

EASTERN GULF OF MEXICO, LEASE SALE 224 (MARCH 19, 2008)

PHASE 2 DECISION INFORMATION MATRIX

Attached is a tabulation of selected information from the Minerals Management Service's Phase 2 evaluation process for Sale 224. Abbreviations and codes are defined as follows:

Tract Types

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

Royalty Rates

- R20 - 800m and greater 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  $\geq$  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  $\geq$  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:  $ADV \geq High Bid \geq RAM$
- 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

- 000 - < 400m water depth: 5 year lease term
- 400 - < 800m water depth: 8 year lease term
- $\geq$  800m water depth: 10 year lease term

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Sale Number: 224

Page 1 of 2

Region Name: Gulf of Mexico OCS Region

Sale Identifier: EASTERN GULF OF MEXICO

Sale Date: MARCH 19, 2008

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
G32000	DC	592	5760.00 A	CW	\$1,288,888	\$216,000		\$216,000	NA	1	18 3/4% R20	E
G32001	DC	636	5760.00 A	CW	\$2,205,555	\$216,000		\$216,000	NA	2	18 3/4% R20	E
G32002	DC	637	5760.00 A	CW	\$1,315,555	\$216,000		\$216,000	NA	1	18 3/4% R20	E
G32003	DC	638	5760.00 A	CW	\$1,111,555	\$216,000		\$216,000	NA	1	18 3/4% R20	E
G32004	DC	639	5001.14 A	CW	\$587,887	\$187,575		\$187,575	NA	1	18 3/4% R20	E
G32005	DC	640	760.21 A	CW	\$280,555	\$28,538		\$28,538	NA	1	18 3/4% R20	E
G32006	DC	680	5760.00 A	CW	\$5,305,555	\$216,000		\$216,000	NA	2	18 3/4% R20	E
G32007	DC	681	5760.00 A	CW	\$5,285,555	\$216,000		\$216,000	NA	2	18 3/4% R20	E
G32008	DC	682	5760.00 A	CW	\$2,275,555	\$216,000		\$216,000	NA	2	18 3/4% R20	E
G32009	DC	683	5760.00 A	CW	\$1,285,555	\$216,000		\$216,000	NA	2	18 3/4% R20	E
G32010	DC	684	5193.04 A	CW	\$605,555	\$194,775		\$194,775	NA	1	18 3/4% R20	E
G32011	DC	685	1105.15 A	CW	\$285,555	\$41,475		\$41,475	NA	1	18 3/4% R20	E
G32012	DC	724	5760.00 A	CW	\$1,255,555	\$216,000		\$216,000	NA	1	18 3/4% R20	E
G32013	DC	725	5760.00 A	CW	\$5,285,555	\$216,000		\$216,000	NA	2	18 3/4% R20	E
G32014	DC	726	5760.00 A	CW	\$5,285,555	\$216,000		\$216,000	NA	2	18 3/4% R20	E
G32015	DC	727	5760.00 A	CW	\$3,385,555	\$216,000		\$216,000	NA	3	18 3/4% R20	E
G32016	DC	728	5760.00 A	CW	\$1,355,555	\$216,000		\$216,000	NA	3	18 3/4% R20	E
G32017	DC	729	5464.42 A	CW	\$1,158,885	\$204,938		\$204,938	NA	2	18 3/4% R20	E
G32018	DC	769	5760.00 A	CW	\$625,555	\$216,000		\$216,000	NA	1	18 3/4% R20	E
G32019	DC	770	5760.00 A	CW	\$628,555	\$216,000		\$216,000	NA	1	18 3/4% R20	E
G32020	DC	771	5760.00 A	CW	\$1,558,885	\$216,000		\$216,000	NA	2	18 3/4% R20	E
G32021	DC	772	5760.00 A	CW	\$1,758,885	\$216,000		\$216,000	NA	2	18 3/4% R20	E
G32022	DC	773	5739.19 A	CW	\$1,825,555	\$215,250		\$215,250	NA	3	18 3/4% R20	E
G32023	DC	815	5760.00 A	CW	\$505,555	\$216,000		\$216,000	NA	1	18 3/4% R20	E
G32024	DC	816	5760.00 A	CW	\$505,555	\$216,000		\$216,000	NA	1	18 3/4% R20	E
G32025	DC	817	5754.08 A	CW	\$887,885	\$215,813		\$215,813	NA	1	18 3/4% R20	E

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Page 2 of 2

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G32026	DC	818	.09 A	CW	\$2,005	\$38		\$38	NA	1	18 3/4% R20	E
G32027	LL	243	5760.00 A	CW	\$701,340	\$216,000		\$216,000	NA	2	18 3/4% R20	E
G32028	LL	244	5760.00 A	CW	\$4,819,940	\$216,000		\$216,000	NA	2	18 3/4% R20	E
G32029	LL	245	5760.00 A	CW	\$711,680	\$216,000		\$216,000	NA	1	18 3/4% R20	E
G32030	LL	287	5760.00 A	CW	\$703,010	\$216,000		\$216,000	NA	1	18 3/4% R20	E
G32031	LL	288	5760.00 A	CW	\$384,377	\$216,000		\$216,000	NA	2	18 3/4% R20	E
G32032	LL	289	5760.00 A	CW	\$8,049,750	\$216,000		\$216,000	NA	3	18 3/4% R20	E
G32033	LL	331	5760.00 A	CW	\$702,670	\$216,000		\$216,000	NA	1	18 3/4% R20	E
G32034	LL	332	5760.00 A	CW	\$255,020	\$216,000		\$216,000	NA	1	18 3/4% R20	E
G32035	LL	333	5760.00 A	CW	\$527,006	\$216,000		\$216,000	NA	2	18 3/4% R20	E