

**Prices Above Which Full Royalties Are Due
Notwithstanding Any Remaining Royalty Suspension Volumes**

Deep Water Oil - Gulf of Mexico

Calendar Year	Locked-in Annual Inflation Rate	Latest BEA Annual Inflation Rate	Oil Price Threshold (\$/BBL)			Actual Prices (\$/BBL) Average NYMEX Nearby Delivery
			All Leases Issued W/Relief Except for Sales Listed to the Right ^a	For Leases Issued in Sales Held in:		
				2001	August 2004-2006	
1994			\$28.00			
1995	2.6%	2.0%	\$28.72			
1996	2.0%	1.9%	\$29.28			\$21.99
1997	2.0%	1.7%	\$29.86			\$20.63
1998	1.0%	1.1%	\$30.17			\$14.43
1999	1.5%	1.4%	\$30.60			\$19.26
2000	2.1%	2.2%	\$31.23	\$28.00		\$30.25
2001	2.2%	2.4%	\$31.91	\$28.61		\$25.99
2002	1.1%	1.7%	\$32.27	\$28.93		\$26.10
2003	1.7%	2.1%	\$32.81	\$29.41		\$31.08
2004	2.1%	2.9%	\$33.50	\$30.03	\$39.00	\$41.38
2005	2.8%	3.3%	\$34.43	\$30.86	\$40.08	\$56.57
2006	2.9%	3.2%	\$35.44	\$31.77	\$41.25	\$66.22
2007	2.7%	2.7%	\$36.39	\$32.62	\$42.36	\$72.39
2008	2.2%	2.2%	\$37.18	\$33.33	\$43.28	\$99.74
2009e		2.4%	\$38.09	\$34.15	\$44.34	
NYMEX Calendar Year 2009 Average:				# months =	4	\$45.01
May-Dec Avg Needed to Suspend Relief			\$34.63	\$28.72	\$44.01	

Deep Water Natural Gas - Gulf of Mexico

Calendar Year	Locked-in Annual Inflation Rate	Latest BEA Annual Inflation Rate	Gas Price Threshold (\$/MMBTU)			Actual Prices (\$/MMBTU) Average NYMEX Nearby Delivery
			All Leases Issued W/Relief Except for Sales Listed to the Right ^a	For Leases Issued in Sales Held in:		
				2001	August 2004-2006	
1994			\$3.50			
1995	2.6%	2.0%	\$3.59			
1996	2.0%	1.9%	\$3.66			\$2.50
1997	2.0%	1.7%	\$3.73			\$2.42
1998	1.0%	1.1%	\$3.77			\$2.16
1999	1.5%	1.4%	\$3.83			\$2.31
2000	2.1%	2.2%	\$3.90	\$3.50		\$4.33
2001	2.2%	2.4%	\$3.99	\$3.58		\$4.06
2002	1.1%	1.7%	\$4.03	\$3.62		\$3.36
2003	1.7%	2.1%	\$4.10	\$3.68		\$5.49
2004	2.1%	2.9%	\$4.19	\$3.75	\$6.50	\$6.18
2005	2.8%	3.3%	\$4.30	\$3.86	\$6.68	\$8.96
2006	2.9%	3.2%	\$4.43	\$3.97	\$6.88	\$6.99
2007	2.7%	2.7%	\$4.55	\$4.08	\$7.06	\$7.12
2008	2.2%	2.2%	\$4.65	\$4.17	\$7.21	\$8.89
2009e		2.4%	\$4.76	\$4.27	\$7.39	
NYMEX Calendar Year 2009 Average:				# months =	4	\$4.26
May-Dec Avg Needed to Suspend Relief			\$5.01	\$4.27	\$8.96	

^a Excluding leases issued under the DWRRA in 1998 and 1999.

Indicates NYMEX Prices exceed at least one of the price thresholds for that year.

Indicates NYMEX Prices exceed all of the price thresholds for that year.

**Prices Above Which Full Royalties Are Due
Notwithstanding Any Remaining Royalty Suspension Volumes**

Shallow Water, Deep Natural Gas (well depths ≥15,000 ft) - Gulf of Mexico

Calendar Year	Locked-in Annual Inflation Rate	Latest BEA Annual Inflation Rate	Gas Price Threshold (\$/MMBTU)				Actual Prices (\$/MMBTU) Average NYMEX Nearby Delivery
			Relief Under 30 CFR 203.36 and 203.48 (circa 2008) ^b	In water 0-200 meters deep			
				Relief Under 30 CFR 203.47 (circa 2004) Except for Sales Listed to the Right: ^c	For Leases Issued in Sales Held in:		
				Sale 178 March 2001	Sales held in 2001-2003 ^d		
2000					\$3.50	\$5.00	\$4.33
2001	2.2%	2.4%			\$3.58	\$5.11	\$4.06
2002	1.1%	1.7%			\$3.62	\$5.17	\$3.36
2003	1.7%	2.1%			\$3.68	\$5.25	\$5.49
2004	2.1%	2.9%		\$9.34	\$3.75	\$5.36	\$6.18
2005	2.8%	3.3%		\$9.60	\$3.86	\$5.51	\$8.96
2006	2.9%	3.2%		\$9.88	\$3.97	\$5.67	\$6.99
2007	2.7%	2.7%	\$4.55	\$10.15	\$4.08	\$5.83	\$7.12
2008	2.2%	2.2%	\$4.65	\$10.37	\$4.17	\$5.95	\$8.89
2009e		2.4%	\$4.76	\$10.62	\$4.27	\$6.10	
NYMEX Calendar Year 2009 Average:				# months =	4		\$4.26
May-Dec Avg Needed to Suspend Relief			\$5.01	\$13.80	\$4.27	\$7.02	

^b For well depths ≥ 20,000 ft in water 0-400 meters deep, and for well depths ≥ 15,000 ft in water 200-400 meters deep

^c Including 2001-2003 Leases that Converted to RSV Terms in Regulations

^d Except Sale 178, March 2001

Indicates NYMEX Prices exceed at least one of the price thresholds for that year.

Indicates NYMEX Prices exceed all of the price thresholds for that year.

Updated: 5/5/2009

Note: [See technical documentation attachment for further details.](#)

Applicable Price Thresholds and Market Prices for Calendar Year 2008

Product	Lease Vintage (Sale held in)	Annual Average NYMEX Price (\$/bbl or \$/mmbtu)	Adjusted Price Threshold Level (\$/bbl or \$/mmbtu)	Royalty Relief Suspended
Deepwater Oil	Before 1996, 1996-2000*; 2002-3/2004; 2007-2008	\$99.74	\$37.18	yes*
Deepwater Oil	2001	\$99.74	\$33.33	yes
Deepwater Oil	8/2004 - 2006	\$99.74	\$43.28	yes
Deepwater Gas	Before 1996, 1996-2000*; 2002-3/2004; 2007-2008	\$8.89	\$4.65	yes*
Deepwater Gas	2001	\$8.89	\$4.17	yes
Deepwater Gas	8/2004 - 2006	\$8.89	\$7.21	yes
Deep gas	3/2001	\$8.89	\$4.17	yes
Deep gas	8/2001- 2003	\$8.89	\$5.95	yes
Deep gas (0-200 m)	Before 2001; 2004-2008; Reg 30 CFR 203.48 (circa 2008)	\$8.89	\$4.65	yes
Deep gas (200-400 m) and Ultra-Deep gas (0-400 m)	All Years	\$8.89	\$10.37	no

*Price thresholds do not apply to leases issued in Deepwater during the years 1998–1999 due to an administrative oversight.

If the Kerr-McGee v. Allred Fifth Circuit Court Decision (1/12/09) is upheld, price thresholds will not apply to Deepwater leases issued during the years 1996-2000.