

EASTERN GULF OF MEXICO OCS LEASE SALE 197 (MARCH 16, 2005)

PHASE 1 DECISION MATRIX

Attached herewith is the Phase 1 Decision Matrix for the Eastern Gulf of Mexico OCS Lease Sale 197, (March 16, 2005)

The Phase 1 bid evaluation criteria are:

Rule A - Accept the highest qualified bid on confirmed and wildcat tracts determined to be nonviable.

Rule B - Accept the highest qualified bid on viable confirmed and wildcat tracts receiving three or more qualified bids where the third highest such bid on the tract is at least 50 percent of the highest qualified bid and the high bid per acre ranks in the top 75 percent of high bids for all three-or-more-bid tracts that reside within a specified water depth category (i.e., <800 meters or >=800 meters).

Rule I - Invalid high bid - deemed unacceptable during the adjudication process in accordance with notices/regulations available presale.

The tract type indicators cited herein are:

DD - Drainage or Development Tract

CW - Confirmed or Wildcat Tracts

The adjusted number of bids indicators cited herein are:

AL - Anomalous bids include all but the highest bid submitted for a tract by the same company, parent or subsidiary (bidding alone or jointly). Such bids are excluded when applying the number of bids rule or any bid adequacy measure.

IL - Illegal bids are those bids which do not comply with MMS regulations and the Notice of Sale. Any illegal high bid will be returned to the bidder.

The viable code indicators cited herein are:

NV - Nonviable tracts are those geographic or geologic configurations of hydrocarbons whose risk weighted most probable resource size is below the minimum economic field size for the relevant cost regime and anticipated future prices. The risk used is below the lowest level anticipated for any tract or prospect in the same cost regime.

V - Viable Tracts

TEP1MTRX

Sale Identifier: EASTERN GULF OF MEXICO

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Sale Number: 197

Sale Date: 16-MAR-2005

Region Name: Gulf of Mexico OCS Region

Sort Option: Lease Number

OCS NUMBER (1)	(2)	BLOCK NUMBER (3)	\$ HIGH BID	VIABLE CODES (5)	TRACT TYPE (6)	ADJUSTED NUMBER OF BIDS	MANAGER'S DECISION	
							Phase 1 Rule	REFER TO PHASE 2
G27428	LL	8	\$311,616.00			1		X
G27429	LL	90	\$312,480.00			1		X
G27430	LL	92	\$552,384.00			1		X
G27431	LL	272	\$2,037,379.00			1		X
G27432	DC	139	\$405,525.00			1		X
G27433	DC	448	\$248,256.00	NV	CW	1	Rule A	
G27434	DC	492	\$225,216.00	NV	CW	1	Rule A	
G27435	DC	531	\$312,480.00			1		X
G27436	DC	575	\$467,712.00			1		X
G27437	DC	712	\$229,958.00			1		X
G27438	DC	755	\$305,525.00			1		X
G27439	DC	797	\$1,566,000.00			1		X

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