

PRE-SALE EXPENDITURES

Please verify the following information, obtained from Minerals Management Service records, about the number of bids your company submitted for lease sales in the years 1999 and 2000 and the amount of each bid. If any information is incorrect, please cross out and write in the correct information. If all information is correct, please check the box below:

	LEASE ID	AMOUNT (\$)
1999	xxxxxxx	xxxxxxx
Total	x	xxxxxxx
2000	xxxxxxx	xxxxxxx
	xxxxxxx	xxxxxxx
	xxxxxxx	xxxxxxx
Total	x	xxxxxxx

~All information is correct.

PRE-SALE EXPENDITURES (Continued)

How much did your company spend on pre-sale activity for all bids submitted by your company in the years 1999 and 2000? Numbers should reflect ALL exploration costs incurred in the years 1999 and 2000 in preparation for bids submitted in years 1999 and 2000 lease sales, including:

- a. Costs that were reimbursed by joint venture partners (Exclude any payments made by your company to other bidders as part of a joint venture, however.)
- b. Costs associated with prospects that were not bid after evaluation was completed

Exclude the lease bonus payments made in connection with successful bids.

Please break out costs by **in-house** versus **external**. External costs are broken into two categories – 1.) seismic (which encompasses both off-the-shelf seismic data purchases and geophysical surveys you commissioned), and 2.) all other.

EXAMPLE: IF YOUR COMPANY PARTICIPATED IN LEASE SALES IN THE YEAR 2000, BUT NOT IN 1999, AND SPENT A TOTAL OF \$100,000 ON IN-HOUSE ADMINISTRATIVE COSTS, \$250,000 ON EXTERNAL SEISMIC ACTIVITIES, AND \$100,000 ON OTHER CONSULTING SERVICES, YOU WOULD RECORD THE FOLLOWING:

	Total Pre-Sale 1999 Expenditures	Total Pre-Sale 2000 Expenditures
Total In-house Costs (e.g., administrative, geological or geophysical studies conducted internally, etc.)	N/A	\$100,000
Total External Costs (e.g., seismic data and studies conducted by vendors, other consulting, etc.)	N/A	\$350,000
Seismic	N/A	\$250,000
All other (i.e., non-seismic-related expenses)	N/A	\$100,000
Total In-House plus External Costs	N/A	\$450,000

PRE-SALE EXPENDITURES (Continued)

Please record your company's pre-sale expenditures below:

	Total Pre-Sale 1999 Expenditures	Total Pre-Sale 2000 Expenditures
Total In-house Costs (e.g., administrative, geological or geophysical studies conducted internally, etc.)		
Total External Costs (e.g., seismic data and studies conducted by vendors, other consulting, etc.)		
Seismic		
All other (i.e., non-seismic-related expenses)		
Total In-House plus External Costs		