

2. AMENDMENT/MODIFICATION NO. <b>A057</b>	3. EFFECTIVE DATE <b>SEE BLOCK 16C</b>	4. REQUISITION/PURCHASE REQ. NO. <b>N/A</b>	5. PROJECT NO. (If applicable)
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6. ISSUED BY <b>U.S. Department of Energy Strategic Petroleum Reserve Project Management Office 900 Commerce Road, East New Orleans, LA 70123</b>	7. ADMINISTERED BY (If other than Item 6) <b>CODE</b>
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8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP code) <b>DynMcDermott Petroleum Operations Company 850 So. Clearview Parkway New Orleans, LA 70123</b>	(U)	9A. AMENDMENT OF SOLICITATION NO.
		9B. DATED (SEE ITEM 11)
		10A. MODIFICATION OF CONTRACT/ORDER NO. <b>X DE-AC96-03PO92207</b>
		10B. DATED (SEE ITEM 13) <b>X January 28, 2003</b>

**11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS**

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers  is extended,  is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning \_\_\_\_\_ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)  
N/A

**13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.**

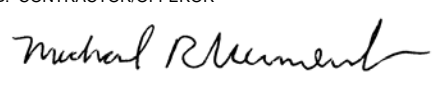
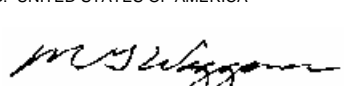
(U)	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriating date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
<b>X</b>	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: <b>Clauses H.8 – Work Authorization System, I.93 – DEAR 970.5215-1 Total Available Fee, I.15 – FAR 52.219-9 Small Business Subcontracting Plan and mutual agreement of the parties.</b>
	D. OTHER (Specify type of modification and authority)

**E. IMPORTANT:** Contractor  is not,  is required to sign this document and return 1 copy to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

- A. Reference Section B, B.5 CONTRACT VALUE:**  
The contract value is revised to update the Fiscal Year (FY) 2006 estimated costs to reflect Work Authorization Revisions issued through September 26; to incorporate the FY 2007 approved Annual Operating Plan and the FY 2007 negotiated Performance Fee. As a result, the total contract value for the base period is decreased by \$971,650 from \$595,775,055 to \$594,803,405. (Revised Section B, Page B.3 attached.)
- B. Reference Section J, APPENDIX D – SMALL BUSINESS SUBCONTRACTING PLAN:**  
The Subcontracting Goals for Fiscal Year 2007 are incorporated. (See attached)

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print) <b>Michael R. Vermeulen, Director, Business Operations</b>	16A. NAME AND TITLE OF CONTRACTING OFFICER (TYPE OR PRINT) <b>M. G. Waggoner, Contracting Officer</b>
15B. CONTRACTOR/OFFEROR   BY _____ (Signature of person authorized to sign)	16B. UNITED STATES OF AMERICA   BY _____ (Signature of Contracting Officer)
15C. DATE SIGNED <b>September 26, 2006</b>	16C. DATE SIGNED <b>09/26/06</b>

**B.3 OBLIGATION OF FUNDS**

The amount of funds obligated under this contract, in accordance with the Contract Clause entitled “Obligation of Funds”, is \$471,478,706.

**B.4 AVAILABILITY OF APPROPRIATED FUNDS**

The duties and obligation of the Government hereunder calling for the expenditure of appropriated funds shall be subject to the availability of funds appropriated by the Congress, which the Department of Energy may legally spend for such purposes.

**B.5 CONTRACT VALUE**

The contract value consisting of the estimated costs and negotiated fee by fiscal year (base plus option) is set forth below:

Fiscal Year	Estimated Costs	Performance Fee	Multi-Year Cost Reduction Fee	FY TOTAL
Transition Period 2/1/03 – 3/31/03	\$0	\$0	\$0	<sup>1</sup> \$0
FY 2003 (6 mos.)	\$88,436,173	\$2,742,307	\$1,000,000	*\$92,178,480
FY 2004	\$107,658,267	\$4,827,176	\$2,000,000	*\$114,485,443
FY 2005	\$97,439,730	\$4,965,611	\$2,000,000	*\$104,405,341
FY 2006	\$115,406,222	\$5,792,807	\$2,000,000	\$123,199,029
FY 2007	\$99,395,575	\$5,699,000	\$2,000,000	\$107,094,575
FY 2008 (6 mos.)	\$53,440,537			
<b>TOTAL (Base Period)</b>	<b>\$561,776,504</b>	<b>\$24,026,901</b>	<b>\$9,000,000</b>	<b>\$594,803,405</b>
FY 2008 (6 mos.)	\$53,440,536			
FY 2009	\$106,786,965			
FY 2010	\$114,872,000			
FY 2011	\$117,283,000			
FY 2012	\$119,745,000			
FY 2013 (6 mos.)	\$61,129,500			

**B.6 ALLOWABILITY OF SUBCONTRACTOR FEE**

All fees to be paid to members of a Contractor team, including affiliates, identified in the offer must be included in the available fee payable under Clause B.2. The term affiliate is defined as, associated business concerns or individuals if, directly or indirectly (1) either one controls or can control the other; or (2) a third party controls or can control both. A “Contractor Team Arrangement”, as used in the FAR, means an arrangement in which (1) Two or more companies form a partnership or joint venture to act as a potential prime contractor; or (2) A potential prime contractor agrees with one or more other companies to have them act as its subcontractors under a specified Government contract or acquisition program. For the purpose of this clause, this definition does not apply to the subcontractors whose contracts have been assumed, so long as the terms and conditions of those subcontracts are not altered as a result of interactions with the Offeror prior to award of this contract.

<sup>1</sup>The Transition Period costs of \$3,518 are included in the FY03 costs of \$88,436,173.

\*Fiscal Year Total reflects actual costs, actual performance fee earned, and available Multi-Year Cost Reduction fee. The actual fee earned for Cost Reductions will not be determined until the end of the Base Contract Period.

**U. S. DEPARTMENT OF ENERGY - STRATEGIC PETROLEUM RESERVE  
PROPOSED FISCAL YEAR 2007 DIVERSITY CONTRACTING GOALS  
DynMcDermott Petroleum Operations Company  
Contract No. DE-AC96-03PO92207**

DOE PRIME CONTRACTS	FISCAL YEAR 2005 ACTUALS		FISCAL YEAR 2006 PROJECTED		FISCAL YEAR 2007 PROPOSED GOALS	
	\$000	%	\$000	%	\$000	%
Total Obligations	N/A	N/A	N/A	N/A	N/A	N/A
Small Business	N/A	N/A	N/A	N/A	N/A	N/A
Small Business Set-Aside	N/A	N/A	N/A	N/A	N/A	N/A
8(a) Contracts	N/A	N/A	N/A	N/A	N/A	N/A
Other Disadvantaged Business	N/A	N/A	N/A	N/A	N/A	N/A
Woman-owned Business	N/A	N/A	N/A	N/A	N/A	N/A
<b>M&amp;O CONTRACTS</b>						
Total Obligations	40,422	100.0	46,487	100	46,703	100.0
Small Business	16770	41.49	18,596	40.0	19,255	41.3
Small Disadvantaged Business	3,859	9.55	2,324	5.0	2,942	6.3
8(a) Contracts	N/A	N/A	1,162	2.5	Included in SDB	Included in SDB
Veteran Owned Small Business	N/A	N/A	N/A	N/A	N/A	N/A
Service-Disabled Veteran Owned Small Business	269	.67	325	.7	607	1.3
HUBZone Small Business	1,609	3.98	1,394	3.0	1,027	2.2
Small Woman-Owned Business	2,873	7.11	2,789	6.0	2,708	5.8
<b>M&amp;O SUBCONTRACTS -\$00</b>						
Total Obligations	425	100	399	100	339	100
Small Business	183	43.0	269	67.4	213	62.8
Small Disadvantaged Business	15	3.5	116	29.0	116	34.2
Service-Disabled Veteran Owned Small Business	0	0	17	4.2	4	1.1
Small Woman-Owned Business	49	11.5	24	6.0	24	7.0
HUBZone Small Business	0	0	17	4.2	4	1.1

Prepared By: Mary Leingang (504) 734-4419

Date: September 20, 2006 Rev. 1