

WESTERN GULF OF MEXICO, LEASE SALE 233-2 (MARCH 19, 2014)

PHASE 2 DECISION INFORMATION MATRIX

Attached is a tabulation of selected information from the Bureau of Ocean Energy Management Phase 2 evaluation process for Sale 233-2. Abbreviations and codes are defined as follows:

Tract Types

- DD** - Drainage or Development Tract
- CW** - Confirmed or Wildcat Tract

Royalty Rates

- RS20** - 0-<200m water depth; possible royalty suspension volume of 35 bcf for >=20,000 feet; 18 3/4% Royalty Rate
- RS21** - 200-<400m water depth; possible royalty suspension volume of 35 bcf for >=20,000 feet; 18 3/4% Royalty Rate
- R21** - 400-<800m water depth; 18 3/4% Royalty Rate
- R22** - 800-<1600m water depth; 18 3/4% Royalty Rate
- R23** - >1600m water depth; 18 3/4% Royalty Rate
  
- MROV** - Mean of the Range-of-Value
- ADV** - Adjusted Delay Value
- RAM** - Revised Arithmetic - average Measure
- MED** - Median (50th percentile value)

Tract Decision Rules

- C** - Accept tract's High Bid in Phase 2: High Bid >= ADV.
- E** - Accept tract's High Bid in Phase 2: tract is Non-Viable.
- F** - Accept tract's High Bid in Phase 2: tract is CW with >= 3 bids where 3rd highest bid at least 50% of the highest qualified bid.
- V** - Accept tract's High Bid in Phase 2: tract is CW and passes a categorial fair market value (FMV) threshold measure test.
- M** - Accept tract's High Bid in Phase 2: ADV >= High Bid >= RAM
- N** - Accept tract's High Bid in Phase 2: MED < High Bid < RAM < ADV < DMROV, and < MROV
- R** - Reject tract's High Bid in Phase 2: High Bid is below tract's fair market value.

Lease Terms

- 0-<800 m water depth: 5 year lease term
- 800-<1600 m water depth: 7 year lease term
- >1600 m water depth: 10 year lease term

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Sale Number: 233-2

Page 1 of 1

Region Name: Gulf of Mexico OCS Region

Sale Identifier: WESTERN GULF OF MEXICO

Sale Date: MARCH 19, 2014

OCS NUMBER	AREA CODE/ PROT NO	BLOCK NO.	ACRES/ HECTARES	TRACT TYPE	HIGH BID	MROV	MED	ADV	RAM	ADJ # BIDS	ROYALTY RATE	TRACT DEC. RULE
G35162	AC	954	5760.00	A CW	\$12,851,000	\$576,000		\$576,000	NA	1	18 3/4% R23	E
G35163	AC	955	5760.00	A CW	\$7,214,600	\$576,000		\$576,000	NA	1	18 3/4% R23	E
G35164	AC	998	595.19	A CW	\$1,268,250	\$59,600		\$59,600	NA	1	18 3/4% R23	E