



## BOEM Economic Assumptions for BSEE Discretionary Royalty Relief Applications

Effective March 1, 2022

Updated table of economic parameters:

Parameter	Minimum	Most Likely	Maximum	Dependency
Version of RSVP		2.14		
Year of Initial Oil Price		2022		
Initial Oil Price, landed (2022 \$/bbl)	\$70.33	\$85.50	\$99.18	
Real Oil Price Growth Rate 1	-10.14%	-9.68%	-8.15%	
Year Second Oil Scenario Starts	2nd rates are first applied to infer 2026 price from 2025			
Real Oil Price Growth Rate 2	-1.81%	0.13%	0.80%	
Year Third Oil Scenario Starts	3rd rates are first applied to infer 2032 price from 2031			
Real Oil Price Growth Rate 3	-0.06%	1.63%	2.78%	
Year of Initial Gas Price		2022		
Initial Gas Price, landed (2022 \$/Mcf)	\$3.57	\$4.70	\$5.73	+1 with Oil Start Price
Real Gas Price Growth Rate 1	-8.66%	-10.20%	-10.70%	+1 with Oil Growth Rate 1
Year Second Gas Scenario Starts	2nd rates are first applied to infer 2026 price from 2025			
Real Gas Price Growth Rate 2	-0.83%	0.24%	1.33%	+1 with Oil Growth Rate 2
Year Third Gas Scenario Starts	3rd rates are first applied to infer 2032 price from 2031			
Real Gas Price Growth Rate 3	0.19%	0.71%	3.23%	+1 with Oil Growth Rate 3
Federal Income Tax Rate		21%		
Base Year for Discounted Cash Flow	Year of Application Date			
Discount Rate Range for Gulf of Mexico Shallow Water (0-200m) (nominal)	0%		25%	
Discount Rate Range for Gulf of Mexico Deep Water (>200m) for project using subsea tiebacks requiring enhanced flow assurance technologies <sup>1</sup> (nominal)	0%		20%	
Discount Rate Range for All Other Areas/Cases (nominal)	10%		15%	
Random Number Seed		104		
Overhead Cost Allowance		5%		

<sup>1</sup> For additional information regarding such applications for royalty relief, please contact BSEE.

The following table represents the vector of **Most Likely** oil and gas prices (real, 2022\$) of the BOEM Economic Assumptions for BSEE Discretionary Royalty Relief Applications.

	Oil (\$/bbl)	Gas (\$/mcf)
Year	Most Likely	Most Likely
2022	\$ 85.50	\$ 4.70
2023	\$ 77.22	\$ 4.22
2024	\$ 69.75	\$ 3.79
2025	\$ 63.00	\$ 3.40
2026	\$ 63.08	\$ 3.41
2027	\$ 63.17	\$ 3.42
2028	\$ 63.25	\$ 3.42
2029	\$ 63.33	\$ 3.43
2030	\$ 63.42	\$ 3.44
2031	\$ 63.50	\$ 3.45
2032	\$ 64.53	\$ 3.47
2033	\$ 65.58	\$ 3.50
2034	\$ 66.65	\$ 3.52
2035	\$ 67.73	\$ 3.55
2036	\$ 68.84	\$ 3.57
2037	\$ 69.96	\$ 3.60
2038	\$ 71.09	\$ 3.62
2039	\$ 72.25	\$ 3.65
2040	\$ 73.43	\$ 3.68
2041	\$ 74.62	\$ 3.70
2042	\$ 75.83	\$ 3.73
2043	\$ 77.07	\$ 3.75
2044	\$ 78.32	\$ 3.78
2045	\$ 79.60	\$ 3.81
2046	\$ 80.89	\$ 3.83
2047	\$ 82.21	\$ 3.86
2048	\$ 83.54	\$ 3.89
2049	\$ 84.90	\$ 3.92
2050	\$ 86.28	\$ 3.94
2051	\$ 87.69	\$ 3.97
2052	\$ 89.11	\$ 4.00
2053	\$ 90.56	\$ 4.03
2054	\$ 92.04	\$ 4.06
2055	\$ 93.53	\$ 4.09
2056	\$ 95.05	\$ 4.11
2057	\$ 96.60	\$ 4.14
2058	\$ 98.17	\$ 4.17
2059	\$ 99.77	\$ 4.20
2060	\$ 101.39	\$ 4.23
2061	\$ 103.04	\$ 4.26
2062	\$ 104.72	\$ 4.29
2063	\$ 106.42	\$ 4.32
2064	\$ 108.15	\$ 4.35
2065	\$ 109.91	\$ 4.38
2066	\$ 111.70	\$ 4.41
2067	\$ 113.52	\$ 4.45
2068	\$ 115.36	\$ 4.48
2069	\$ 117.24	\$ 4.51
2070	\$ 119.15	\$ 4.54
2071	\$ 121.09	\$ 4.57
2072	\$ 123.06	\$ 4.61