

Stingray Gas Plant COST ALLOCATIONS								
Stingray Plant Cost Allocation - Gas delivered to the Stingray Pipeline								
YEAR	2008	2009	2010	2011	2012	2013	2014	2015
Allowed Costs	85%	85%	85%	85%	85%	85%	85%	85%
Disallowed Costs	15%	15%	15%	15%	15%	15%	15%	15%
	100%	100%	100%	100%	100%	100%	100%	100%
Fuel Allowed	85%	85%	85%	85%	85%	85%	85%	85%
Fuel Disallowed	15%	15%	15%	15%	15%	15%	15%	15%
	100%	100%	100%	100%	100%	100%	100%	100%

These UCAs are based on the most current information available (see "Disclaimer for ONRR Unbundling Website")

**STINGRAY GAS PROCESSING PLANT
SIMPLIFIED EXAMPLE FOR 2015 UCA**

This example does not represent all contractual situations or include all transportation and processing fees that may be charged.

Royalty Rate:	12.50%	Wellhead Volume:	1,500 MMBtu
Bundled Processing Rate:	\$1.00 Per MMBtu	Residue Volume:	1,100 MMBtu
Residue Gas Price:	\$3.00 Per MMBtu	Plant Shrink Volume:	200 MMBtu
NGL Price:	\$1.10 Per Gallon	Field Fuel:	100 MMBtu
NGL Volume:	2,000 Gallons	Plant Fuel:	100 MMBtu
			1,500 Ties to Wellhead MMBtu
			1,400 Inlet MMBtu

VOLUME AND VALUE REPORTING

Residue MMBtu	Total Plant Fuel MMBtu	Unbundling Plant Fuel Allocation	Disallowed/Allowed Plant Fuel MMBtu (B * C)	Total Residue MMBtu (A + E)
A	B	C	D	F
1,100	100	15% Non-Allowed	15	1,115
		85% Allowed	85	
		100%	100	

MMBtu	Residue Gas Price	Sales Value (A * B)
A	B	C
1,115	\$3.00	\$3,345.00

The calculation accounts for plant fuel CFR 1202.151(b). Therefore, you may not as a processing allowance

Gallons	NGL Price	Sales Value (A * B)
A	B	C
2,000	\$1.10	\$2,200.00

ALLOWANCE REPORTING

MMBtu	Bundled Rate/Price	Total Bundled Processing Cost (A * B)	Allowed Unbundling Cost Allocation	Allowed Processing Cost (C * D)	Royalty Rate	Total Processing Allowance (E * F)
A	B	C	D	E	F	G
1,400	\$1.00	(\$1,400.00)	85%	(\$1,190.00)	12.50%	(\$148.75)

*Processing Rate Cost

* Review your contract to determine if processing cost is based on inlet or wellhead volume and revise calculation accordingly. For this example, the processing cost is based on the inlet volume.

ROYALTY REPORTING

Product Code/Product	NGL Sales Volume (Gal)	Gas Sales Volume (MMBtu)	Sales Value	Royalty Value Prior to Allowances (D * 12.5%)	Processing Allowance	Royalty Value Less Allowances (E + F)
A	B	C	D	E	G	H
03 Residue Gas		1,115	\$3,345.00	\$418.13	-	\$418.13
07 Natural Gas Liquids	2,000		\$2,200.00	\$275.00	(\$148.75)	\$126.25
					Royalty Due ONRR	<u>\$544.38</u>

For Percentage-of-Proceeds or Keepwhole agreements, you must apply the UCAs to determine the allowed fuel, transportation, and processing allowances.

Note to Reporters:

If you need assistance with royalty reporting, contact your representative with ONRR Financial Management. The listing of Financial Management contacts is located at: <http://www.onrr.gov/ReportPay/PDFDocs/royassign.pdf>

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