24
6	054-000997-0	20171012400	891-008764-0	FOREST OIL CORPORATION	EI	309	EI			St. James	0
6	054-000997-0	20177102604	891-008764-0	FOREST OIL CORPORATION	EI	309	EI			St. James	11
6	054-000997-0	2017710260C	891-008764-0	Avaira Energy Corporation	EI	309	EI			St. James	1
6	054-000997-0	2017710295F	891-008764-0	SAMEDAN OIL CORPORATION	EI	309	EI			St. James	0
<b>Bundle Subtotal</b>											12
7	054-001220-0	20177092600		SHELL OFFSHORE, INC.	EI	158	EI		Y	St. James	281
7	054-003152-0	20177092600		SHELL OFFSHORE, INC.	EI	136	EI			St. James	73
7	054-011951-0	20177092600		SHELL OFFSHORE, INC.	EI	157	EI			St. James	25
7	054-015244-0	20177092600		SHELL OFFSHORE, INC.	EI	152	EI			St. James	23
<b>Bundle Subtotal</b>											402

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## RIK Lease Listing for Sale 99-1

Bundle	Lease Number	FMP Number	Agreement Number	Operator Name	Area	Block	Oil Type	Quality	Pre 1969	Market Center	Daily Royalty Share
8	054-007760-0	20177122950		Kerr-McGee Corp.	SS	300	EI			St. James	296
8	054-009631-0	20177122950		Kerr-McGee Corp.	SS	315	EI			St. James	153
8	054-010792-0	20177122950		Kerr-McGee Corp.	SS	291	EI			St. James	24
<b>Bundle Subtotal</b>											473
18	054-002887-0	20177082955		OXY, U.S.A., INCORPORATED	SM	173	EI			St. James	122
18	054-002888-0	20177082955		OXY, U.S.A., INCORPORATED	SM	174	EI			St. James	2
18	054-002889-0	20177082955		OXY, U.S.A., INCORPORATED	SM	175	EI			St. James	15
18	054-005221-0	20177082955		OXY, U.S.A., INCORPORATED	SM	176	EI			St. James	102
<b>Bundle Subtotal</b>											241
19	054-000989-0	20177102601		Union Oil Company of Calif.	EI	276	EI		Y	St. James	681
19	054-003786-0	2017710260L		Union Oil Company of Calif.	EI	372	EI			St. James	41
19	054-005502-0	2017709260H	754-388017-0	Union Oil Company of Calif.	EI	211	EI			St. James	56
19	054-005503-0	2017709260H	754-388017-0	Union Oil Company of Calif.	EI	212	EI			St. James	46
<b>Bundle Subtotal</b>											824
21	054-002322-0	2017710295A		MARATHON OIL COMPANY	EI	349	EI			St. James	41
21	054-002322-0	2017710295B		MARATHON OIL COMPANY	EI	349	EI			St. James	233
<b>Bundle Subtotal</b>											274
22	054-002914-0	20177102958		Chevron U.S.A., Inc.	EI	341	EI			St. James	42
22	054-002914-0	20177102958		Chevron U.S.A., Inc.	EI	341	EI			St. James	239
22	054-003410-0	2017710260J		CHEVRON U.S.A., INCORPORATED	EI	352	EI			St. James	33
<b>Bundle Subtotal</b>											314

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## RIK Lease Listing for Sale 99-1

Bundle	Lease Number	FMP Number	Agreement Number	Operator Name	Area	Block	Oil Type	Quality	Pre 1969	Market Center	Daily Royalty Share
23	054-002319-0	2017710295G		SOCO OFFSHORE, INC.	EI	342	EI			St. James	132
										<b>Bundle Subtotal</b>	132
24	054-002910-0	20177102955		COASTAL OIL & GAS	EI	327	EI			St. James	57
										<b>Bundle Subtotal</b>	57
25	054-003331-0	21171132800		Newfield Exploration Company	EI	251	EI			St. James	39
25	054-004452-0	2017709260C		Newfield Exploration Company	EI	182	EI			St. James	260
25	054-005494-0	21171132800		Newfield Exploration Company	EI	172	EI			St. James	13
25	054-005516-0	2017710295H		Newfield Exploration Company	EI	324	EI			St. James	61
25	054-007736-0	21171132800		Newfield Exploration Company	EI	262	EI			St. James	93
25	055-000442-0	20171012300		Newfield Exploration Company	EI	128A	EI		Y	St. James	75
										<b>Bundle Subtotal</b>	541
26	054-003782-0	20177092601		Vastar Resources Inc.	EI	174	LLS			St. James	163
26	054-003782-0	2017709260C		Newfield Exploration Company	EI	174	LLS			St. James	0
26	054-013622-0	20177092601		Vastar Resources Inc.	EI	173	LLS			St. James	216
26	055-000438-0	20177092601		Vastar Resources Inc.	EI	175	LLS		Y	St. James	445
										<b>Bundle Subtotal</b>	824
27	054-002109-0	20177102602		NORCEN EXPLORER, INC.	EI	306	EI			St. James	45
27	054-002109-0	20177102602		UNION PACIFIC RESOURCES	EI	306	EI			St. James	250
27	054-003811-0	20171012300		Louisiana Land and Exploration	EI	108	EI			St. James	5
27	054-003811-0	20171092650		NORCEN EXPLORER, INC.	EI	108	EI			St. James	9
27	054-003811-0	20171092650		UNION PACIFIC RESOURCES	EI	108	EI			St. James	41

# Exhibit B

## RIK Lease Listing for Sale 99-1

Bundle	Lease Number	FMP Number	Agreement Number	Operator Name	Area	Block	Oil Type	Quality	Pre 1969	Market Center	Daily Royalty Share
27	054-013617-0	20171012310		UNION PACIFIC RESOURCES	EI	46	EI			St. James	23
<b>Bundle Subtotal</b>											373
28	054-004518-0	20608112951	891-020257-A	Conoco, Inc.	GC	184	EI	20.0		St. James	2359
28	054-005884-0	20608112951	891-020257-D	Conoco, Inc.	GC	52	EI			St. James	325
28	054-005885-0	20608112951	891-020257-D	Conoco, Inc.	GC	53	EI			St. James	153
<b>Bundle Subtotal</b>											2837
29	054-005889-0	20608117000		SHELL OFFSHORE, INC.	GC	65	EI			St. James	228
29	054-011450-0	20608077000	754-395001-A	SHELL OFFSHORE, INC.	GB	83	EI			St. James	16
29	054-011451-0	20608077000	754-395001-A	SHELL OFFSHORE, INC.	GB	84	EI			St. James	39
29	054-011454-0	20608077000	754-395002-A	SHELL OFFSHORE, INC.	GB	127	EI			St. James	119
29	054-011455-0	20608077000	754-395002-A	SHELL OFFSHORE, INC.	GB	128	EI			St. James	278
29	054-014023-0	20608117000		SHELL OFFSHORE, INC.	GC	110	EI			St. James	255
29	054-014221-0	20608077000		SHELL OFFSHORE, INC.	GB	172	EI			St. James	226
<b>Bundle Subtotal</b>											1161
30	054-005498-0	2017709260I		ELF EXPLORATION, INC.	EI	184	EI			St. James	281
30	054-017981-0	2017709260I		ELF EXPLORATION, INC.	EI	183	EI			St. James	248
<b>Bundle Subtotal</b>											529
33	054-005525-0	2017710295I		Louisiana Land and Exploration	EI	371	EI			St. James	21
33	054-009601-0	2017710295I		Louisiana Land and Exploration	EI	370	EI			St. James	42
<b>Bundle Subtotal</b>											63
34	054-007493-0	20171012400	754-389021-0	Shell Deepwater Development	GB	427	EI			St. James	33



# Exhibit B

## RIK Lease Listing for Sale 99-1

Bundle	Lease Number	FMP Number	Agreement Number	Operator Name	Area	Block	Oil Type	Quality	Pre 1969	Market Center	Daily Royalty Share
34	054-007493-0	20608072600	754-389021-0	Shell Deepwater Development	GB	427	EI			St. James	3868
34	054-007498-0	20171012400	754-389021-0	Shell Deepwater Development	GB	471	EI			St. James	16
34	054-007498-0	20608072600	754-389021-0	Shell Deepwater Development	GB	471	EI			St. James	1938
34	054-008241-0	20171012400	754-389021-0	Shell Deepwater Development	GB	426	EI			St. James	14
34	054-008241-0	20608072600	754-389021-0	Shell Deepwater Development	GB	426	EI			St. James	1667
34	054-008248-0	20171012400	754-389021-0	Shell Deepwater Development	GB	470	EI			St. James	4
34	054-008248-0	20608072600	754-389021-0	Shell Deepwater Development	GB	470	EI			St. James	454
<b>Bundle Subtotal</b>											7994
35	054-005896-0	20177162600	754-388025-0	Shell Deepwater Development	GC	72	EI			St. James	259
35	054-005904-0	20177162600	754-388025-0	Shell Deepwater Development	GC	116	EI			St. James	354
<b>Bundle Subtotal</b>											613
36	054-007462-0	20608072952	754-391010-A	AMERADA HESS CORP	GB	260	EI			St. James	233
<b>Bundle Subtotal</b>											233
37	054-007485-0	2017710260N	754-391006-0	EEX CORPORATION	GB	387	EI			St. James	260
37	054-007486-0	2017710260N	754-391006-0	EEX CORPORATION	GB	388	EI			St. James	182
37	054-008232-0	2017710260N	754-391006-0	EEX CORPORATION	GB	344	EI			St. James	67
<b>Bundle Subtotal</b>											509
40	054-010741-0	2017709260K		Chevron U.S.A., Inc.	EI	253	EI			St. James	125
40	054-010741-0	2017709260Y		NORCEN EXPLORER, INC.	EI	253	EI			St. James	16
40	054-010741-0	2017709260Y		UNION PACIFIC RESOURCES	EI	253	EI			St. James	32
40	054-016361-0	2017709260Y		NORCEN EXPLORER, INC.	EI	254	EI			St. James	26

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## RIK Lease Listing for Sale 99-1

Bundle	Lease Number	FMP Number	Agreement Number	Operator Name	Area	Block	Oil Type	Quality	Pre 1969	Market Center	Daily Royalty Share
40	054-016361-0	2017709260Y		UNION PACIFIC RESOURCES	EI	254	EI			St. James	100
40	054-017986-0	2017709260Y		NORCEN EXPLORER, INC.	EI	214	EI			St. James	25
40	054-017986-0	2017709260Y		UNION PACIFIC RESOURCES	EI	214	EI			St. James	82
<b>Bundle Subtotal</b>											406
41	054-005517-0	20177102952		FOREST OIL CORPORATION	EI	325	EI			St. James	23
41	054-010742-0	2017709260J		FOREST OIL CORPORATION	EI	255	EI			St. James	229
41	054-017958-0	20171012300		FOREST OIL CORPORATION	EI	43	EI			St. James	40
41	055-000479-0	20171012500		FOREST OIL CORPORATION	EI	53	EI		Y	St. James	111
<b>Bundle Subtotal</b>											403
42	054-011043-0	20608117000	754-393016-A	BP OIL COMPANY	GC	244	MARS			Clovelly	415
42	054-012209-0	20608117000	754-393016-A	BP OIL COMPANY	GC	200	MARS			Clovelly	7015
<b>Bundle Subtotal</b>											7430
45	054-003995-0	2017709260E		Apache Corporation	EI	191	EI			St. James	31
45	054-010736-0	2017709260F		Apache Corporation	EI	187	EI			St. James	10
45	054-011953-0	2017709260F		Apache Corporation	EI	167	EI			St. James	22
45	054-015540-0	20608077000		Apache Corporation	GC	89	EI			St. James	41
45	055-000443-0	2017709260F		Apache Corporation	EI	188	EI		Y	St. James	48
<b>Bundle Subtotal</b>											152
47	054-005488-0	2017709260L	754-393020-0	Burlington Resources Offshore	EI	94	EI			St. James	11
47	054-005488-0	2017709260L	754-393020-0	SHELL OFFSHORE, INC.	EI	94	EI			St. James	5
47	054-010721-0	2017709260L	754-393020-0	Burlington Resources Offshore	EI	88	EI			St. James	21

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## RIK Lease Listing for Sale 99-1

Bundle	Lease Number	FMP Number	Agreement Number	Operator Name	Area	Block	Oil Type	Quality	Pre 1969	Market Center	Daily Royalty Share
47	054-010721-0	2017709260L	754-393020-0	SHELL OFFSHORE, INC.	EI	88	EI			St. James	11
47	055-000423-0	2017709260F		Apache Corporation	EI	189	EI		Y	St. James	169
<b>Bundle Subtotal</b>											217
48	054-004131-0	20608112953		SHELL OFFSHORE, INC.	GC	19	MARS			Clovelly	111
48	054-005900-0	20608117000		SHELL OFFSHORE, INC.	GC	109	MARS			Clovelly	833
<b>Bundle Subtotal</b>											944
49	054-000987-0	20171012400		Amoco Production Company	EI	273	EI		Y	St. James	107
49	054-000987-0	20171012400	891-012338-0	FOREST OIL CORPORATION	EI	273	EI		Y	St. James	0
49	054-005504-0	21171132800		Amoco Production Company	EI	224	EI			St. James	291
49	055-000572-0	20177092605		Amoco Production Company	EI	193	EI		Y	St. James	27
49	055-000576-0	20177092605		Amoco Production Company	EI	208	EI		Y	St. James	75
49	055-000578-0	20177092605		Amoco Production Company	EI	215	EI		Y	St. James	17
<b>Bundle Subtotal</b>											517
50	055-000577-0	20171012300		Pioneer Natural Resources	EI	208	EI		Y	St. James	760
<b>Bundle Subtotal</b>											760
51	054-003594-0	20177162600		SHELL OFFSHORE, INC.	ST	301	HLS			Empire	67
51	054-004240-0	20177162600		SHELL OFFSHORE, INC.	ST	300	HLS			Empire	120
51	054-006779-0	20177162600		SHELL OFFSHORE, INC.	ST	302	HLS			Empire	56
<b>Bundle Subtotal</b>											243
58	054-001604-0	20177203900		Newfield Exploration Company	WD	152	HLS		Y	Empire	97
58	054-001604-0	20608173901		Newfield Exploration Company	WD	152	HLS		Y	Empire	66

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Bundle	Lease Number	FMP Number	Agreement Number	Operator Name	Area	Block	Oil Type	Quality	Pre 1969	Market Center	Daily Royalty Share
58	054-001898-0	20171012500		Newfield Exploration Company	ST	148	HLS		Y	Empire	19
58	054-001898-0	20177153602		Newfield Exploration Company	ST	148	HLS		Y	Empire	220
58	054-003577-0	20177113350		Newfield Exploration Company	SS	69	HLS			Empire	134
58	054-005602-0	20171012500		Newfield Exploration Company	ST	111	HLS			Empire	13
58	054-012024-0	20171012500		Newfield Exploration Company	ST	193	HLS			Empire	11
<b>Bundle Subtotal</b>											560
59	054-002962-0	20170513700	891-020243-0	Exxon Corporation, U.S.A.	MC	399	HLS-GI			Grand Isle	12
59	054-003205-0	20170513700	891-020235-0	Exxon Corporation, U.S.A.	MC	281	HLS-GI			Grand Isle	327
59	054-003605-0	20170513700	891-020235-0	Exxon Corporation, U.S.A.	MC	324	HLS-GI			Grand Isle	201
59	054-003818-0	20170513700	891-020235-0	Exxon Corporation, U.S.A.	MC	280	HLS-GI			Grand Isle	126
<b>Bundle Subtotal</b>											666
60	054-002163-0	20171012500		Vastar Offshore, Inc.	GI	94	LLS			St. James	2
60	054-002163-0	20171012500		Vastar Resources Inc.	GI	94	LLS			St. James	16
60	054-004003-0	20171012500		Vastar Offshore, Inc.	GI	90	LLS			St. James	159
60	054-004003-0	20171012500		Vastar Offshore, Inc.	GI	90	LLS			St. James	39
60	054-016431-0	20171012500		Vastar Resources Inc.	ST	182	LLS			St. James	33
<b>Bundle Subtotal</b>											249
61	054-003596-0	20177173700		Vastar Offshore, Inc.	GI	20	HLS-GI			Grand Isle	6
61	054-003596-0	20177173700		Vastar Resources Inc.	GI	20	HLS-GI			Grand Isle	30
<b>Bundle Subtotal</b>											36
63	054-007917-0	20170513800		Conoco, Inc.	EW	306	HLS-GI			Grand Isle	856

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Bundle	Lease Number	FMP Number	Agreement Number	Operator Name	Area	Block	Oil Type	Quality	Pre 1969	Market Center	Daily Royalty Share
									<b>Bundle Subtotal</b>		856
64	054-009508-0	20177062203		Apache Corporation	VR	284	LLS-SB			South Bend	167
									<b>Bundle Subtotal</b>		167
65	054-004002-0	20177173701		Apache Corporation	GI	33	HLS			Empire	56
65	054-005659-0	20177173600		Apache Corporation	GI	82	HLS			Empire	236
65	054-012981-0	20177162600	754-391007-0	Apache Corporation	ST	296	HLS			Empire	32
65	054-016461-0	20170753510		Apache Corporation	GI	45	HLS			Empire	14
									<b>Bundle Subtotal</b>		338
66	054-005662-0	20177183600	754-388016-0	AGIP Petroleum Company, Inc.	GI	102	HLS			Empire	238
									<b>Bundle Subtotal</b>		238
69	054-001253-0	2017715260H		SAMEDAN OIL CORPORATION	ST	169	HLS	Y		Empire	116
69	054-001256-0	20170753510		SAMEDAN OIL CORPORATION	ST	172	HLS	Y		Empire	0
69	054-001256-0	2017715260H		SAMEDAN OIL CORPORATION	ST	172	HLS	Y		Empire	1
69	054-003177-0	20170753510		SAMEDAN OIL CORPORATION	ST	163	HLS			Empire	0
69	054-003593-0	20170753510		SAMEDAN OIL CORPORATION	ST	195	HLS			Empire	0
69	054-003593-0	2017715260H		SAMEDAN OIL CORPORATION	ST	195	HLS			Empire	1
69	054-003793-0	20171012500		SAMEDAN OIL CORPORATION	GI	83	HLS			Empire	13
69	054-005611-0	2017715260H		SAMEDAN OIL CORPORATION	ST	197	HLS			Empire	128
69	054-014539-0	20170573450		SAMEDAN OIL CORPORATION	ST	220	HLS			Empire	31
									<b>Bundle Subtotal</b>		290
71	054-001082-0	20170513700	891-011658-0	Exxon Corporation, U.S.A.	WD	72	HLS-GI	Y		Empire	2

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## RIK Lease Listing for Sale 99-1

Bundle	Lease Number	FMP Number	Agreement Number	Operator Name	Area	Block	Oil Type	Quality	Pre 1969	Market Center	Daily Royalty Share
71	054-001083-0	20170513700	891-008916-0	Exxon Corporation, U.S.A.	WD	73	HLS-GI			Grand Isle	67
71	054-001083-0	20170513700	891-011679-0	Exxon Corporation, U.S.A.	WD	73	HLS-GI			Grand Isle	27
71	054-001083-0	20170513700	891-011674-0	Exxon Corporation, U.S.A.	WD	73	HLS-GI			Grand Isle	28
71	054-001083-0	20170513700	891-011677-0	Exxon Corporation, U.S.A.	WD	73	HLS-GI			Grand Isle	12
71	054-001083-0	20170513700	891-011680-0	Exxon Corporation, U.S.A.	WD	73	HLS-GI			Grand Isle	101
71	054-001084-0	20170513700	891-008916-0	Exxon Corporation, U.S.A.	WD	74	HLS-GI		Y	Grand Isle	23
71	054-001084-0	20170513700		Exxon Corporation, U.S.A.	WD	74	HLS-GI		Y	Grand Isle	19
71	054-001084-0	20170513700	891-011680-0	Exxon Corporation, U.S.A.	WD	74	HLS-GI		Y	Grand Isle	179
71	054-001084-0	20170513700	891-011677-0	Exxon Corporation, U.S.A.	WD	74	HLS-GI		Y	Grand Isle	0
71	054-001084-0	20170513700	891-011674-0	Exxon Corporation, U.S.A.	WD	74	HLS-GI		Y	Grand Isle	15
71	054-001084-0	20170513700	891-011679-0	Exxon Corporation, U.S.A.	WD	74	HLS-GI		Y	Grand Isle	40
71	054-001090-0	20170513700	891-008916-0	Exxon Corporation, U.S.A.	WD	91	HLS-GI		Y	Grand Isle	7
71	054-001090-0	20170513700		Exxon Corporation, U.S.A.	WD	91	HLS-GI		Y	Grand Isle	137
71	054-001090-0	20170513700	891-011674-0	Exxon Corporation, U.S.A.	WD	91	HLS-GI		Y	Grand Isle	0
71	054-001090-0	20170513700	891-011680-0	Exxon Corporation, U.S.A.	WD	91	HLS-GI		Y	Grand Isle	41
71	054-001090-0	20170513700	891-011679-0	Exxon Corporation, U.S.A.	WD	91	HLS-GI		Y	Grand Isle	13
71	054-001091-0	20170513700		Exxon Corporation, U.S.A.	WD	92	HLS-GI		Y	Grand Isle	45
71	054-001091-0	20170513700	891-011674-0	Exxon Corporation, U.S.A.	WD	92	HLS-GI		Y	Grand Isle	6
71	054-001091-0	20170513700	891-011677-0	Exxon Corporation, U.S.A.	WD	92	HLS-GI		Y	Grand Isle	7
71	054-001091-0	20170513700	891-008916-0	Exxon Corporation, U.S.A.	WD	92	HLS-GI		Y	Grand Isle	56
71	054-001091-0	20170513700	891-011679-0	Exxon Corporation, U.S.A.	WD	92	HLS-GI		Y	Grand Isle	10

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## RIK Lease Listing for Sale 99-1

Bundle	Lease Number	FMP Number	Agreement Number	Operator Name	Area	Block	Oil Type	Quality	Pre 1969	Market Center	Daily Royalty Share
71	054-001091-0	20170513700	891-011680-0	Exxon Corporation, U.S.A.	WD	92	HLS-GI		Y	Grand Isle	29
71	054-001092-0	20170513700		Exxon Corporation, U.S.A.	WD	93	HLS-GI		Y	Grand Isle	87
71	054-001092-0	20170513700	891-011658-0	Exxon Corporation, U.S.A.	WD	93	HLS-GI		Y	Grand Isle	11
<b>Bundle Subtotal</b>											962
72	055-000421-0	20170513700	891-003444-0	Exxon Corporation, U.S.A.	WD	55	HLS-GI			Grand Isle	120
72	055-000422-0	20170513700	891-003444-0	Exxon Corporation, U.S.A.	ST	54	HLS-GI			Grand Isle	33
<b>Bundle Subtotal</b>											153
73	054-001096-0	20170513700		Exxon Corporation, U.S.A.	WD	99	HLS-GI		Y	Grand Isle	11
73	054-001447-0	20170513700		Exxon Corporation, U.S.A.	WD	21	HLS-GI		Y	Grand Isle	12
73	054-001619-0	20170513700	754-389008-0	Exxon Corporation, U.S.A.	SP	93	HLS-GI		Y	Grand Isle	392
73	054-001619-0	20170513700		Exxon Corporation, U.S.A.	SP	93	HLS-GI		Y	Grand Isle	447
73	054-001620-0	20170513700	754-389008-0	Exxon Corporation, U.S.A.	SP	94	HLS-GI		Y	Grand Isle	46
73	054-001620-0	20170513700		Exxon Corporation, U.S.A.	SP	94	HLS-GI		Y	Grand Isle	77
<b>Bundle Subtotal</b>											985
76	054-001497-0	20170513800		Conoco, Inc.	WD	95	HLS		Y	Empire	126
76	054-001498-0	20170513800		Conoco, Inc.	WD	96	HLS		Y	Empire	10
76	054-001580-0	20170513800		Conoco, Inc.	GI	32	HLS		Y	Empire	38
76	055-000838-0	20170513800	891-002454-0	Conoco, Inc.	WD	71	HLS			Empire	136
76	055-000839-0	20170513800		Conoco, Inc.	WD	94	HLS		Y	Empire	168
76	055-000839-0	20170513800		HALL-HOUSTON OIL CO	WD	94	HLS		Y	Empire	3
<b>Bundle Subtotal</b>											481

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Bundle	Lease Number	FMP Number	Agreement Number	Operator Name	Area	Block	Oil Type	Quality	Pre 1969	Market Center	Daily Royalty Share
78	054-001019-0	2017711260B		Chevron U.S.A., Inc.	SS	182	LLS		Y	St. James	208
78	054-001146-0	20177052603		Chevron U.S.A., Inc.	VR	245	LLS		Y	St. James	73
<b>Bundle Subtotal</b>											281
80	054-001023-0	2017711260L		MURPHY EXP & PROD. CO	SS	224	LLS		Y	St. James	3
80	054-001023-0	2017711260M		MURPHY EXP & PROD. CO	SS	224	LLS		Y	St. James	160
80	054-001526-0	2017711260L		MURPHY EXP & PROD. CO	SS	223	LLS		Y	St. James	101
80	054-001526-0	2017711260M		MURPHY EXP & PROD. CO	SS	223	LLS		Y	St. James	93
<b>Bundle Subtotal</b>											357
81	054-001027-0	20177122603		CNG PRODUCING COMPANY	SS	246	LLS		Y	St. James	39
81	054-001172-0	20177062605		CNG PRODUCING COMPANY	VR	313	LLS		Y	St. James	125
<b>Bundle Subtotal</b>											164
82	054-001031-0	20177122607		Union Oil Company of Calf.	SS	253	LLS		Y	St. James	42
82	054-001034-0	20177122608		Union Oil Company of Calf.	SS	266	LLS		Y	St. James	260
82	054-001036-0	20177122609		Union Oil Company of Calf.	SS	269	LLS		Y	St. James	10
82	054-001228-0	2017711260G		Union Oil Company of Calf.	SS	208	LLS		Y	St. James	234
82	054-001230-0	2017711260G		Union Oil Company of Calf.	SS	215	LLS		Y	St. James	198
82	054-004442-0	20171092650		Union Oil Company of Calf.	EI	113A	LLS			St. James	42
<b>Bundle Subtotal</b>											786
83	054-001039-0	2017712260E		Apache Corporation	SS	274	LLS		Y	St. James	253
83	054-001043-0	2017712260E		Apache Corporation	SS	293	LLS		Y	St. James	43
83	054-005646-0	20177162600	754-391007-0	Apache Corporation	ST	295	LLS			St. James	545



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## RIK Lease Listing for Sale 99-1

Bundle	Lease Number	FMP Number	Agreement Number	Operator Name	Area	Block	Oil Type	Quality	Pre 1969	Market Center	Daily Royalty Share
83	054-007780-0	20177162600	754-391007-0	Apache Corporation	ST	276	LLS			St. James	114
83	054-011911-0	20177072601		Apache Corporation	SM	71	LLS			St. James	373
<b>Bundle Subtotal</b>											1328
84	054-002705-0	2042709015J		SAMEDAN OIL CORPORATION	HI	A 547	LLS			St. James	56
84	054-002706-0	2042709015J		SAMEDAN OIL CORPORATION	HI	A 548	LLS			St. James	0
84	054-004215-0	20177062608		SAMEDAN OIL CORPORATION	VR	315	LLS			St. James	0
84	054-008658-0	20171132000	754-392008-0	SAMEDAN OIL CORPORATION	EC	331	LLS			St. James	120
84	054-008658-0	20177042208	754-392008-0	SAMEDAN OIL CORPORATION	EC	331	LLS			St. James	82
84	054-009478-0	20171132000	754-392008-0	SAMEDAN OIL CORPORATION	EC	332	LLS			St. James	102
84	054-009478-0	20177042208	754-392008-0	SAMEDAN OIL CORPORATION	EC	332	LLS			St. James	70
<b>Bundle Subtotal</b>											430
87	054-001140-0	20177052601		Newfield Exploration Company	VR	215	LLS		Y	St. James	13
87	054-001140-0	20177052601		OCEAN ENERGY	VR	215	LLS		Y	St. James	350
87	054-002596-0	21171132800		OCEAN ENERGY	SM	244	LLS			St. James	17
87	054-002898-0	21171132800		Stone Energy Corp.	LLS	242	LLS			St. James	12
87	054-002899-0	21171132800		OCEAN ENERGY	EI	243	LLS			St. James	0
87	054-002899-0	21171132800		Stone Energy Corp.	LLS	243	LLS			St. James	129
87	054-017966-0	20171012300		OCEAN ENERGY	EI	106	LLS			St. James	71
87	055-000478-0	20171012300		OCEAN ENERGY	EI	116	LLS		Y	St. James	38
87	055-000797-0	20171012300		OCEAN ENERGY	EI	105	LLS		Y	St. James	109
<b>Bundle Subtotal</b>											739

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Bundle	Lease Number	FMP Number	Agreement Number	Operator Name	Area	Block	Oil Type	Quality	Pre 1969	Market Center	Daily Royalty Share
88	054-013882-0	21171132800		Burlington Resources Offshore	VR	116	LLS			St. James	69
<b>Bundle Subtotal</b>											69
89	054-001152-0	20177062600		Stone Energy Corp.	VR	255	LLS		Y	St. James	150
89	054-001153-0	21171132800		Stone Energy Corp.	VR	256	LLS		Y	St. James	29
89	054-002082-0	20177062601		Stone Energy Corp.	VR	268	LLS			St. James	54
89	054-002082-0	21171132800		Stone Energy Corp.	VR	268	LLS			St. James	2
<b>Bundle Subtotal</b>											235
90	054-002094-0	20177082601		FORCENERGY, INC.	SM	115	LLS			St. James	15
90	054-002279-0	20177082601		FORCENERGY, INC.	SM	106	LLS			St. James	27
90	054-002279-0	20177082602		FORCENERGY, INC.	SM	106	LLS			St. James	6
90	054-002560-0	21171132800		FORCENERGY, INC.	WC	630	LLS			St. James	11
90	054-002588-0	20177082606	891-020237-0	FORCENERGY, INC.	SM	136	LLS			St. James	2
90	054-002588-0	20177082607	891-020237-0	FORCENERGY, INC.	SM	136	LLS			St. James	47
90	054-002589-0	20177082606	891-020237-0	FORCENERGY, INC.	SM	137	LLS			St. James	2
90	054-002589-0	20177082607	891-020237-0	FORCENERGY, INC.	SM	137	LLS			St. James	38
90	054-003328-0	20177062200		FORCENERGY, INC.	VR	261	LLS			St. James	48
90	054-003776-0	20177082602		FORCENERGY, INC.	SM	106	LLS			St. James	223
90	054-004261-0	20177062606		FORCENERGY, INC.	VR	330	LLS			St. James	11
90	055-000829-0	2017711260J		FORCENERGY, INC.	SS	219	LLS		Y	St. James	269
<b>Bundle Subtotal</b>											699
91	054-001194-0	20177072601		SHELL OFFSHORE, INC.	SM	58	LLS		Y	St. James	94

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## RIK Lease Listing for Sale 99-1

Bundle	Lease Number	FMP Number	Agreement Number	Operator Name	Area	Block	Oil Type	Quality	Pre 1969	Market Center	Daily Royalty Share
91	054-002280-0	20177082604		SHELL OFFSHORE, INC.	SM	130	LLS			St. James	877
91	054-002281-0	20177082604		SHELL OFFSHORE, INC.	SM	131	LLS			St. James	130
91	054-017199-0	2042709015J		SHELL OFFSHORE, INC.	HI	A 545	LLS			St. James	1
<b>Bundle Subtotal</b>											1102
94	054-001134-0	21171132800		TAYLOR ENERGY COMPANY	VR	191	LLS		Y	St. James	11
94	054-001201-0	20177072206	891-008950-0	TAYLOR ENERGY COMPANY	SM	69	LLS		Y	St. James	4
94	054-001201-0	20177072206		TAYLOR ENERGY COMPANY	SM	69	LLS		Y	St. James	101
94	054-001204-0	20177072206	891-011653-0	TAYLOR ENERGY COMPANY	SM	72	LLS			St. James	13
94	054-001205-0	20177072206	891-008950-0	TAYLOR ENERGY COMPANY	SM	73	LLS		Y	St. James	3
94	054-001205-0	20177072206		TAYLOR ENERGY COMPANY	SM	73	LLS		Y	St. James	244
94	054-001205-0	20177072206	891-011653-0	TAYLOR ENERGY COMPANY	SM	73	LLS		Y	St. James	66
94	054-017935-0	20177072206		TAYLOR ENERGY COMPANY	SM	68	LLS			St. James	10
<b>Bundle Subtotal</b>											452
95	054-001520-0	2017711260C		NORCEN EXPLORER, INC.	SS	204	LLS		Y	St. James	30
95	054-001520-0	2017711260C		UNION PACIFIC RESOURCES	SS	204	LLS		Y	St. James	145
95	054-001523-0	2017711260E	891-020231-0	NORCEN EXPLORER, INC.	SS	207	LLS		Y	St. James	9
95	054-001523-0	2017711260E		NORCEN EXPLORER, INC.	SS	207	LLS		Y	St. James	26
95	054-001523-0	2017711260E		UNION PACIFIC RESOURCES	SS	207	LLS		Y	St. James	94
95	054-001523-0	2017711260E	891-020231-0	UNION PACIFIC RESOURCES	SS	207	LLS		Y	St. James	9
95	054-001524-0	2017711260E		NORCEN EXPLORER, INC.	SS	216	LLS		Y	St. James	28
95	054-001524-0	2017711260E		UNION PACIFIC RESOURCES	SS	216	LLS		Y	St. James	97

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## RIK Lease Listing for Sale 99-1

Bundle	Lease Number	FMP Number	Agreement Number	Operator Name	Area	Block	Oil Type	Quality	Pre 1969	Market Center	Daily Royalty Share
<b>Bundle Subtotal</b>											438
96	054-001773-0	20420390100		COASTAL OIL & GAS	GA	241	LLS		Y	St. James	0
96	054-001773-0	20427060151		COASTAL OIL & GAS	GA	241	LLS		Y	St. James	89
96	054-004213-0	21171132800		COASTAL OIL & GAS	VR	289	LLS			St. James	80
<b>Bundle Subtotal</b>											169
99	054-002037-0	20170530900		Amoco Production Company	EC	222	LLS			St. James	21
99	055-000590-0	21171132800		Amoco Production Company	SS	177	LLS		Y	St. James	29
<b>Bundle Subtotal</b>											50
101	054-001196-0	20171012400		Chevron U.S.A., Inc.	SM	61	LLS		Y	St. James	10
101	054-001196-0	21171132800		Chevron U.S.A., Inc.	SM	61	LLS		Y	St. James	2
101	054-002076-0	20177052600		Chevron U.S.A., Inc.	VR	214	LLS			St. James	767
101	054-003543-0	20171131800		Chevron U.S.A., Inc.	VR	24	LLS			St. James	65
101	054-007750-0	20177112604		Chevron U.S.A., Inc.	SS	100	LLS			St. James	41
101	055-000814-0	20177112604		Chevron U.S.A., Inc.	SS	108	LLS		Y	St. James	76
101	055-000820-0	2017711260S		Chevron U.S.A., Inc.	SS	169	LLS		Y	St. James	267
101	055-000821-0	2017711260B		Chevron U.S.A., Inc.	SS	183	LLS		Y	St. James	527
<b>Bundle Subtotal</b>											1755
102	054-002088-0	20170230810		CXY ENERGY INC.	VR	321	LLS			St. James	18
102	054-002090-0	20177062607		CXY ENERGY INC.	VR	339	LLS			St. James	4
102	054-002091-0	20177062607		CXY ENERGY INC.	VR	340	LLS			St. James	13
102	054-003138-0	20170230811		CXY ENERGY INC.	VR	302	LLS			St. James	2

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## RIK Lease Listing for Sale 99-1

Bundle	Lease Number	FMP Number	Agreement Number	Operator Name	Area	Block	Oil Type	Quality	Pre 1969	Market Center	Daily Royalty Share
102	054-004085-0	20170230811		CXY ENERGY INC.	WC	170	LLS			St. James	37
<b>Bundle Subtotal</b>											74
104	054-002274-0	20177062952	891-016149-C	Transworld Exploration and Production	VR	369	EI			St. James	20
104	054-002274-0	20177062954	891-016149-W	MARATHON OIL COMPANY	VR	369	EI			St. James	10
104	054-002278-0	20177062954	891-016149-W	MARATHON OIL COMPANY	VR	386	EI			St. James	15
104	054-002572-0	20177062950		MARATHON OIL COMPANY	VR	331	EI			St. James	192
<b>Bundle Subtotal</b>											237
105	054-002311-0	20171012500		NORCEN EXPLORER, INC.	SM	269	LLS			St. James	0
105	054-002311-0	20171012500		UNION PACIFIC RESOURCES	SM	269	LLS			St. James	0
105	054-002311-0	20177072602		NORCEN EXPLORER, INC.	SM	269	LLS			St. James	51
105	054-002311-0	20177072602		UNION PACIFIC RESOURCES	SM	269	LLS			St. James	300
105	054-002600-0	20171012500		NORCEN EXPLORER, INC.	SM	281	LLS			St. James	0
105	054-002600-0	20171012500		UNION PACIFIC RESOURCES	SM	281	LLS			St. James	0
105	054-002600-0	20177072602		NORCEN EXPLORER, INC.	SM	281	LLS			St. James	59
105	054-002600-0	20177072602		UNION PACIFIC RESOURCES	SM	281	LLS			St. James	170
105	054-003170-0	2017711260E		NORCEN EXPLORER, INC.	SS	290	LLS			St. James	6
105	054-003170-0	2017711260E		UNION PACIFIC RESOURCES	SS	290	LLS			St. James	32
105	054-012904-0	20171012500		NORCEN EXPLORER, INC.	SM	282	LLS			St. James	0
105	054-012904-0	20171012500		UNION PACIFIC RESOURCES	SM	282	LLS			St. James	0
105	054-012904-0	20177072602		NORCEN EXPLORER, INC.	SM	282	LLS			St. James	10
105	054-012904-0	20177072602		UNION PACIFIC RESOURCES	SM	282	LLS			St. James	36

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## RIK Lease Listing for Sale 99-1

Bundle	Lease Number	FMP Number	Agreement Number	Operator Name	Area	Block	Oil Type	Quality	Pre 1969	Market Center	Daily Royalty Share
105	054-014456-0	20171012500		NORCEN EXPLORER, INC.	SM	280	LLS			St. James	0
105	054-014456-0	20171012500		UNION PACIFIC RESOURCES	SM	280	LLS			St. James	0
105	054-014456-0	20177072602		NORCEN EXPLORER, INC.	SM	280	LLS			St. James	9
105	054-014456-0	20177072602		UNION PACIFIC RESOURCES	SM	280	LLS			St. James	39
<b>Bundle Subtotal</b>											712
108	054-001127-0	20171132000		SAMEDAN OIL CORPORATION	VR	161	LLS		Y	St. James	12
108	054-002716-0	20170230810		SAMEDAN OIL CORPORATION	HI	A 568	LLS			St. James	80
108	054-002716-0	2042709015J		SAMEDAN OIL CORPORATION	HI	A 568	LLS			St. James	67
108	054-004081-0	20170230810		SAMEDAN OIL CORPORATION	HI	A 550	LLS			St. James	309
108	054-004417-0	20170231100		SAMEDAN OIL CORPORATION	EC	66	LLS			St. James	15
108	054-012584-0	20170230810		SAMEDAN OIL CORPORATION	HI	A 549	LLS			St. James	0
<b>Bundle Subtotal</b>											483
109	054-001860-0	20170231110		Vastar Resources Inc.	WC	66	LLS		Y	St. James	264
109	054-002819-0	20170231110		Vastar Resources Inc.	WC	35	LLS			St. James	22
109	054-002825-0	20170231100		Vastar Resources Inc.	WC	65	LLS			St. James	75
109	054-002826-0	20170231100		Vastar Resources Inc.	WC	66	LLS			St. James	0
109	054-002826-0	20170231110		Vastar Resources Inc.	WC	66	LLS			St. James	39
109	054-003251-0	20170231110		Vastar Resources Inc.	WC	34	LLS			St. James	17
<b>Bundle Subtotal</b>											417
110	054-002919-0	20177112950		Vastar Resources Inc.	SS	91	EI			St. James	116
110	054-002924-0	20177132950		Vastar Resources Inc.	PL	9	EI			St. James	37

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## RIK Lease Listing for Sale 99-1

Bundle	Lease Number	FMP Number	Agreement Number	Operator Name	Area	Block	Oil Type	Quality	Pre 1969	Market Center	Daily Royalty Share
110	054-002925-0	20177132950		Vastar Resources Inc.	PL	10	EI			St. James	294
<b>Bundle Subtotal</b>											447
111	054-002923-0	2017711260E		NORCEN EXPLORER, INC.	SS	291	LLS			St. James	7
111	054-002923-0	2017711260E		UNION PACIFIC RESOURCES	SS	291	LLS			St. James	39
111	054-002923-0	2017712260E		Apache Corporation	SS	291	LLS			St. James	4
111	054-010775-0	2017711260E		NORCEN EXPLORER, INC.	SS	190	LLS			St. James	17
111	054-010775-0	2017711260E		UNION PACIFIC RESOURCES	SS	190	LLS			St. James	72
<b>Bundle Subtotal</b>											139
112	054-001955-0	20177062201		Exxon Corporation, U.S.A.	VR	265	LLS-SB			South Bend	93
112	054-004109-0	20177082600		Exxon Corporation, U.S.A.	SM	99	LLS-SB			South Bend	197
112	054-006668-0	20177052202		Exxon Corporation, U.S.A.	VR	164	LLS-SB			South Bend	137
<b>Bundle Subtotal</b>											427
114	054-003137-0	20177062602		Newfield Exploration Company	VR	287	LLS			St. James	47
114	054-003394-0	20177052201		Newfield Exploration Company	VR	146	LLS			St. James	108
114	054-004094-0	20171132000		Newfield Exploration Company	WC	561	LLS			St. James	10
<b>Bundle Subtotal</b>											165
115	054-001177-0	20177072205		FORCENERGY, INC.	SM	6	LLS-SB		Y	South Bend	11
115	054-001181-0	20177072200		FORCENERGY, INC.	SM	10	LLS-SB		Y	South Bend	14
115	054-001182-0	20177072200		FORCENERGY, INC.	SM	11	LLS-SB		Y	South Bend	28
115	054-001182-0	20177072201		FORCENERGY, INC.	SM	11	LLS-SB		Y	South Bend	45
<b>Bundle Subtotal</b>											98

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## RIK Lease Listing for Sale 99-1

Bundle	Lease Number	FMP Number	Agreement Number	Operator Name	Area	Block	Oil Type	Quality	Pre 1969	Market Center	Daily Royalty Share
116	054-003265-0	20170530900		Equitable Resources	WC	198	LLS			St. James	133
<b>Bundle Subtotal</b>											133
118	054-003584-0	2017711260A		Newfield Exploration Company	SS	170	LLS			St. James	3
118	054-003584-0	2017711260A	754-397002-A	Newfield Exploration Company	SS	170	LLS			St. James	11
118	054-003584-0	20177112951		Chevron U.S.A., Inc.	SS	170	LLS			St. James	0
118	054-003584-0	21171132800		Chevron U.S.A., Inc.	SS	170	LLS			St. James	1
118	054-004231-0	20177112951		Chevron U.S.A., Inc.	SS	181	LLS			St. James	231
<b>Bundle Subtotal</b>											246
120	054-003998-0	2017711260X		Vastar Resources Inc.	SS	182	LLS			St. James	135
120	054-005551-0	2017711260W		Vastar Resources Inc.	SS	178	LLS			St. James	97
<b>Bundle Subtotal</b>											232
121	054-002316-0	20177072203		Chevron U.S.A., Inc.	SM	288	LLS			St. James	155
121	054-004433-0	20177082956		Chevron U.S.A., Inc.	SM	160	LLS			St. James	9
121	054-004433-0	20177082956		Newfield Exploration Company	SM	160	LLS			St. James	38
<b>Bundle Subtotal</b>											202
123	054-013563-0	20170230811		SHELL OFFSHORE, INC.	WC	269	LLS			St. James	179
123	054-015073-0	20170230811		SHELL OFFSHORE, INC.	WC	270	LLS			St. James	99
<b>Bundle Subtotal</b>											278
125	054-009514-0	20177062608		SAMEDAN OIL CORPORATION	VR	332	LLS			St. James	256
125	054-009524-0	20170230811	754-393006-0	SAMEDAN OIL CORPORATION	VR	371	LLS			St. James	117
125	054-010636-0	20170230811		SAMEDAN OIL CORPORATION	EC	320	LLS			St. James	84



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## RIK Lease Listing for Sale 99-1

Bundle	Lease Number	FMP Number	Agreement Number	Operator Name	Area	Block	Oil Type	Quality	Pre 1969	Market Center	Daily Royalty Share
125	054-010687-0	20170230811	754-393006-0	SAMEDAN OIL CORPORATION	VR	362	LLS			St. James	27
125	054-014348-0	21171132800		SAMEDAN OIL CORPORATION	WC	599	LLS			St. James	16
125	054-014417-0	20177062608		SAMEDAN OIL CORPORATION	VR	333	LLS			St. James	12
<b>Bundle Subtotal</b>											512
126	054-004809-0	20177082956		Chevron U.S.A., Inc.	SM	161	LLS			St. James	14
126	054-004809-0	20177082956		Newfield Exploration Company	SM	161	LLS			St. James	54
126	054-005283-0	20170230810		Chevron U.S.A., Inc.	WC	168	LLS			St. James	40
126	054-005477-0	21171132800		Chevron U.S.A., Inc.	SM	275	LLS			St. James	78
<b>Bundle Subtotal</b>											186
127	054-005286-0	20170231100		Burlington Resources Offshore	WC	178	LLS			St. James	25
127	054-013560-0	20170231100		Burlington Resources Offshore	WC	142	LLS			St. James	166
127	055-000487-0	20171131900		Burlington Resources Offshore	VR	119	LLS	Y		St. James	32
127	055-000487-0	21171132800		Burlington Resources Offshore	VR	119	LLS	Y		St. James	56
127	055-000495-0	20171131900		Burlington Resources Offshore	VR	124	LLS	Y		St. James	79
<b>Bundle Subtotal</b>											358
128	054-005550-0	2017709260H	754-388017-0	Union Oil Company of Calif.	SS	175	LLS			St. James	56
<b>Bundle Subtotal</b>											56
130	054-005346-0	20170530900		AMERADA HESS CORP	WC	556	LLS			St. James	3
130	054-005346-0	20170530900		CNG PRODUCING COMPANY	WC	556	LLS			St. James	10
130	055-000787-0	20171092650		Union Oil Company of Calif.	SM	49	LLS	Y		St. James	34
130	055-000827-0	2017711260G		Union Oil Company of Calif.	SS	209	LLS	Y		St. James	273

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## RIK Lease Listing for Sale 99-1

Bundle	Lease Number	FMP Number	Agreement Number	Operator Name	Area	Block	Oil Type	Quality	Pre 1969	Market Center	Daily Royalty Share
									<b>Bundle Subtotal</b>		320
131	054-005431-0	2017706260A		Seneca Resources Corp	VR	252	LLS			St. James	708
131	054-015062-0	20170230810		Seneca Resources Corp	WC	182	LLS			St. James	11
									<b>Bundle Subtotal</b>		719
132	054-002130-0	20177082950		AMERADA HESS CORP	SM	107	LLS			St. James	51
132	054-003388-0	20171132000		AMERADA HESS CORP	EC	336	LLS			St. James	28
132	054-005473-0	20171092650		AMERADA HESS CORP	SM	192	LLS			St. James	88
132	054-007610-0	20608072952	754-391010-A	AMERADA HESS CORP	WC	161	LLS			St. James	136
									<b>Bundle Subtotal</b>		303
134	054-005549-0	21171132800		MURPHY EXP & PROD. CO	SS	166	LLS			St. James	36
134	054-009612-0	20177112604		MURPHY EXP & PROD. CO	SS	101	LLS			St. James	17
									<b>Bundle Subtotal</b>		53
135	054-001130-0	20177052200		Louisiana Land and Exploration	VR	171	LLS	Y		St. James	176
135	054-005558-0	20171012300		Louisiana Land and Exploration	SS	202	LLS			St. James	46
135	054-008678-0	20177062955	754-394003-0	Louisiana Land and Exploration	VR	404	LLS			St. James	68
135	054-008707-0	2017709260F		Louisiana Land and Exploration	SS	128	LLS			St. James	16
									<b>Bundle Subtotal</b>		306
137	054-001198-0	20171092650		PHILLIPS PETROLEUM CO	SM	66	LLS	Y		St. James	0
137	054-006693-0	20177082608		PHILLIPS PETROLEUM CO	SM	147	LLS			St. James	35
									<b>Bundle Subtotal</b>		35
138	054-007759-0	2017712260D		Santa Fe Energy	SS	299	LLS			St. James	61

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## RIK Lease Listing for Sale 99-1

Bundle	Lease Number	FMP Number	Agreement Number	Operator Name	Area	Block	Oil Type	Quality	Pre 1969	Market Center	Daily Royalty Share
									<b>Bundle Subtotal</b>		61
140	054-008709-0	2017711260A		Newfield Exploration Company	SS	157	LLS			St. James	0
140	054-008709-0	2017711260A	754-397002-A	Newfield Exploration Company	SS	157	LLS			St. James	106
140	054-009529-0	20177062957		Newfield Exploration Company	VR	398	LLS			St. James	149
140	054-010770-0	2017711260A	754-397002-A	Newfield Exploration Company	SS	156	LLS			St. James	84
140	054-010772-0	2017711260A		Newfield Exploration Company	SS	171	LLS			St. James	33
140	054-010772-0	2017711260A	754-397002-A	Newfield Exploration Company	SS	171	LLS			St. James	40
140	054-015312-0	20171092650		Newfield Exploration Company	SS	354	LLS			St. James	400
									<b>Bundle Subtotal</b>		812
141	054-012000-0	2017712260E		Apache Corporation	SS	292	LLS			St. James	58
141	054-013607-0	20171132000		Apache Corporation	SM	40	LLS			St. James	31
141	055-000775-0	20171131600		Apache Corporation	VR	131	LLS	Y		St. James	1
141	055-000775-0	20171131600		Stone Energy Corp.	VR	131	LLS	Y		St. James	22
									<b>Bundle Subtotal</b>		112
142	054-009614-0	2017709260F		UNION PACIFIC RESOURCES	SS	105	LLS			St. James	94
142	054-012940-0	2017709260F		UNION PACIFIC RESOURCES	SS	126	LLS			St. James	44
142	054-012940-0	2017709260F		Vastar Resources Inc.	SS	126	LLS			St. James	87
									<b>Bundle Subtotal</b>		225
143	054-009627-0	2017712260D		FOREST OIL CORPORATION	SS	277	LLS			St. James	94
									<b>Bundle Subtotal</b>		94
144	054-001022-0	2017711260V		Kerr-McGee Corp.	SS	218	LLS	Y		St. James	17

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## RIK Lease Listing for Sale 99-1

Bundle	Lease Number	FMP Number	Agreement Number	Operator Name	Area	Block	Oil Type	Quality	Pre 1969	Market Center	Daily Royalty Share
144	054-001025-0	20177122600		Kerr-McGee Corp.	SS	239	LLS		Y	St. James	144
144	054-001528-0	2017711260T		Kerr-McGee Corp.	SS	233	LLS		Y	St. James	217
144	054-003169-0	2017711260T		Kerr-McGee Corp.	SS	238	LLS			St. James	78
144	054-014391-0	20170230811	754-398017-A	Kerr-McGee Corp.	EC	373	LLS			St. James	13
144	054-015293-0	2017711260T		Kerr-McGee Corp.	SS	232	LLS			St. James	27
144	055-000828-0	2017711260T		Kerr-McGee Corp.	SS	214	LLS		Y	St. James	137
144	055-000830-0	2017711260P		Kerr-McGee Corp.	SS	229	LLS		Y	St. James	287
144	055-000831-0	2017711260P		Kerr-McGee Corp.	SS	230	LLS		Y	St. James	55
<b>Bundle Subtotal</b>											975
145	054-011881-0	20177062204		W & T OFFSHORE INC	VR	279	LLS			St. James	398
<b>Bundle Subtotal</b>											398
146	054-010780-0	2017712260G		Walter Oil and Gas Corp	SS	243	LLS			St. James	121
<b>Bundle Subtotal</b>											121
147	054-011919-0	20177082609		Louis Dreyfus	SM	133	LLS			St. James	149
147	054-014364-0	21171132800		Louis Dreyfus	EC	129	LLS			St. James	11
<b>Bundle Subtotal</b>											160
148	054-011983-0	2017711260Y		PHILLIPS PETROLEUM CO	SS	148	LLS			St. James	48
148	054-012008-0	20177122952	754-395006-A	PHILLIPS PETROLEUM CO	SS	349	LLS			St. James	684
148	054-012010-0	20177122952	754-395006-A	PHILLIPS PETROLEUM CO	SS	359	LLS			St. James	1356
148	054-014514-0	20177122952		PHILLIPS PETROLEUM CO	SS	361	LLS			St. James	237
148	055-000434-0	2017711260Y		PHILLIPS PETROLEUM CO	SS	149	LLS		Y	St. James	219

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## RIK Lease Listing for Sale 99-1

Bundle	Lease Number	FMP Number	Agreement Number	Operator Name	Area	Block	Oil Type	Quality	Pre 1969	Market Center	Daily Royalty Share
									<b>Bundle Subtotal</b>		2544
149	054-013917-0	2017711260D		Apache Corporation	SS	193	LLS			St. James	731
149	054-015288-0	2017711260D		Apache Corporation	SS	194	LLS			St. James	105
									<b>Bundle Subtotal</b>		836
150	054-012951-0	2017712260G		ZILKHA ENERGY	SS	227	LLS			St. James	226
150	054-014470-0	20171012400		ZILKHA ENERGY	EI	216	LLS			St. James	128
150	054-015282-0	2017709260F		ZILKHA ENERGY	SS	151	LLS			St. James	305
									<b>Bundle Subtotal</b>		659
151	054-014193-0	20170230810		OCEAN ENERGY	HI	A 560	LLS			St. James	129
151	054-014341-0	20170530900		OCEAN ENERGY	WC	541	LLS			St. James	1
151	054-016202-0	20170530900		OCEAN ENERGY	WC	528	LLS			St. James	17
									<b>Bundle Subtotal</b>		147
155	055-000593-0	20171012300		Conoco, Inc.	SS	198	LLS	Y		St. James	148
									<b>Bundle Subtotal</b>		148
156	054-002587-0	20177082951		PENNZOIL PETROLEUM CO	SM	128	EI			St. James	647
156	054-002882-0	20177082951		PENNZOIL PETROLEUM CO	SM	125	EI			St. James	53
156	055-000419-0	20177112606		PENNZOIL PETROLEUM CO	SS	150	LLS	Y		St. James	161
156	055-000419-0	2017711260Y		Century Offshore Management	SS	150	LLS	Y		St. James	171
156	055-000420-0	20177112606		PENNZOIL PETROLEUM CO	SS	154	LLS	Y		St. James	212
									<b>Bundle Subtotal</b>		1244
157	054-012989-0	20177173650		ZILKHA ENERGY	GI	78	MARS			Clovelly	101

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## RIK Lease Listing for Sale 99-1

Bundle	Lease Number	FMP Number	Agreement Number	Operator Name	Area	Block	Oil Type	Quality	Pre 1969	Market Center	Daily Royalty Share
<b>Bundle Subtotal</b>											101
158	054-007769-0	20171092650		UNION PACIFIC RESOURCES	ST	198	HLS			Empire	15
158	054-018040-0	20171012500		UNION PACIFIC RESOURCES	ST	139	HLS			Empire	43
<b>Bundle Subtotal</b>											58
159	054-001067-0	20177193900	891-011652-0	Exxon Corporation, U.S.A.	WD	32	HLS			Empire	0
159	054-001067-0	20177193900	891-011652-0	Seneca Resources Corp	WD	32	HLS			Empire	0
159	054-001067-0	20177193900	891-011736-0	Seneca Resources Corp	WD	32	HLS			Empire	2
159	054-001067-0	20177193900	891-011684-B	Seneca Resources Corp	WD	32	HLS			Empire	13
159	054-001332-0	20177193900	891-011652-0	Exxon Corporation, U.S.A.	WD	32	HLS			Empire	17
159	054-001332-0	20177193900	891-011684-B	Seneca Resources Corp	WD	32	HLS			Empire	7
159	054-001332-0	20177193900	891-011736-0	Seneca Resources Corp	WD	32	HLS			Empire	0
159	054-001332-0	20177193900	891-011652-0	Seneca Resources Corp	WD	32	HLS			Empire	17
<b>Bundle Subtotal</b>											56
161	054-001085-0	20177193906		Amoco Production Company	WD	75	HLS	Y		Empire	156
161	054-001085-0	20177193908		Amoco Production Company	WD	75	HLS	Y		Empire	106
161	054-001089-0	20177193906		Amoco Production Company	WD	90	HLS	Y		Empire	196
161	054-002193-0	20170755600		Amoco Production Company	MP	140	HLS			Empire	396
161	054-009710-0	20170755600		Amoco Production Company	MP	141	HLS			Empire	8
161	054-012360-0	20177193906		Amoco Production Company	MP	103	HLS	Y		Empire	50
<b>Bundle Subtotal</b>											912
162	054-001088-0	20177193905		AGIP Petroleum Company, Inc.	WD	89	HLS	Y		Empire	290

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## RIK Lease Listing for Sale 99-1

Bundle	Lease Number	FMP Number	Agreement Number	Operator Name	Area	Block	Oil Type	Quality	Pre 1969	Market Center	Daily Royalty Share
162	054-010882-0	20177193905		AGIP Petroleum Company, Inc.	WD	88	HLS			Empire	3
162	054-013653-0	20170755600		AGIP Petroleum Company, Inc.	MP	139	HLS			Empire	4
<b>Bundle Subtotal</b>											297
164	054-001073-0	20170754300		Vastar Resources Inc.	WD	41	HLS		Y	Empire	172
164	054-001106-0	20177203900		Vastar Resources Inc.	WD	133	HLS		Y	Empire	6
164	054-012093-0	2017724511F		Vastar Resources Inc.	MP	199	HLS			Empire	23
164	054-016470-0	20170754300		Vastar Resources Inc.	WD	42	HLS			Empire	1
<b>Bundle Subtotal</b>											202
165	054-001101-0	20177204300		CHEVRON U.S.A., INCORPORATED	WD	117	HLS		Y	Empire	310
165	054-001295-0	20177255304	891-003847-0	CHEVRON U.S.A., INCORPORATED	MP	40	HLS			Empire	92
165	054-001297-0	20177255304	891-003847-0	CHEVRON U.S.A., INCORPORATED	MP	40	HLS			Empire	11
165	054-001312-0	20177255304	891-003847-0	CHEVRON U.S.A., INCORPORATED	MP	127	HLS			Empire	68
165	054-001313-0	20170755400	891-008850-0	CHEVRON U.S.A., INCORPORATED	MP	142	HLS			Empire	169
165	054-001315-0	20170755400	891-008850-0	CHEVRON U.S.A., INCORPORATED	MP	298	HLS			Empire	190
165	054-001316-0	20170755400	891-008850-0	CHEVRON U.S.A., INCORPORATED	MP	299	HLS			Empire	592
165	054-001367-0	20177255304	891-003847-0	CHEVRON U.S.A., INCORPORATED	MP	40	HLS			Empire	86
165	054-001372-0	20177255304	891-003847-0	CHEVRON U.S.A., INCORPORATED	MP	55	HLS			Empire	101
165	054-001373-0	20177255304	891-003847-0	CHEVRON U.S.A., INCORPORATED	MP	56	HLS			Empire	81
165	054-001452-0	20177255304	891-003847-0	CHEVRON U.S.A., INCORPORATED	MP	40	HLS			Empire	108
165	054-001623-0	20177255304	891-003847-0	CHEVRON U.S.A., INCORPORATED	MP	40	HLS			Empire	47
165	054-001633-0	20170755400		CHEVRON U.S.A., INCORPORATED	MP	133	HLS		Y	Empire	84

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## RIK Lease Listing for Sale 99-1

Bundle	Lease Number	FMP Number	Agreement Number	Operator Name	Area	Block	Oil Type	Quality	Pre 1969	Market Center	Daily Royalty Share
165	054-001634-0	20170755400		CHEVRON U.S.A., INCORPORATED	MP	144	HLS		Y	Empire	246
165	054-001649-0	20170755400		CHEVRON U.S.A., INCORPORATED	MP	237	HLS		Y	Empire	0
165	054-003338-0	20177255304		CHEVRON U.S.A., INCORPORATED	MP	44	HLS			Empire	8
165	054-004127-0	20177245102		CHEVRON U.S.A., INCORPORATED	MP	313	HLS			Empire	367
165	054-009690-0	20177204300		CHEVRON U.S.A., INCORPORATED	WD	118	HLS			Empire	27
165	054-013964-0	20170755400		CHEVRON U.S.A., INCORPORATED	MP	122	HLS			Empire	0
<b>Bundle Subtotal</b>											2587
166	054-001317-0	20170755400	891-008850-0	CHEVRON U.S.A., INCORPORATED	MP	300	HLS		Y	Empire	154
166	054-001317-0	20177245103		Walter Oil and Gas Corp	MP	300	HLS		Y	Empire	31
166	054-003601-0	20177193904		Walter Oil and Gas Corp	WD	62	HLS			Empire	39
166	054-004486-0	20177245103		Walter Oil and Gas Corp	MP	301	HLS			Empire	99
166	054-015645-0	20177193907	754-392006-0	Walter Oil and Gas Corp	WD	311	HLS			Empire	32
<b>Bundle Subtotal</b>											355
167	054-001331-0	20170754200	891-008767-0	CHEVRON U.S.A., INCORPORATED	WD	27	HLS			Empire	1
167	054-001331-0	20170754200	891-008767-0	Matrix	WD	27	HLS			Empire	3
167	054-001364-0	20170754200	891-008767-0	CHEVRON U.S.A., INCORPORATED	WD	27	HLS			Empire	0
167	054-001364-0	20170754200	891-008767-0	Matrix	WD	27	HLS			Empire	0
167	055-000691-0	20170754200	891-008767-0	CHEVRON U.S.A., INCORPORATED	WD	24	HLS			Empire	0
167	055-000691-0	20170754200	891-008767-0	Matrix	WD	24	HLS			Empire	1
<b>Bundle Subtotal</b>											5
168	054-015362-0	20177194500		Tana Oil and Gas	WD	60	HLS			Empire	58



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## RIK Lease Listing for Sale 99-1

Bundle	Lease Number	FMP Number	Agreement Number	Operator Name	Area	Block	Oil Type	Quality	Pre 1969	Market Center	Daily Royalty Share
<b>Bundle Subtotal</b>											58
169	054-001449-0	20177194600	891-013841-0	MARATHON OIL COMPANY	WD	80	HLS		Y	Empire	0
169	054-001449-0	20177194600		MARATHON OIL COMPANY	WD	80	HLS		Y	Empire	101
169	054-001449-0	20177194600	754-392002-0	MARATHON OIL COMPANY	WD	80	HLS		Y	Empire	27
169	054-001874-0	20177194600	891-013841-0	MARATHON OIL COMPANY	WD	80	HLS		Y	Empire	29
169	054-001874-0	20177194600	754-392002-0	MARATHON OIL COMPANY	WD	80	HLS		Y	Empire	33
169	054-001874-0	20177194600		MARATHON OIL COMPANY	WD	80	HLS		Y	Empire	45
169	054-001989-0	20177194600	891-013841-0	MARATHON OIL COMPANY	WD	80	HLS			Empire	0
169	054-001989-0	20177194600	754-392002-0	MARATHON OIL COMPANY	WD	80	HLS			Empire	24
169	054-001989-0	20177194600		MARATHON OIL COMPANY	WD	80	HLS			Empire	13
169	054-002136-0	20177194600	754-392002-0	MARATHON OIL COMPANY	WD	80	HLS			Empire	10
169	054-002934-0	20177194601		MARATHON OIL COMPANY	WD	86	HLS			Empire	4
169	054-010883-0	20177224602		MARATHON OIL COMPANY	WD	128	HLS			Empire	332
169	054-010883-0	20177224602	754-394007-0	MARATHON OIL COMPANY	WD	128	HLS			Empire	24
<b>Bundle Subtotal</b>											642
170	054-001665-0	20177245110		CONOCO, INCORPORATED	MP	288	HLS		Y	Empire	97
170	054-001666-0	20177245110		CONOCO, INCORPORATED	MP	289	HLS		Y	Empire	83
170	054-001666-0	20177245118		Apache Corporation	MP	289	HLS		Y	Empire	508
170	054-001667-0	20177245118		Apache Corporation	MP	290	HLS		Y	Empire	63
<b>Bundle Subtotal</b>											751
171	054-003339-0	20177245115	891-020244-0	SHELL OFFSHORE, INC.	MP	304	HLS			Empire	8

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## RIK Lease Listing for Sale 99-1

Bundle	Lease Number	FMP Number	Agreement Number	Operator Name	Area	Block	Oil Type	Quality	Pre 1969	Market Center	Daily Royalty Share
171	054-004126-0	20177245115	891-020244-0	SHELL OFFSHORE, INC.	MP	310	HLS			Empire	140
171	054-004126-0	20177245115		SHELL OFFSHORE, INC.	MP	310	HLS			Empire	91
171	054-008467-0	20177245115		SHELL OFFSHORE, INC.	MP	315	HLS			Empire	114
171	054-008760-0	20177245115		SHELL OFFSHORE, INC.	MP	309	HLS			Empire	238
171	054-016520-0	20177245115		SHELL OFFSHORE, INC.	MP	312	HLS			Empire	124
<b>Bundle Subtotal</b>											715
172	054-001670-0	20170755200		Allied Natural Gas	MP	293	HLS		Y	Empire	59
172	054-009727-0	20170755200		Allied Natural Gas	MP	291	HLS			Empire	0
<b>Bundle Subtotal</b>											59
173	054-001676-0	20170755200		SAMEDAN OIL CORPORATION	MP	305	HLS		Y	Empire	151
173	054-001677-0	20170755200		SAMEDAN OIL CORPORATION	MP	306	HLS		Y	Empire	321
<b>Bundle Subtotal</b>											472
174	054-001673-0	20177245112		OXY, U.S.A., INCORPORATED	MP	296	HLS		Y	Empire	4
174	054-001673-0	20177245113	891-020238-0	OXY, U.S.A., INCORPORATED	MP	296	HLS		Y	Empire	63
174	054-001673-0	20177245113		OXY, U.S.A., INCORPORATED	MP	296	HLS		Y	Empire	41
174	054-001673-0	20177245114	891-020238-0	OXY, U.S.A., INCORPORATED	MP	296	HLS		Y	Empire	3
174	054-001673-0	20177245114		OXY, U.S.A., INCORPORATED	MP	296	HLS		Y	Empire	78
174	054-002213-0	20177245100		OXY, U.S.A., INCORPORATED	MP	311	HLS			Empire	155
174	054-002213-0	20177245101		OXY, U.S.A., INCORPORATED	MP	311	HLS			Empire	332
174	054-003339-0	20177245113	891-020238-0	OXY, U.S.A., INCORPORATED	MP	304	HLS			Empire	41
174	054-003339-0	20177245114	891-020238-0	OXY, U.S.A., INCORPORATED	MP	304	HLS			Empire	2

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## RIK Lease Listing for Sale 99-1

Bundle	Lease Number	FMP Number	Agreement Number	Operator Name	Area	Block	Oil Type	Quality	Pre 1969	Market Center	Daily Royalty Share
174	054-004253-0	20177245113	891-020238-0	OXY, U.S.A., INCORPORATED	MP	303	HLS			Empire	51
174	054-004253-0	20177245114	891-020238-0	OXY, U.S.A., INCORPORATED	MP	303	HLS			Empire	2
174	054-004253-0	20177245115	891-020244-0	SHELL OFFSHORE, INC.	MP	303	HLS			Empire	11
174	054-013037-0	20177245114		OXY, U.S.A., INCORPORATED	MP	295	HLS			Empire	1
<b>Bundle Subtotal</b>											784
176	054-002941-0	20177224701		CHEVRON U.S.A., INCORPORATED	WD	78	HLS			Empire	107
<b>Bundle Subtotal</b>											107
177	054-002947-0	20177255401	891-020233-0	MOBIL OIL EXP & PROD SE INC	MP	73	HLS			Empire	237
177	054-003195-0	20177255401	891-020233-0	MOBIL OIL EXP & PROD SE INC	MP	73	HLS			Empire	80
177	054-003417-0	20177255401	891-020233-0	MOBIL OIL EXP & PROD SE INC	MP	72	HLS			Empire	490
<b>Bundle Subtotal</b>											807
178	054-002950-0	20177255100		Apache Corporation	MP	148	HLS			Empire	18
178	054-002951-0	20177255100		Apache Corporation	MP	151	HLS			Empire	8
178	055-000840-0	20177193903		Apache Corporation	WD	103	HLS	Y		Empire	100
178	055-000841-0	20177193903		Apache Corporation	WD	104	HLS	Y		Empire	108
178	055-000842-0	20177193903		Apache Corporation	WD	105	HLS	Y		Empire	262
<b>Bundle Subtotal</b>											496
180	054-004832-0	2017725530J		Kerr-McGee Corp.	MP	108	HLS			Empire	52
180	054-007804-0	2017725530J		Kerr-McGee Corp.	MP	107	HLS			Empire	10
<b>Bundle Subtotal</b>											62
181	054-004903-0	20177255307		ELF EXPLORATION, INC.	MP	30	HLS			Empire	179

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## RIK Lease Listing for Sale 99-1

Bundle	Lease Number	FMP Number	Agreement Number	Operator Name	Area	Block	Oil Type	Quality	Pre 1969	Market Center	Daily Royalty Share
									<b>Bundle Subtotal</b>		179
182	054-007825-0	21177248270	754-390008-0	SOCO OFFSHORE, INC.	MP	255	HLS			Empire	5
182	054-007826-0	2017724511B	754-390012-0	SOCO OFFSHORE, INC.	MP	258	HLS			Empire	0
182	054-007827-0	2017724511B	754-390012-0	SOCO OFFSHORE, INC.	MP	259	HLS			Empire	126
182	054-007828-0	2017724511B	754-390012-0	SOCO OFFSHORE, INC.	MP	260	HLS			Empire	19
182	054-007898-0	2017724511B	754-390012-0	SOCO OFFSHORE, INC.	MP	259	HLS			Empire	11
182	054-007901-0	21177248270	754-390008-0	SOCO OFFSHORE, INC.	MP	255	HLS			Empire	4
182	054-013035-0	2017724511E		SOCO OFFSHORE, INC.	MP	261	HLS			Empire	215
									<b>Bundle Subtotal</b>		380
184	054-012088-0	20177255400		Pogo Production Company	MP	123	HLS			Empire	58
									<b>Bundle Subtotal</b>		58
185	054-012095-0	2017724511C		COASTAL OIL & GAS	MP	222	HLS			Empire	25
185	054-012096-0	2017724511C		COASTAL OIL & GAS	MP	223	HLS			Empire	263
185	054-013659-0	2017724511F		COASTAL OIL & GAS	MP	198	HLS			Empire	199
185	054-015387-0	2017724511C		COASTAL OIL & GAS	MP	250	HLS			Empire	186
									<b>Bundle Subtotal</b>		673
186	054-012362-0	20177245500		Freeport McMoran Inc.	MP	299	HLS	Y		Empire	848
186	054-012362-0	20177245500		Freeport-McMoran, Inc.	MP	299	HLS	Y		Empire	177
									<b>Bundle Subtotal</b>		1025
187	054-013032-0	2017724511C	754-396005-0	CNG PRODUCING COMPANY	MP	224	HLS			Empire	4
187	054-013034-0	2017724511C	754-396005-0	CNG PRODUCING COMPANY	MP	249	HLS			Empire	11

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## RIK Lease Listing for Sale 99-1

Bundle	Lease Number	FMP Number	Agreement Number	Operator Name	Area	Block	Oil Type	Quality	Pre 1969	Market Center	Daily Royalty Share
187	054-014580-0	2017724511C		CNG PRODUCING COMPANY	MP	217	HLS			Empire	7
187	054-014581-0	2017724511C	754-396005-0	CNG PRODUCING COMPANY	MP	255	HLS			Empire	10
<b>Bundle Subtotal</b>											32
188	054-016500-0	20170755200		OCEAN ENERGY	MP	138	HLS			Empire	273
<b>Bundle Subtotal</b>											273
191	088-000315-0	20040834500	756-497001-A	Chevron U.S.A., Inc.	Pt. Arguello		H- A	20.5		Gaviota	864
191	088-000316-0	20040834500	756-497001-A	Chevron U.S.A., Inc.	Pt. Arguello		H- A	20.5		Gaviota	604
191	088-000450-0	20040834500	756-497001-A	Chevron U.S.A., Inc.	Pt. Arguello		H- A	20.5		Gaviota	569
191	088-000451-0	20040834500	756-497001-A	Chevron U.S.A., Inc.	Pt. Arguello		H- A	20.5		Gaviota	55
<b>Bundle Subtotal</b>											2092
192	088-000166-0	20041112500	--	Pacific Operators Inc.	Carpinteria		CH-C	23.4		La Conchita	37
<b>Bundle Subtotal</b>											37
193	088-000240-0	20041113000	--	Nuevo Energy	Dos Cuadras		CH-R	24.0		Rincon	359
193	088-000241-0	20041113000	--	Nuevo Energy	Dos Cuadras		CH-R	24.0		Rincon	854
<b>Bundle Subtotal</b>											1213
194	088-000215-0	20041111500	891-012369-A	Nuevo Energy	Santa Clara		CL- M	21.0		Mandalay	156
194	088-000216-0	20041111500	891-012369-A	Nuevo Energy	Santa Clara		CL- M	21.0		Mandalay	156
194	088-000217-0	20041111500	891-012369-A	Nuevo Energy	Santa Clara		CL- M	21.0		Mandalay	156
<b>Bundle Subtotal</b>											468
195	088-000204-0	20043111901	891-012369-B	Chevron U.S.A., Inc.	Santa Clara		CL- C	24.0		Carpinteria, CA	150
195	088-000205-0	20043111901	891-012369-B	Chevron U.S.A., Inc.	Sockeye		CL- C	24.0		Carpinteria, CA	300

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## RIK Lease Listing for Sale 99-1

Bundle	Lease Number	FMP Number	Agreement Number	Operator Name	Area	Block	Oil Type	Quality	Pre 1969	Market Center	Daily Royalty Share
195	088-000208-0	20043111901	891-012369-B	Chevron U.S.A., Inc.	Santa Clara		CL- C	24.0		Carpinteria, CA	50
195	088-000209-0	20043111901	891-012369-B	Chevron U.S.A., Inc.	Sockeye		CL- C	24.0		Carpinteria, CA	150
<b>Bundle Subtotal</b>											650
196	088-000296-0	20040371000	891-018481-0	Aera Energy LLC	Beta		BTA	17.8		Beta Onshore Facility	29
196	088-000296-0	20043121101	891-018481-0	Nuevo Energy	Beta		BTA	17.8		Beta Onshore Facility	0
196	088-000300-0	20040371000	891-018481-0	Aera Energy LLC	Beta		BTA	17.8		Beta Onshore Facility	888
196	088-000300-0	20043121101	891-018481-0	Nuevo Energy	Beta		BTA	17.8		Beta Onshore Facility	36
196	088-000301-0	20040371000	891-018481-0	Aera Energy LLC	Beta		BTA	17.8		Beta Onshore Facility	541
196	088-000301-0	20043121101	891-018481-0	Nuevo Energy	Beta		BTA	17.8		Beta Onshore Facility	63
196	088-000306-0	20040371000	891-018481-0	Aera Energy LLC	Beta		BTA	17.8		Beta Onshore Facility	17
196	088-000306-0	20043121101	891-018481-0	Nuevo Energy	Beta		BTA	17.8		Beta Onshore Facility	2
<b>Bundle Subtotal</b>											1576
197	088-000437-0	20040835102	891-018490-0	Torch Oil and Gas	Pt. Pedernales		PTP	16.2		Lompoc	208
197	088-000438-0	20040835102	891-018490-0	Torch Oil and Gas	Pt. Pedernales		PTP	16.2		Lompoc	146
197	088-000440-0	20040835102	891-018490-0	Torch Oil and Gas	Pt. Pedernales		PTP	16.2		Lompoc	582
197	088-000441-0	20040835102	756-497002-A	Torch Oil and Gas	Pt. Pedernales		PTP	16.2		Lompoc	7
197	088-000441-0	20040835102	891-018490-0	Torch Oil and Gas	Pt. Pedernales		PTP	16.2		Lompoc	603
197	088-000444-0	20040835102	756-497002-A	Torch Oil and Gas	Pt. Pedernales		PTP	16.2		Lompoc	3
<b>Bundle Subtotal</b>											1549
198	088-000180-0	20040833500	891-008979-B	Exxon Company, U.S.A.	Santa Ynez		H- Y	20.9		Las Flores Canyon	84
198	088-000181-0	20040833500	891-008979-B	Exxon Company, U.S.A.	Santa Ynez		H- Y	20.9		Las Flores Canyon	1355

# Exhibit B

## RIK Lease Listing for Sale 99-1

Bundle	Lease Number	FMP Number	Agreement Number	Operator Name	Area	Block	Oil Type	Quality	Pre 1969	Market Center	Daily Royalty Share
198	088-000190-0	20040833500	891-008979-B	Exxon Company, U.S.A.	Santa Ynez		H- Y	20.9		Las Flores Canyon	1492
198	088-000191-0	20040833500	891-008979-B	Exxon Company, U.S.A.	Santa Ynez		H- Y	20.9		Las Flores Canyon	462
198	088-000329-0	20040833500	891-008979-B	Exxon Company, U.S.A.	Santa Ynez		H- Y	20.9		Las Flores Canyon	398
<b>Bundle Subtotal</b>											3791
199	088-000202-0	20041111500	756-488001-0	Nuevo Energy	Hueneme		H- H	21.0		Mandalay	76
199	088-000203-0	20041111500	756-488001-0	Nuevo Energy	Hueneme		H- H	21.0		Mandalay	189
<b>Bundle Subtotal</b>											265
200	088-000180-0	20040833500	891-008979-A	Exxon Company, U.S.A.	Santa Ynez		H- Y	20.9		Las Flores Canyon	180
200	088-000181-0	20040833500	891-008979-A	Exxon Company, U.S.A.	Santa Ynez		H- Y	20.9		Las Flores Canyon	3
200	088-000187-0	20040833500	891-008979-A	Exxon Company, U.S.A.	Santa Ynez		H- Y	20.9		Las Flores Canyon	89
200	088-000188-0	20040833500	891-008979-A	Exxon Company, U.S.A.	Santa Ynez		H- Y	20.9		Las Flores Canyon	1137
200	088-000190-0	20040833500	891-008979-A	Exxon Company, U.S.A.	Santa Ynez		H- Y	20.9		Las Flores Canyon	171
<b>Bundle Subtotal</b>											1580
201	088-000182-0	20040833500	891-008979-C	Exxon Company, U.S.A.	Santa Ynez		H- Y	20.9		Las Flores Canyon	7595
201	088-000183-0	20040833500	891-008979-C	Exxon Company, U.S.A.	Santa Ynez		H- Y	20.9		Las Flores Canyon	1230
<b>Bundle Subtotal</b>											8825
<b>Grand Total</b>											100195

# United States Department of the Interior Minerals Management Service

## INSTRUCTION GUIDE FOR FEDWIRE DEPOSIT SYSTEM PAYMENTS

All payors must provide specific information to their banks so that a FEDWIRE message can be transmitted to the Minerals Management Service U. S. Treasury account. Your bank may require additional information that is not required by MMS. The transfer message MMS required fields, plus a description of each item on the funds transfer message follows:

### FEDWIRE TRANSFER MESSAGE FORMAT

- Field Tag 2000: Amount of Wire - \$999,999,999.99(payment amt.)
  - Field Tag 3400: Receiver FI - 021030004 TREAS NYC
  - Field Tag 3600: Business Function - CTR
  - Field Tag 4200: Beneficiary - D 14170001  
(LINES 1 through 5) Department of Interior  
Minerals Management Service  
Accounting & Reports Division  
Denver, CO
  - Field Tag 4320: Reference for Beneficiary - **Payor Code , Fed or Ind**
- PAYOR Code** - Use the Company assigned MMS number.  
**FED** - For Federal payments.  
**IND** - For Indian payments.
- Field Tag 5000: Originator - Company Name and Address
  - Field Tag 6000: Originator to Beneficiary - **PAD**(Payor Assigned Document) No., amount  
**Bill number**, amount  
**Indian Fund Code**, amount.
- Field Tag 6000 - Up to 4 lines of 35 characters each.  
**PAD** - Your document number.  
**BILLS** - Bill Document ID (type & number )followed by amount.  
**IND Fund Code** - Refer to list of al phabetical Tribes & Allottees and include amount(s). (If there is more than one, list each Indian fund code and associated amount.)



Sample Message Format  
To Pay **FEDERAL** Royalties

Field Tag 2000 \$999,999.00  
Field Tag 3400 021030004 TREAS NYC  
Field Tag 3600 CTR  
Field Tag 4200 D 14170001 Department of Interior  
Minerals Management Service  
Accounting & Reports Division  
Denver, CO  
Field Tag 4320 55555, Fed  
Field Tag 5000 XYZOO Oil Company  
12345 Pleasant Avenue  
Broncoville, HI  
Field Tag 6000 Pad 011199, \$111 ,111.00  
Pad 012199, \$888,888.00

SAMPLE MESSAGE FORMAT TO  
PAY **FEDERAL BILLS**

Field Tag 2000 \$19,500.00  
Field Tag 3400 021030004 TREAS NYC  
Field Tag 3600 CTR  
Field Tag 4200 D 14170001  
Department of Interior  
Minerals Management Service  
Accounting & Reports Division  
Denver, CO  
Field Tag 4320 91022, FED  
Field Tag 5000 CHASE Oil Company  
5543 New Orleans Avenue  
San Francisco, NM  
Field Tag 6000 BILL 20801243 \$1,500.00 TBIL 20904498 \$8,500.00  
GBIL 30998877 \$9,500.00



# United States Department of the Interior

## MINERALS MANAGEMENT SERVICE

Royalty Management Program  
P.O. Box 25165  
Denver, Colorado 80225-0165



IN REPLY REFER TO:

ARD  
Mail Stop 3130

AUG 13 1999



Dear Reporter:

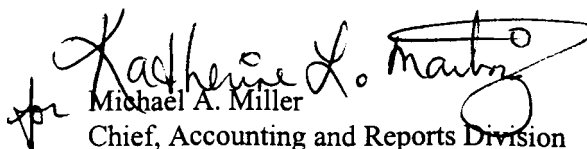
This letter introduces the Harbinger Corporation (Harbinger) as the electronic commerce contractor recently selected by the Minerals Management Service (MMS) for the Royalty Management Program (RMP). Harbinger is working with RMP to develop and implement World Wide Web-based, user friendly, electronic reporting options at no or low cost to reporters. These options will replace all current MMS electronic reporting options, except X12 Electronic Data Interchange (EDI), and will enable reporters to submit Form MMS-2014, Report of Sales and Royalty Remittance; Form MMS-3160, Monthly Report of Operations; and Form MMS-4054, Oil and Gas Operations Report, directly to Harbinger via the World Wide Web. Harbinger will then forward this information to RMP using the American National Standards Institute (ANSI) Accredited Standards Committee (ASC) X12 EDI format.

Your reporting relationship with MMS will not change as a result of the contract between RMP and Harbinger. A Harbinger representative will contact you in the near future to discuss the conversion process from your existing reporting method to one of the three electronic reporting options described in the enclosure. You do not need to take any action until contacted by Harbinger.

The RMP published a proposed rule in the *Federal Register* on April 8, 1998, requiring electronic reporting of the Forms MMS-2014, 3160, and 4054. The final rule, published in the July 15, 1999, *Federal Register* (64 FR 38116), is effective November 1, 1999. It does not require Form MMS-3160 reporters to convert to electronic reporting at this time. It does include several exceptions designed to minimize the impact that electronic reporting might have on small businesses. You can find this rule on the MMS Web site at <http://www.rmp.mms.gov/library/leglroom/FinalRul.htm>; then click on Electronic Reporting (64 FR 38116 – July 15, 1999). You may also request a copy from your RMP company contact.

The electronic reporting options developed by Harbinger will result in fewer reporting errors. Electronic reporting offers you secure data transmissions, last-minute reporting capabilities, an acknowledgement feature, and reduced costs for both you and MMS. We look forward to your participation! Please call your RMP company contact at either 800-525-0309 or 800-525-7922 if you have any questions regarding this letter.

Sincerely,

  
for Michael A. Miller  
Chief, Accounting and Reports Division

Enclosure

ENCLOSURE

## ELECTRONIC REPORTING OPTIONS

### **Option 1: Complete forms on Harbinger's Web site.**

You may go to Harbinger's secure World Wide Web site and complete Forms MMS-2014, 3160, and 4054 at no cost. You must have a Pentium 100MHz processor or higher with the following minimum requirements to use this option:

- Windows 95, 98, or NT 4.0
- 16 MB RAM or higher preferred
- Direct Internet connection at 28,800 BPS or higher
- Standard browser such as Netscape Navigator or Internet Explorer 4.0 or higher

This secure Web site will include all the data fields you need to transmit your monthly reports electronically. Harbinger will convert these reports into an ANSI ASC X12 EDI format and immediately forward them to RMP for processing.

### **Option 2: Use free software off-line.**

Harbinger will provide a free software package to those of you who have report data residing in an electronic format, i.e., Microsoft Excel or legacy system, etc. This software package will enable you to import CSV or ASCII report files containing the monthly report data for Forms MMS-2014, 3160, and 4054. This software must be installed on a Pentium 166MHz processor or higher with the following minimum requirements:

- Windows 95, 98, or NT 4.0
- 16 MB RAM or higher preferred
- 30 MB of free disk space (no disk space requirement for Option 1)
- Direct Internet connection at 28,800 BPS or higher
- Standard browser such as Netscape Navigator or Internet Explorer 4.0 or higher

After you send these electronic reports to Harbinger over secure lines, they will be converted into an ANSI ASC X12 EDI format and immediately forwarded to RMP for processing.

### **Option 3: Send X12 EDI files.**

You may send ANSI ASC X12 EDI files to RMP through Harbinger if you have the necessary translation software, which is available from Harbinger as well as from a variety of other sources. Of course, reporters may always elect to send ANSI ASC X12 EDI files directly to RMP through the various Value Added Network systems available for receiving and forwarding X12 data.

These options will be explained in more detail when the Harbinger representative contacts you in the near future. This person will also help you select the option best suited for your organization.

**U.S. DEPARTMENT OF THE INTERIOR  
MINERALS MANAGEMENT SERVICE  
ROYALTY MANAGEMENT PROGRAM**

**SURETY INSTRUMENT POSTING INSTRUCTIONS**

**Royalty Oil Sale 99-1**

These instructions provide Royalty in Kind purchasers with the Royalty Management Program's (RMP) requirements for submission of an acceptable surety instrument. Acceptable surety instruments include an Administrative Appeal Bond or an irrevocable Letter of Credit.

Your surety instrument amount must be in the amount equal to 99 days of oil deliveries. Throughout the life of the contract, the amount of surety may be increased when necessary to protect the Governments' interest or decreased if warranted by historical data.

If a purchaser is issued a new contract effective immediately following the completion of deliveries under an existing contract, the purchaser has the option to extend the surety coverage on the old contract to also cover the new contract, rather than submitting a new surety. The surety coverage must be sufficient for the new contract, plus the final closeout of the old contract.

Mail the surety instrument to one of the following addresses:

For Courier Delivery  
(not including Express Mail)

Minerals Management Service  
Royalty Management Program  
Royalty in Kind Section, MS 3131  
DFC, Building 85, Room A-212  
Denver, Colorado 80225-0165

For U.S. Postal Service Mail Service  
(including Express Mail)

Minerals Management Service  
Royalty Management Program  
Royalty in Kind Section  
P.O. Box 5810  
Denver, Colorado 80217-5760

**BONDS**

Use the enclosed Royalty-in-Kind Contract Surety Bond (Form MMS-4072) with no modifications. The bond must be issued by a qualified surety company that is approved by the Department of the Treasury (see Department of the Treasury Circular No. 570, revised periodically in the Federal Register). Form MMS-4072 replaces all previously accepted bond forms.

## **LETTERS OF CREDIT (LOC)**

Use the enclosed sample irrevocable LOC (Form MMS-4071) with no modifications. The LOC must be effective for a 1-year period beginning the first day the royalty oil contract is effective, with a clause providing for automatic renewal for a new six month period. The LOC must be issued by a bank that has a minimum Thompson BankWatch rating of the following:

AC@for an LOC of less than \$1 million

AB/C@for an LOC between \$1 million and \$10 million

“B@for an LOC over \$10 million

The person submitting the LOC is responsible for verifying that the bank provides a current rating to RMP. This rating must be submitted with each new or extended LOC. If the issuing bank’s rating falls below the minimum acceptable level, a satisfactory replacement surety must be submitted within 30 days. If the bank issuing the LOC chooses not to renew the existing LOC, it must provide RMP with a notice of its decision not to renew 30 days prior to the LOC expiration. The company requesting surety for an appeal must provide a satisfactory replacement surety to RMP 14 days before the existing LOC expires.

If your bank becomes insolvent, RMP will require an immediate replacement surety unless the current LOC is transferred, in whole, and completely honored by the receiving institution. If a replacement surety is not found, RMP will draw down the total amount due on the existing LOC.

If you have any questions, please contact the Royalty in Kind Section staff, Accounting and Reports Division, at (303) 231-3217 or FAX (303) 231-3219.

U.S. DEPARTMENT OF THE INTERIOR  
Minerals Management Service  
Royalty Management Program

Letter of Credit

Bank \_\_\_\_\_  
Bank Address \_\_\_\_\_  
Bank ABA Number \_\_\_\_\_  
Irrevocable Letter of Credit No. \_\_\_\_\_  
This Letter of Credit is effective \_\_\_\_\_.  
Expiration date is at close of business on \_\_\_\_\_.

Beneficiary:

Minerals Management Service  
Royalty Management Program  
Attn: Chief, Accounting and Reports Division  
DFC, Building 85, Room A-212  
Denver, Colorado 80225

Sir or Madam:

We hereby establish our irrevocable Letter of Credit in your favor and authorize drawing(s) on (Bank) \_\_\_\_\_ by order(s) and for account of (Company Name, Address) \_\_\_\_\_, \_\_\_\_\_ up to an aggregate amount of \$ \_\_\_\_\_ (USD) available by your drafts at sight accompanied by Beneficiary's statement certifying that:

The signer is a duly authorized official acting on behalf of the Minerals Management Service of the U.S. Department of the Interior and that the amount of the accompanying sight draft is due and payable to the Minerals Management Service of the U.S. Department of the Interior for all charges incurred under the terms and conditions of Royalty Oil contract number (RIK Contract Number) \_\_\_\_\_ with (Company Name) \_\_\_\_\_ .@

We hereby agree with bona fide holders that all drafts drawn under and in compliance with the terms of this credit shall meet with due honor upon presentation and delivery of documents as specified to the drawee if drawn and presented for negotiation on or before the expiration date.

It is a condition of this Letter of Credit that it is deemed to be automatically extended without amendment for additional 6 month periods from the expiration date, unless 30 days prior to any expiration date, we notify you by registered mail that we elect not to consider this Letter of Credit renewed for any such additional period.

Such notice of our intention not to renew this Letter of Credit as provided for herein shall authorize you to draw upon this Letter of Credit, unless (Company Name) \_\_\_\_\_ provides you, at least fourteen (14) calendar days prior to the then current expiration date, with a replacement letter of credit with terms and conditions substantially identical to those contained herein.

We certify that the amount of the credit herein established will not be reduced for any reason during the period of this instrument without your written consent.

We hereby agree that if (Company Name)\_\_\_\_\_ files any petition under the bankruptcy laws of the United States, whether voluntary or involuntary, and if deliveries of Royalty Crude Oil under Royalty Oil contract number (Contract Number)\_\_\_\_\_ continue after the bankruptcy petition filing date, this Letter of Credit applies to all amounts due or which may become due the Minerals Management Service for any such deliveries.

We will promptly notify you of any notice received or action filed alleging the insolvency or bankruptcy of the Bank, or alleging any violations of regulatory requirements which could result in suspension or revocation of the Bank's charter or license to do business.

In the event the Bank becomes unable to fulfill our obligations under this Letter of Credit for any reason, notice shall be given immediately to you.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 version), International Chamber of Commerce Publication No. 500. If this Letter of Credit expires during an interruption of business as described in Article 17 of said Publication No. 500, the bank hereby specifically agrees to effect payment if this Letter of Credit is drawn against within 30 days after the resumption of business.

IN WITNESS WHEREOF, the bank has hereunto set its signature and seal this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
(Issuing Bank)

\_\_\_\_\_  
(Authorized Officer)

ACKNOWLEDGMENT

On this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, before me, a Notary Public in and for the County of \_\_\_\_\_, in the State of \_\_\_\_\_, appeared \_\_\_\_\_ to me personally known who, being by me duly sworn did say that he/she is \_\_\_\_\_ of \_\_\_\_\_, the bank named in and which executed the within instrument, and that the seal affixed to said instrument is the seal of said Bank, and that said instrument was signed, sealed and delivered in behalf of said Bank by authority of its Board of Directors, and he/she, as such, offer acknowledged said instrument to be the free act and deed set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day, month and year aforesaid.

My Commission Expires:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Notary Public in and for said  
County and State

The Paperwork Reduction Act of 1995 requires us to inform you that this information is being collected by the Minerals Management Service (MMS) to allow small refiners to provide surety to the Federal government. We estimate the burden for this information collection including the associated recordkeeping is 1 hour per Letter of Credit. Comments on the accuracy of this burden estimate or suggestions on reducing this burden should be directed to the Information Collection Clearance Officer, MS 4230, Minerals Management Service, 1849 C Street, N.W., Washington, DC 20240. Proprietary information is protected by the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1733), the Freedom of Information Act (5 U.S.C. 552 (b) (4)), the Indian Minerals Development Act of 1982 (25 U.S.C. 2103) and department regulations (43 CFR 2). An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

OMB 1010-0135  
Form MMS-4071  
Expires April 30, 2000



ROYALTY-IN-KIND CONTRACT SURETY BOND (See Instructions on reverse)	DATE BOND EXECUTED	BOND NO:
PRINCIPAL (Legal name and business address, including county)		PRINCIPAL'S TYPE OF ORGANIZATION  <input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> JOINT VENTURE <input type="checkbox"/> CORPORATION
		STATE OF INCORPORATION
SURETY (name and business address , including county)		STATE LICENSE TO TRANSACT SURETY BUSINESS
		STATE OF INCORPORATION

RECITALS

1. Principal and surety are bound to Minerals Management Service (MMS) in the sum of \_\_\_\_\_ United States Dollars (\$\_\_\_\_\_), for the payment of which principal and surety jointly and severally bind themselves, their successors, assigns, and legal representatives.

2. Successful execution of this bond is necessary before the principal and MMS can enter into Royalty-In-Kind (RIK) Contract Number \_\_\_\_\_, herein called the original contract, which will have an effective date of \_\_\_\_\_ and will be executed in the Denver Federal Center, County of Jefferson, State of Colorado.

SECTION ONE  
 DURATION

This obligation shall run continuously and shall remain in full force and effect until and unless the bond is terminated and canceled as provided herein or as otherwise provided by law.

SECTION TWO  
 LIMITATION

This bond covers only the original contract and any extensions thereof that are granted by MMS including the time period needed for MMS to reconcile the contract, with or without notice to surety and during the life of any guaranty required under the contract.

SECTION THREE  
 CONDITION OF OBLIGATION

If principal fully performs its obligation(s) under the contract and any extensions thereof that are granted by MMS including the contract reconciliation period, this obligation shall be void; otherwise this obligation shall remain in full force and effect, subject only to the provisions of this bond.

SECTION FOUR  
 NOTICE

The surety is liable upon discovery by MMS and notification to surety of any fact or circumstance showing a claim hereunder.

SECTION FIVE  
 TERMINATION

Surety may terminate its obligation hereunder by notifying MMS by registered letter 30 or more days prior to the termination date, but such notice shall not affect this agreement in respect to any obligation which may have arisen prior to the termination date.

SECTION SIX  
 EXTENT OF LIABILITY

The maximum amount of the liability of surety by virtue of this obligation shall be \_\_\_\_\_ United States Dollars (\$\_\_\_\_\_), plus accrued interest due on this amount.

SECTION SEVEN  
 MODIFICATION OF ORIGINAL CONTRACT

Any deviations from, additions to, extensions of, or modifications in the obligations of the original contract may be made without the consent or knowledge of surety and without in any way releasing surety from liability under this bond.

SECTION EIGHT  
SEVERABILITY

If any one or more of the provisions of this bond are determined to be illegal or unenforceable by a court of competent jurisdiction, all other provisions shall remain effective.

SECTION NINE  
BINDING EFFECT OF AGREEMENT

This bond shall be binding on surety and its successors, assigns, and legal representatives.

In witness whereof, principal and surety have executed this bond and affixed their seals at \_\_\_\_\_ (designated place of execution) on \_\_\_\_\_.

Principal				Corporate Or Notary Seal
Signature (S)	1.	2.	3.	
Name(s) & Title(s) (Typed)	1.	2.	3.	

Acknowledgement (required for notary seal):

Subscribed to and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Address (business or residence)

My commission expires: \_\_\_\_\_

CORPORATE SURETY

NAME & ADDRESS			LIABILITY LIMIT
SIGNATURE(S)	1.	2.	Corporate Seal
NAME(S) & TITLE(S) (Typed)	1.	2.	

INSTRUCTIONS

This form is authorized for use in connection with MMS Royalty-In-Kind contracts. Any deviation from this form will require the written approval of the Chief, Royalty Accounting Division, MMS.

Corporations executing the bond as sureties must appear on the Department of the Treasury's list of the approved sureties and must act within the limitation listed therein.

An authorized person shall sign the bond. Any person signing in a representative capacity (e.g., an attorney-in-fact) must furnish evidence of authority if that representative is not a member of the firm, partnership, or joint venture, or an officer of the corporation involved.

Type the name and title of each person signing this bond in the space provided. Corporate or notary seals must be affixed as applicable. Notary seals require acknowledgment.

The Paperwork Reduction Act of 1995 requires us to inform you that this information is being collected by the Minerals Management Service (MMS) to allow small refiners to provide surety to the Federal government. We estimate the burden for this information collection including the associated recordkeeping is 1 hour per Royalty-In-Kind Contract Surety Bond. Comments on the accuracy of this burden estimate or suggestions on reducing this burden should be directed to the Information Collection Clearance Officer, MS 4230, Minerals Management Service, 1849 C Street, N.W., Washington, DC 20240. Proprietary information is protected by the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1733), the Freedom of Information Act (5 U.S.C. 552 (b) (4)), the Indian Minerals Development Act of 1982 (25 U.S.C. 2103) and department regulations (43 CFR 2). An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

OMB 1010-0135  
Form MMS-4072  
Expires April 30, 2000

**SECTION H**  
**INSTRUCTIONS TO BIDDERS**

**H.1. BIDDERS QUALIFICATIONS**

Bids will only be accepted from qualified bidders. A bidder is qualified by meeting the criteria as described below:

A refiner must qualify as a small business enterprise under the rules of the U.S. Small Business Administration regulations at 13 CFR part 121 (That is, no more than 75,000 barrels per day refinery capacity and 1,500 employees).

**H.2. PREPARATION OF BIDS**

(a) Bidders must examine the complete IFB package, including the specifications, schedule, special and general provisions, and must comply with all instructions. Failure to do so may result in a non-responsive bid.

(b) Bidders must ensure that bid packages are complete and that all required supplemental data are attached. Original signatures and fill-in information must be provided on the Bidders Certification and Acceptance Signature Page in Section A.

(c) The Bidder must sign and affix its corporate seal to the Bidder's Certification and Acceptance Signature Page in Section A. Any erasures or other changes must be initialed by the person signing the bid and bids signed by an agent must be accompanied by evidence of his or her authority. If a corporation has no corporate seal, the words "NO CORPORATE SEAL" must be hand-written in the space reserved for the seal, and the person signing the corporate certification must initial that statement.

**H.3. SUBMISSION OF BIDS**

(a) Bids submitted by telegram, mailgram, electronically or telecopier will not be considered.

(b) Bids may be modified or withdrawn by mail, telegram, or mailgram provided the modification or withdrawal is received at the office designated in (c) below prior to the hour and date specified for receipt of bids.

(c) Bids sent by mail or hand-carried bids, including bids delivered by a delivery service, and modifications sent by mail, telegram, or mailgram must be received at the following address no later than the date and time of October 27, 1999, 4:00 p.m. Mountain Time.

(d) Due to official Seller days/hours of operation, the Contracting Officer cannot accept mail, telegrams, mailgrams, or hand-carried items on Saturdays, Sundays, or federal holidays, or any time prior to 7:30 a.m. or after 4:00 p.m., local time.

(e) Bidders shall affix an appropriate label (samples below) to the bid envelope. The outside of the envelope shall be plainly marked with the Bidder's full name and return address.

\_\_\_\_\_  
(Bidder's Name)

\_\_\_\_\_  
(Return Address)

\_\_\_\_\_  
Bidders should place the following words on the inside envelope containing bids:

**DO NOT OPEN BEFORE 4:00 PM Mountain Time: October 27, 1999,  
CONFIDENTIAL, to be opened only by the Contracting Officer.**

**Cautionary note** – Regular mail must be addressed to the address listed under (1) the PO Box; the postal service DOES NOT deliver mail to (2) the street address.

Delivery services, such as Federal Express, only deliver to (2) the street address.

**Regular mail address:**

- (1) U.S. Department of the Interior  
Minerals Management Service  
Procurement Branch (MS 2730)  
PO Box 25165, Denver Federal Center  
Denver, CO 80225-0165  
ATTN: Todd W. Leneau

**For hand delivery service, such as FedEx, UPS, etc., the street address is:**

- (2) U. S. Department of the Interior  
Minerals Management Service  
Procurement Branch (MS 2730)  
12600 West Colfax Ave, Suite C-200  
Lakewood, CO 80215  
ATTN: Todd W. Leneau

(f) The Bidder must sign, and if a corporation, affix its corporate seal to the “Bidder’s Certification and Acceptance Page” in Section A. Any erasures or other changes must be initialed by the person signing the bid and bids signed by an agent must be accompanied by evidence of his or her authority. If a corporation has no corporate seal, the words “NO CORPORATE SEAL” must be handwritten in the space reserved for the seal, and the person signing the corporate certification must initial that statement.

#### **H.4. BID OPENING AND AWARD PROCEDURES**

If a bid is successful, the Seller will continue with the sale process by contacting the successful bidder by email or fax for the bidder’s lease bundle choices. The bidder will choose from **Exhibit B** the lease bundles under the type of oil for which the bidder was the successful high bid. These choices will be emailed or faxed back to MMS who will verify and send an email or fax confirmation back to the bidder.

A list of the leases will be made and attached to this contract as stated in Section A, Bidder’s Certification and Acceptance Signature Page, of this contract. Also, an award sheet, signed by the Contracting Officer, which identifies the oil type, and price(s) which the Seller is accepting, and the lease bundles chosen will be faxed to the successful bidder. A contract will consist of an Award Sheet (properly signed by the Contracting Officer) with a list of the chosen lease bundles from Exhibit B, your bid for oil, and this IFB. The documents shall constitute the entirety of the contract between the parties.

All bids shall be opened and the total of each bid read by the Contracting Officer. This bid opening will not be a public bid opening. The Contracting Officer will decide which is the highest, most responsible, and responsive bidder for each crude type. The high bidder of each crude oil type will select lease bundles on October 28, 1999, until the crude type is exhausted or the refiner has met their refinery capacity (limited by 30 CFR 208.7(d) to 60% of refinery capacity). The next high bidder per crude oil type will then select lease bundles of that crude and so on until the crude oil type is exhausted or minimum bid thresholds have been met. All other crude oil types will follow this scenario.

#### **H.5. LATE BIDS, MODIFICATIONS OF BIDS, AND WITHDRAWAL OF BIDS**

(a) Any bid received after the exact time specified for receipt will not be considered unless it is received before the decision is made and it:

(1) Was sent by registered or certified mail not later than the fifth calendar day prior to the date specified for the receipt of bids (e.g., a bid submitted in response to a solicitation requiring receipt of bids by the 20<sup>th</sup> of the month must have been mailed by the 15<sup>th</sup> or earlier); or

(2) Was sent by U.S. Postal Service Express Mail Next Day Service-Post Office to Addressee not later than 5:00 p.m. at the place of mailing two (2) working days

prior to the date specified for receipt of bids. The term “working days” excludes weekends and Federal holidays.

(b) Any modification or withdrawal of a bid is subject to the same conditions as in (a) above.

(c) The only acceptable evidence to establish the mailing date of a late bid, modification, or withdrawal sent by registered or certified mail is the U.S. or Canadian Postal Service postmark on the envelope or wrapper or the original receipt from the U.S. or Canadian Postal Service. If neither postmark shows a legible date, the bid, modification, or withdrawal shall be deemed to have been mailed late. “Postmark” means a printed, stamped, or otherwise placed impression, exclusive of a postage meter impression, that is readily identifiable without further action as having been supplied and affixed on the date of mailing by employees of the U.S. or Canadian Postal Service. Therefore, Bidders should request the postal clerk to place a hand cancellation bull’s – eyed postmark on both the receipt and the envelope or wrapper.

(d) The only acceptable evidence to establish the time of receipt at the MMS installation for a bid, modification to a bid, or a bid guarantee, in the form of an LOC submitted by a bank, is the time/date stamp provided by the Contracting Officer at the address specified for the bid opening.

(e) The only acceptable evidence to establish the date of mailing of a late bid, modification, or withdrawal sent by U.S. Postal Service Express Mail Next Day Service-Post Office to Addressee is the date entered by the post office clerk on the “Express Mail Next Day Service-Post Office to Addressee” label and the postmark on the envelope or wrapper and on the original receipt from the U.S. Postal Service. “Postmark” has the same meaning as in paragraph (c) above.

(f) A bid may be withdrawn in person by a Bidder or its authorized representative if, before the exact time set for receipt of bids, the identity of the person requesting withdrawal is established and that person signs a receipt for the bid.

## **H.6. ACKNOWLEDGMENT OF AMENDMENTS TO SOLICITATIONS**

Bidders must acknowledge receipt of any amendment to this IFB by (a) signing and returning the amendment, or by (b) letter, mailgram, or telegram to the address for mailed bids specified in H.3(e). The MMS must receive the acknowledgment by the time and at the place specified for receipt of bids.

## **H.7. CLARIFICATIONS OF IFB TERMS**

Any prospective Bidder must request explanations or clarification of the IFB, specifications, etc., in writing soon enough to allow a reply to reach all prospective Bidders before bid submission. Oral explanation or instructions given before contract award are not binding on the Seller. The Contracting Officer will provide pertinent

information in the form of a modification to the IFB is such is necessary in submitting bids, or if its lack disadvantages prospective Bidders.

#### **H.8. PROPRIETARY AND CONFIDENTIAL DATA**

If Bidder submits any proprietary information, it must be so marked as proprietary and an explanation must be provided for its proprietary nature. All applicable Department of Interior regulations governing proprietary data shall apply. Bid prices are considered confidential and will not be released by the MMS.

#### **H.9. ACCEPTANCE PERIOD**

Bids will remain valid for 45 days after the bid opening date.

#### **H.10. INFORMATION REQUESTS**

The Seller may make such investigation as it deems necessary to determine the ability of the bidder to make payment and the bidder shall promptly furnish to the Sellers all such information and data for this purpose as the Seller may request. If the bidder does not supply information requested in 5 working days, the Seller may determine the bidder is unresponsive and may disqualify the bidder.

#### **H.11. SELLERS OBLIGATIONS**

The Seller does not promise, guarantee, or otherwise obligate themselves to deliver any particular daily/monthly volume of crude oil/condensate. Royalty quantity is entirely dependent upon the production from or allocation to the properties identified in Exhibit A and B, which are attached.

#### **H.12. LETTER OF CREDIT**

The successful bidder's Irrevocable Letter of Credit (ILOC) must be increased to 99 days of production on the chosen leases. The revised ILOC must be submitted to the Contracting Officer no later than December 17, 1999 and carry an effective date of January 1, 2000. The amount of the ILOC shall be calculated as follows: average oil price (Use the appropriate oil type equation for December 1999 average price), plus the winning bid, multiplied by the estimated daily Royalty Volume, multiplied by 99 days. Before you apply for the ILOC, please submit the amount you have calculated for the ILOC to Robert Prael for verification of the MMS properties at the address listed in Section E.

The financial institution issuing the ILOC shall be an entity that has the authority to issue irrevocable letters of credit and whose letter of credit operations are regulated and examined by a federal agency. The letter of credit must be irrevocable and issued for a period of one year from the date of contract award, and must contain a clause providing for automatic renewal for a new six month period. If the Purchaser or its surety company elect not to renew the letter of credit at any anniversary date, the purchaser must notify the



MMS of the intent not to renew in writing at least 30 days prior to the anniversary date. When a notice of intent not to renew a letter of credit is received by MMS, this contract will then be terminated by MMS effective at least 6 months prior to the expiration date of the letter of credit.

The surety instrument posting instructions are found in **Exhibit E**.

## **SECTION I**

### **EVALUATION PROCEDURES FOR AWARD**

#### **I. 1. METHOD OF AWARD**

(a) The Contracting Officer is the sole judge as to whether the bids conform to this IFB as to the Seller's interests and as to the qualifications of the Bidders. The Contracting Officer will award contracts for each crude oil bid that is the highest responsive, responsible Bidder meeting the certification criterion specified in Section A.

(b) The Seller reserves the right to reject any or all bids and to waive minor informalities and irregularities, and to reject any bid offering prices which the Contracting Officer, in his sole discretion, determine to be below fair market value, and/or not in the best interests of the Seller.

(c) The Seller will generally evaluate and select properties to maximize direct revenues to the United States. However, evaluation and award will retain the flexibility to consider administrative savings, even if such award may result in less direct revenues to the Seller; e.g., the cost of administering the contract exceed the revenue received from the sale.

#### **I.2. BID EVALUATION PROCEDURES**

In the event there are tie bids the Contracting Officer will draw lots to break the tie.

## SECTION J

### REPRESENTATIONS AND CERTIFICATIONS

#### J.1. PROHIBITION OF SEGREGATED FACILITIES

(a) “Segregated facilities,” as used in this provision, means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, sex, or national origin because of written or oral policies or employee custom. The term does not include separate or single-user rest rooms or necessary dressing or sleeping areas provided to assure privacy between the sexes.

(b) By the submission of this offer, the Bidder/Contractor certifies and agrees that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. The bidder/contractor agrees that a breach of this clause is a violation of the Equal Opportunity clause in this contract.

(c) The Bidder/Contractor shall include this clause in every subcontract and purchase order that is subject to the Equal Opportunity clause of this contract.

#### J.2. PREVIOUS CONTRACTS AND COMPLIANCE REPORTS

The Bidder represents that --

(a) It  has,  has not participated in a previous contract or subcontract subject either to the Equal Opportunity clause of this solicitation; or

(b) It  has,  has not filed all required compliance reports; and

(c) Representations indicating submission of required compliance reports, signed by proposed sub purchasers, will be obtained before subcontract awards.

#### J.3. CLEAN AIR AND WATER CERTIFICATION

The Bidder certifies that --

(a) Any facility to be used in the performance of this proposed contract  is,  is not listed on the Environmental Protection Agency (EPA) List of Violating Facilities:

(b) The Bidder will immediately notify the Contracting Officer, before award, of the receipt of any communication from the Administrator, or a designee, of the EPA, indicating that any facility that the Bidder proposes to use for the performance of the contract is under consideration to be listed on the EPA List of Violating Facilities; and

(c) The Bidder will include a certification substantially the same as this certification, including this paragraph (c), in every nonexempt subcontract.

#### **J.4. CERTIFICATION OF TOXIC CHEMICAL RELEASE REPORTING**

(a) Submission of this certification is a prerequisite for making or entering into this contract imposed by Executive Order 12969, August 8, 1995.

(b) By signing this offer, the Bidder certifies that --

(1) As the owner or operator of facilities that will be used in the performance of this contract that are subject to the filing and reporting requirements described in Section 313 of the Emergency Planning and Community Right-to-Know Act of 1986 (EPCRA) (42 U.S.C. 11023) and Section 6607 of the Pollution Prevention Act of 1990 (PPA), the Bidder will file and continue to file for such facilities for the life of the contract the Toxic Chemical Release Inventory form (Form R) as described in Sections 313 (a) and (g) of EPCRA and Section 6607 of PPA; or

(2) None of its owned or operated facilities to be used in the performance of this contract is subject to the Form R filing and reporting requirements because each such facility is exempt for at least one of the following reasons: *(Check each block that is applicable.)*

(i) The facility does not manufacture, process or otherwise use any toxic chemical listed under Section 313(c) of EPCRA, 42, U.S.C. 11023(c);

(ii) The facility does not have 10 or more full-time employees as specified in Section 313(b) (1) (A) of EPCRA, 42 U.S.C. 11023(b) (1) (A);

(iii) The facility does not meet the reporting thresholds of toxic chemicals established under Section 313(f) of EPCRA, 42 U.S.C. 11023(f) (including the alternate thresholds at 40 CFR 372.27, provided an appropriate certification form has been filed with EPA);

(iv) The facility does not fall within Standard Industrial Classification Code (SIC) designations 20 through 39 as set forth in Section 19.102 of the Federal Acquisition Regulation; or

(v) The facility is not located within any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the

United States Virgin Islands, the Northern Mariana Islands, or any other territory or possession over which the United States has jurisdiction.

**J.5. DATA UNIVERSAL NUMBERING SYSTEM (DUNS)**

The Bidder is requested to insert the Dun and Bradstreet number (DUNS) assigned to the Purchaser’s address shown on the solicitation form:\_\_\_\_\_.

**J.6. TAXPAYER IDENTIFICATION**

(a) Definitions.

“Common parent,” as used in this provision, means that corporate entity that owns or controls an affiliated group of corporations that files its Federal income tax returns on a consolidated basis, and of which the bidder is a member.

“Taxpayer Identification Number (TIN),” as used in this provision, means the number required by the Internal Revenue Service (IRS) to be used by the bidder in reporting income tax and other returns. The TIN may be either a Social Security Number or an Employer Identification Number.

(b) All Bidders must submit the information required in paragraphs (d) through (f) of this provision to comply with debt collection requirements of 31 U.S.C. 7701(c) and 3325(d), reporting requirements of 26 U.S.C. 6041, 6041A, and 6050M, and implementing regulations issued by the IRS.

(c) The TIN may be used by the Government to collect and report on any delinquent amounts arising out of the bidders relationship with the Government (31 U.S.C. 7701(c)(3)). If the resulting contract is subject to the payment reporting requirements described in FAR 4.904, the TIN provided hereunder may be matched with IRS records to verify the accuracy of the bidder’s TIN.

(d) Taxpayer Identification Number (TIN)

TIN \_\_\_\_\_.

TIN has been applied for.

TIN is not required because: Choose one of the following:

Bidder is a nonresident alien, foreign corporation, or foreign partnership that does not have income effectively connected with the conduct of a trade or business in the U.S. and does not have an office or place of business or a fiscal paying agent in the U.S.;

Bidder is an agency or instrumentality of a foreign Bidder;

Bidder;  Bidder is an agency or instrumentality of a Federal, state, or local

(e) Type of Organization.

- Sole proprietorship;
- Partnership;
- Corporate entity (not tax exempt);
- Corporate entity (tax exempt);
- Government entity (Federal, State, Local);
- Foreign government;
- International organization per 26 CFR 1.6049-4;
- Other \_\_\_\_\_.

(f) Common Parent.

Bidder is not owned or controlled by a common parent as defined in paragraph (a) of this clause.

Name and TIN of common parent:

Name:

TIN:

**MINERALS MANAGEMENT SERVICE  
ROYALTY OIL SALE 99-1**

**STATEMENT ON CONTRACT AWARD PROCEDURE**

To obtain a contract award based on Sale Number 99-1, the applicant must qualify as an eligible refiner, submit application Form MMS-4070 by October 15, 1999, and submit a bid proposal, a signed contract, and a 30-day surety instrument by October 27, 1999. Failure to comply with these requirements will result in disqualification from the sale and contract award.

**Gulf of Mexico:**

Applicants will make a bid proposal based on the price per grade of crude oil (i.e., Light Louisiana Sweet, Bonita Sour, etc.). This bid proposal must be based on the following formulas and then have premiums added or deductions subtracted:

Crude Oil Type	Delivery Point	Price per Barrel
Light Louisiana Sweet	St. James, La	(Koch Posting + Platt's P+)- (Platt's WTI - LLS)
Light Louisiana Sweet	South Bend, La	(Koch Posting + Platt's P+)- (Platt's WTI - LLS)
Heavy Louisiana Sweet	Empire, La	(Koch Posting + Platt's P+)- (Platt's WTI - HLS)
Eugene Island	St. James, La	(Koch Posting + Platt's P+)- (Platt's WTI - EI)
Mars Blend	Clovelly, La	(Koch Posting + Platt's P+)- (Platt's WTI - Mars)
Heavy Louisiana Sweet	Grand Isle, La	(Koch Posting + Platt's P+)- (Platt's WTI - HLS)

"BS" (Bonito Sour) means the arithmetic average of the daily high and low price quotes for BS for Platt's Month of Delivery.

"EDQ" means equal daily quantities.

"EI" (Eugene Island) means the arithmetic average of the daily high and low price quotes for EI for Platt's Month of

Delivery.

"HLS" (Heavy Louisiana Sweet) means the arithmetic average of the daily high and low price quotes for HLS for Platt's Month of Delivery.

"Koch Posting" means Koch Oil Company's posting for West Texas/New Mexico Intermediate, deemed 40 degrees, EDQ for the physical month of delivery.

"LLS" (Light Louisiana Sweet) means the arithmetic average of the daily high and low price quotes for LLS for Platt's Month of Delivery.

"Mars" means the arithmetic average of the daily high and low price quotes for Mars for Platt's Month of Delivery.

"Physical Month of Delivery" means the calendar month during which the delivery of crude oil occurs.

"Platt's" means Platt's Oilgram Price Report.

"Platt's Month of Delivery" means Platt's quotes from the twenty-sixth day of the month two months prior to the physical month of delivery through the twenty-fifth day of the month one month prior to the physical month of delivery (excluding weekends and holidays).

"Platt's P+" means the arithmetic average of the daily high and low price quotes for P-Plus WTI for Platt's Month of Delivery.

"WTI" (West Texas Intermediate) means the arithmetic average of the daily high and low price quotes for WTI for Platt's Month of Delivery.



**Offshore California:**

Applicants will make a bid proposal specific to any or all of the nine oil groups at the associated locations:

<b>Oil Group</b>	<b>Fields Comprising Group (Assumed Delivery Gravity)</b>	<b>Location of Delivery</b>
Coastal Light (CL-M)	Santa Clara (21 °)	Mandalay Beach, CA
Coastal Light (CL-C)	Santa Clara, Sockeye (24°)	Caprinteria, CA
Coastal Heavy (CH-C)	Carpinteria (23.4 °)	La Conchita, CA
Coastal Heavy (CH-R)	Dos Cuadras (24 °)	Rincon Separation Facility
Heavy (H-H)	Hueneme (21 °)	Mandalay Beach, CA
Heavy (H-A)	Pt. Arguello (20.5 °)	Inlet of Gaviota
Heavy (H-Y)	Santa Ynez (20.9 °)	Las Flores Canyon, All American Pipeline
Beta (BTA)	Beta (17.8 °)	Beta Onshore Facility
Pt. Pedernales (PTP)	Pt. Pedernales (16.2°)	Lompoc, CA

This bid proposal must be based on the average of the Platt's Oilgram spot price for Alaska North Slope (ANS) and Petroleum Argus' ANS spot value applicable to the month of delivery. A gravity adjustment will be made when the delivered gravity deviates more than one degree from the assumed gravity. The gravity adjustment will be based on the Chevron Crude Oil Bulletins applicable to the month of delivery. The bid variable then becomes a fixed premium or deduction from the ANS average price for the month of delivery.

The Platt's/Argus Month of Delivery means the quotes from the first day through the last day of the month, one month prior to the physical month of delivery (excluding weekends and holidays).

**Award Procedure:**

The high bidder for each crude oil type will select lease bundles of that crude until the crude type is exhausted or the refiner has met their refinery capacity (limited by 30 CFR 208.7(d) to 60% of refinery capacity). The next high bidder per crude oil type will then select lease bundles of that crude and so on until the crude oil type is exhausted or minimum bid thresholds have been met. All other crude oil types will follow this scenario.

In the case of two or more parties having the same bid, a lottery will be established. All applicants participating in the lottery will be assigned a number and the numbers will be drawn at random. One half of the crude oil type in question will be available in Round 1 of the lottery with the remaining half available in Round 2. Selections in Round 1 will be based on numbers drawn at random. Round 2 selections will be in the opposite order as Round 1.

The offshore royalty oil is to be sold by lease bundles. Applicants participating in the sale offering will select oil from available these lease bundles as shown in Enclosure 5. Unless otherwise approved by MMS, the applicant must select the total bundle of leases and not split a lease bundle. The royalty oil to be sold from each lease bundle includes all allocated royalties from unit agreements/ if applicable.

**U.S. DEPARTMENT OF THE INTERIOR  
MINERALS MANAGEMENT SERVICE  
ROYALTY MANAGEMENT PROGRAM**

**SURETY INSTRUMENT POSTING INSTRUCTIONS**

**Royalty Oil Sale 99-1**

These instructions provide Royalty in Kind purchasers with the Royalty Management Program's (RMP) requirements for submission of an acceptable surety instrument. Acceptable surety instruments include an Administrative Appeal Bond or an irrevocable Letter of Credit.

Your surety instrument amount must be in the amount equal to 99 days of oil deliveries. Throughout the life of the contract, the amount of surety may be increased when necessary to protect the Governments' interest or decreased if warranted by historical data.

If a purchaser is issued a new contract effective immediately following the completion of deliveries under an existing contract, the purchaser has the option to extend the surety coverage on the old contract to also cover the new contract, rather than submitting a new surety. The surety coverage must be sufficient for the new contract, plus the final closeout of the old contract.

Mail the surety instrument to one of the following addresses:

For Courier Delivery  
(not including Express Mail)

Minerals Management Service  
Royalty Management Program  
Royalty in Kind Section, MS 3131  
DFC, Building 85, Room A-212  
Denver, Colorado 80225-0165

For U.S. Postal Service Mail Service  
(including Express Mail)

Minerals Management Service  
Royalty Management Program  
Royalty in Kind Section  
P.O. Box 5810  
Denver, Colorado 80217-5760

**BONDS**

Use the enclosed Royalty-in-Kind Contract Surety Bond (Form MMS-4072) with no modifications. The bond must be issued by a qualified surety company that is approved by the Department of the Treasury (see Department of the Treasury Circular No. 570, revised periodically in the Federal Register). Form MMS-4072 replaces all previously accepted bond forms.

## **LETTERS OF CREDIT (LOC)**

Use the enclosed sample irrevocable LOC (Form MMS-4071) with no modifications. The LOC must be effective for a 1-year period beginning the first day the royalty oil contract is effective, with a clause providing for automatic renewal for a new six month period. The LOC must be issued by a bank that has a minimum Thompson BankWatch rating of the following:

AC@for an LOC of less than \$1 million

AB/C@for an LOC between \$1 million and \$10 million

“B@for an LOC over \$10 million

The person submitting the LOC is responsible for verifying that the bank provides a current rating to RMP. This rating must be submitted with each new or extended LOC. If the issuing bank's rating falls below the minimum acceptable level, a satisfactory replacement surety must be submitted within 30 days. If the bank issuing the LOC chooses not to renew the existing LOC, it must provide RMP with a notice of its decision not to renew 30 days prior to the LOC expiration. The company requesting surety for an appeal must provide a satisfactory replacement surety to RMP 14 days before the existing LOC expires.

If your bank becomes insolvent, RMP will require an immediate replacement surety unless the current LOC is transferred, in whole, and completely honored by the receiving institution. If a replacement surety is not found, RMP will draw down the total amount due on the existing LOC.

If you have any questions, please contact the Royalty in Kind Section staff, Accounting and Reports Division, at (303) 231-3217 or FAX (303) 231-3219.

U.S. DEPARTMENT OF THE INTERIOR  
Minerals Management Service  
Royalty Management Program

Letter of Credit

Bank \_\_\_\_\_  
Bank Address \_\_\_\_\_  
Bank ABA Number \_\_\_\_\_  
Irrevocable Letter of Credit No. \_\_\_\_\_  
This Letter of Credit is effective \_\_\_\_\_.  
Expiration date is at close of business on \_\_\_\_\_.

Beneficiary:

Minerals Management Service  
Royalty Management Program  
Attn: Chief, Accounting and Reports Division  
DFC, Building 85, Room A-212  
Denver, Colorado 80225

Sir or Madam:

We hereby establish our irrevocable Letter of Credit in your favor and authorize drawing(s) on (Bank) \_\_\_\_\_ by order(s) and for account of (Company Name, Address) \_\_\_\_\_, \_\_\_\_\_ up to an aggregate amount of \$ \_\_\_\_\_ (USD) available by your drafts at sight accompanied by Beneficiary's statement certifying that:

The signer is a duly authorized official acting on behalf of the Minerals Management Service of the U.S. Department of the Interior and that the amount of the accompanying sight draft is due and payable to the Minerals Management Service of the U.S. Department of the Interior for all charges incurred under the terms and conditions of Royalty Oil contract number (RIK Contract Number) \_\_\_\_\_ with (Company Name) \_\_\_\_\_ .@

We hereby agree with bona fide holders that all drafts drawn under and in compliance with the terms of this credit shall meet with due honor upon presentation and delivery of documents as specified to the drawee if drawn and presented for negotiation on or before the expiration date.

It is a condition of this Letter of Credit that it is deemed to be automatically extended without amendment for additional 6 month periods from the expiration date, unless 30 days prior to any expiration date, we notify you by registered mail that we elect not to consider this Letter of Credit renewed for any such additional period.

Such notice of our intention not to renew this Letter of Credit as provided for herein shall authorize you to draw upon this Letter of Credit, unless (Company Name) \_\_\_\_\_ provides you, at least fourteen (14) calendar days prior to the then current expiration date, with a replacement letter of credit with terms and conditions substantially identical to those contained herein.

We certify that the amount of the credit herein established will not be reduced for any reason during the period of this instrument without your written consent.

We hereby agree that if (Company Name)\_\_\_\_\_ files any petition under the bankruptcy laws of the United States, whether voluntary or involuntary, and if deliveries of Royalty Crude Oil under Royalty Oil contract number (Contract Number)\_\_\_\_\_ continue after the bankruptcy petition filing date, this Letter of Credit applies to all amounts due or which may become due the Minerals Management Service for any such deliveries.

We will promptly notify you of any notice received or action filed alleging the insolvency or bankruptcy of the Bank, or alleging any violations of regulatory requirements which could result in suspension or revocation of the Bank's charter or license to do business.

In the event the Bank becomes unable to fulfill our obligations under this Letter of Credit for any reason, notice shall be given immediately to you.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 version), International Chamber of Commerce Publication No. 500. If this Letter of Credit expires during an interruption of business as described in Article 17 of said Publication No. 500, the bank hereby specifically agrees to effect payment if this Letter of Credit is drawn against within 30 days after the resumption of business.

IN WITNESS WHEREOF, the bank has hereunto set its signature and seal this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
(Issuing Bank)

\_\_\_\_\_  
(Authorized Officer)

ACKNOWLEDGMENT

On this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, before me, a Notary Public in and for the County of \_\_\_\_\_, in the State of \_\_\_\_\_, appeared \_\_\_\_\_ to me personally known who, being by me duly sworn did say that he/she is \_\_\_\_\_ of \_\_\_\_\_, the bank named in and which executed the within instrument, and that the seal affixed to said instrument is the seal of said Bank, and that said instrument was signed, sealed and delivered in behalf of said Bank by authority of its Board of Directors, and he/she, as such, offer acknowledged said instrument to be the free act and deed set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day, month and year aforesaid.

My Commission Expires:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Notary Public in and for said  
County and State

The Paperwork Reduction Act of 1995 requires us to inform you that this information is being collected by the Minerals Management Service (MMS) to allow small refiners to provide surety to the Federal government. We estimate the burden for this information collection including the associated recordkeeping is 1 hour per Letter of Credit. Comments on the accuracy of this burden estimate or suggestions on reducing this burden should be directed to the Information Collection Clearance Officer, MS 4230, Minerals Management Service, 1849 C Street, N.W., Washington, DC 20240. Proprietary information is protected by the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1733), the Freedom of Information Act (5 U.S.C. 552 (b) (4)), the Indian Minerals Development Act of 1982 (25 U.S.C. 2103) and department regulations (43 CFR 2). An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

OMB 1010-0135  
Form MMS-4071  
Expires April 30, 2000

ROYALTY-IN-KIND CONTRACT SURETY BOND (See Instructions on reverse)	DATE BOND EXECUTED	BOND NO:
PRINCIPAL (Legal name and business address, including county)		PRINCIPAL'S TYPE OF ORGANIZATION  <input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> JOINT VENTURE <input type="checkbox"/> CORPORATION
		STATE OF INCORPORATION
SURETY (name and business address , including county)		STATE LICENSE TO TRANSACT SURETY BUSINESS
		STATE OF INCORPORATION

RECITALS

1. Principal and surety are bound to Minerals Management Service (MMS) in the sum of \_\_\_\_\_ United States Dollars (\$\_\_\_\_\_), for the payment of which principal and surety jointly and severally bind themselves, their successors, assigns, and legal representatives.

2. Successful execution of this bond is necessary before the principal and MMS can enter into Royalty-In-Kind (RIK) Contract Number \_\_\_\_\_, herein called the original contract, which will have an effective date of \_\_\_\_\_ and will be executed in the Denver Federal Center, County of Jefferson, State of Colorado.

SECTION ONE  
 DURATION

This obligation shall run continuously and shall remain in full force and effect until and unless the bond is terminated and canceled as provided herein or as otherwise provided by law.

SECTION TWO  
 LIMITATION

This bond covers only the original contract and any extensions thereof that are granted by MMS including the time period needed for MMS to reconcile the contract, with or without notice to surety and during the life of any guaranty required under the contract.

SECTION THREE  
 CONDITION OF OBLIGATION

If principal fully performs its obligation(s) under the contract and any extensions thereof that are granted by MMS including the contract reconciliation period, this obligation shall be void; otherwise this obligation shall remain in full force and effect, subject only to the provisions of this bond.

SECTION FOUR  
 NOTICE

The surety is liable upon discovery by MMS and notification to surety of any fact or circumstance showing a claim hereunder.

SECTION FIVE  
 TERMINATION

Surety may terminate its obligation hereunder by notifying MMS by registered letter 30 or more days prior to the termination date, but such notice shall not affect this agreement in respect to any obligation which may have arisen prior to the termination date.

SECTION SIX  
 EXTENT OF LIABILITY

The maximum amount of the liability of surety by virtue of this obligation shall be \_\_\_\_\_ United States Dollars (\$\_\_\_\_\_), plus accrued interest due on this amount.

SECTION SEVEN  
 MODIFICATION OF ORIGINAL CONTRACT

Any deviations from, additions to, extensions of, or modifications in the obligations of the original contract may be made without the consent or knowledge of surety and without in any way releasing surety from liability under this bond.



SECTION EIGHT  
SEVERABILITY

If any one or more of the provisions of this bond are determined to be illegal or unenforceable by a court of competent jurisdiction, all other provisions shall remain effective.

SECTION NINE  
BINDING EFFECT OF AGREEMENT

This bond shall be binding on surety and its successors, assigns, and legal representatives.

In witness whereof, principal and surety have executed this bond and affixed their seals at \_\_\_\_\_ (designated place of execution) on \_\_\_\_\_.

Principal				Corporate Or Notary Seal
Signature (S)	1.	2.	3.	
Name(s) & Title(s) (Typed)	1.	2.	3.	

Acknowledgement (required for notary seal):

Subscribed to and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Address (business or residence)

My commission expires: \_\_\_\_\_

CORPORATE SURETY

NAME & ADDRESS			LIABILITY LIMIT
SIGNATURE(S)	1.	2.	Corporate Seal
NAME(S) & TITLE(S) (Typed)	1.	2.	

INSTRUCTIONS

This form is authorized for use in connection with MMS Royalty-In-Kind contracts. Any deviation from this form will require the written approval of the Chief, Royalty Accounting Division, MMS.

Corporations executing the bond as sureties must appear on the Department of the Treasury's list of the approved sureties and must act within the limitation listed therein.

An authorized person shall sign the bond. Any person signing in a representative capacity (e.g., an attorney-in-fact) must furnish evidence of authority if that representative is not a member of the firm, partnership, or joint venture, or an officer of the corporation involved.

Type the name and title of each person signing this bond in the space provided. Corporate or notary seals must be affixed as applicable. Notary seals require acknowledgment.

The Paperwork Reduction Act of 1995 requires us to inform you that this information is being collected by the Minerals Management Service (MMS) to allow small refiners to provide surety to the Federal government. We estimate the burden for this information collection including the associated recordkeeping is 1 hour per Royalty-In-Kind Contract Surety Bond. Comments on the accuracy of this burden estimate or suggestions on reducing this burden should be directed to the Information Collection Clearance Officer, MS 4230, Minerals Management Service, 1849 C Street, N.W., Washington, DC 20240. Proprietary information is protected by the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1733), the Freedom of Information Act (5 U.S.C. 552 (b) (4)), the Indian Minerals Development Act of 1982 (25 U.S.C. 2103) and department regulations (43 CFR 2). An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

OMB 1010-0135  
Form MMS-4072  
Expires April 30, 2000

**Imbalance Example  
Small Refiner Royalty In Kind**

Imbalances under the small refiner contracts will be kept to a minimum by having delivery based on the royalty entitlement from two months earlier. By the month of delivery, operators will know exactly what they produced two months prior and therefore should be able to deliver to the refiner the exact amount of royalty entitlement. Deliveries will be made in the first two months of the contract at estimated volumes.

The following is an example of how this will work:

Month	Delivery	Entitlement
Jan '00	1,000 based on nomination estimate	900
Feb '00	1,000 based on nomination estimate	1,200
Mar '00	900 based on actual 01/00	950
Apr '00	1,200 based on actual 02/00	1,000
May '00	950 based on actual 03/00	650
June '00	1,000 based on actual 04/00	720
Jul '03	650 based on actual 05/03	630
Aug '03	720 based on actual 06/03	720
Sep '03	630 based on actual 07/03	850
Oct '03 end of contract	720 based on actual 08/03	600
Contract Totals	8,770 barrels	8,220 barrels
Dec '03	RMP settles the contract imbalance with the operators (550 barrel imbalance)	Reported in value

The only imbalance situation should be for the first two months of contract and this is resolved at the end of the contract with the operators. In the example above, the contract imbalance is 550 barrels over-delivered to the refiners. The imbalance is a result of the difference between the deliveries in Jan '00 and Feb '00 (1,000 barrels each) and the royalty entitlements for Sep '03 and Oct '03 (850 and 600 barrels). This is handled by a refund or credit being issued to the operators for 550 barrels at the price which would have been in existence under the RIK contract for Dec '03. If the contract imbalance is an under-delivered situation, the operator would be instructed to report and pay in value using the price the operator would use for Dec '03 under the valuation regulations.

If imbalances do occur during the contract, the RIK staff will identify them and they will be handled as:

#### Under-delivery

If the delivery to the refiner is less than the royalty entitlement from two months prior, the operator has not met their royalty obligation. The RIK staff will call the operator and get an immediate delivery to the refiner. The operator needs to notify the refiner of this delivery. The operator may receive an interest assessment and a penalty assessment. The refiner will report as follows:

Month 01 - 1,000 barrels reported by the refiner at January prices as January sales.

Month 02 - The RIK staff determines that the actual royalty entitlement for Month 01 was 1,200 barrels. The RIK staff notifies the operator who then delivers 200 additional barrels to the refiner. The 200 barrels are then reported by the refiner at February prices using the January sales month. Operators may receive an interest and penalty assessment.

#### Over-delivery

If the delivery to the refiner is more than the royalty entitlement from two months prior, the

operator has provided the refiner with non-royalty oil. This situation will be reported as follows:

Month 01 - 1,000 barrels reported by the refiner at January prices.

Month 02 - The RIK staff determines that the actual royalty entitlement for Month 01 was 800 barrels. The RIK staff will create a negative 2014 document to show -200 barrels at the price received from the refiner, a sales month of January, and the operator's reporter code. This will create a refund or credit to be used by the operator. Operators may receive an interest payment.