

CENTRAL GULF OF MEXICO, LEASE SALE 241 (MARCH 23, 2016)

**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 241.

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  $\geq 20,000$  feet; 18 3/4% Royalty Rate
- RS21** - 200-<400m water depth; possible royalty suspension volume of 35 bcf for  $\geq 20,000$  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  $\geq$  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**

- 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

PHASE 2 DECISION INFORMATION MATRIX

Sale Number: 241

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Region Name: Gulf of Mexico OCS Region

Sale Identifier: CENTRAL GULF OF MEXICO

Sale Date: MARCH 23, 2016

OCS NUMBER	AREA CODE/	BLOCK NO.	ACRES/ HECTARES	TRACT TYPE	HIGH BID	MROV	MED	ADV	RAM	ADJ # BIDS	ROYALTY RATE	TRACT DEC.
G35777	EC	48	5000.00	A CW	\$125,000	\$125,000		\$125,000	NA	1	18 3/4% RS20	E
G35778	EC	313	5000.00	A CW	\$127,346	\$125,000		\$125,000	NA	1	18 3/4% RS20	E
G35779	EC	320	5000.00	A CW	\$127,346	\$125,000		\$125,000	NA	1	18 3/4% RS20	E
G35780	EC	357	5000.00	A CW	\$169,169	\$125,000		\$125,000	NA	2	18 3/4% RS20	E
G35781	EC	359	5000.00	A CW	\$174,680	\$125,000		\$125,000	NA	2	18 3/4% RS20	C
G35782	VR	86	5000.00	A CW	\$125,000	\$125,000		\$125,000	NA	1	18 3/4% RS20	E
G35783	VR	128	5000.00	A CW	\$184,184	\$125,000		\$125,000	NA	1	18 3/4% RS20	E
G35784	SM	152	2500.00	A CW	\$305,503	\$62,500		\$62,500	NA	1	18 3/4% RS20	E
G35785	EI	254	5000.00	A CW	\$217,000	\$125,000		\$125,000	NA	1	18 3/4% RS20	E
G35786	EI	322	5000.00	A CW	\$127,346	\$125,000		\$125,000	NA	1	18 3/4% RS20	E
G35787	SS	118	2500.00	A CW	\$71,250	\$62,500		\$62,500	NA	1	18 3/4% RS20	E
G35788	SS	188	5027.24	A CW	\$200,202	\$125,700		\$125,700	NA	1	18 3/4% RS20	E
G35789	SS	286	5000.00	A CW	\$265,000	\$230,000		\$230,000	NA	1	18 3/4% RS20	C
G35790	ST	107	5000.00	A CW	\$250,250	\$125,000		\$125,000	NA	2	18 3/4% RS20	E
G35791	ST	147	5000.00	A CW	\$156,519	\$125,000		\$125,000	NA	1	18 3/4% RS20	E
G35792	ST	171	5000.00	A CW	\$125,000	\$125,000		\$125,000	NA	1	18 3/4% RS20	E
G35793	ST	179	5000.00	A CW	\$137,523	\$125,000		\$125,000	NA	1	18 3/4% RS20	E
G35794	ST	180	5000.00	A CW	\$127,523	\$125,000		\$125,000	NA	1	18 3/4% RS20	E
G35795	ST	181	5000.00	A CW	\$140,000	\$125,000		\$125,000	NA	1	18 3/4% RS20	E
G35796	ST	184	5000.00	A CW	\$215,000	\$125,000		\$125,000	NA	1	18 3/4% RS20	E
G35797	PL	12	2500.00	A CW	\$66,156	\$62,500		\$62,500	NA	1	18 3/4% RS20	E
G35798	ST	255	5000.00	A CW	\$156,749	\$125,000		\$125,000	NA	1	18 3/4% RS20	E
G35799	ST	256	5000.00	A CW	\$156,749	\$125,000		\$125,000	NA	1	18 3/4% RS20	E
G35800	ST	318	5000.00	A CW	\$134,749	\$125,000		\$125,000	NA	1	18 3/4% RS20	E
G35802	MP	274	4994.55	A CW	\$675,576	\$124,875		\$124,875	NA	2	18 3/4% RS20	E
G35803	VK	779	5760.00	A CW	\$144,000	\$144,000		\$144,000	NA	1	18 3/4% RS21	E
R G35804	VK	992	5760.00	A CW	\$1,555,555	\$7,600,000		\$7,000,000	NA	1	18 3/4% R22	R
G35805	EW	789	5760.00	A CW	\$1,206,749	\$144,000		\$144,000	NA	1	18 3/4% RS21	E
G35806	EW	828	3730.68	A CW	\$93,883	\$93,275		\$93,275	NA	1	18 3/4% RS20	E
G35807	EW	918	5760.00	A CW	\$612,216	\$576,000		\$576,000	NA	1	18 3/4% R21	E
G35808	MC	247	5760.00	A CW	\$761,108	\$576,000		\$576,000	NA	1	18 3/4% R22	E
G35809	MC	267	2178.08	A CW	\$59,923	\$54,475		\$54,475	NA	1	18 3/4% RS21	E

R DENOTES TRACT WITH REJECTED HIGH

PHASE 2 DECISION INFORMATION MATRIX

Sale Number: 241

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Region Name: Gulf of Mexico OCS Region

Sale Identifier: CENTRAL GULF OF MEXICO

Sale Date: MARCH 23, 2016

OCS NUMBER	AREA CODE/	BLOCK NO.	ACRES/ HECTARES	TRACT TYPE	HIGH BID	MROV	MED	ADV	RAM	ADJ # BIDS	ROYALTY RATE	TRACT DEC.
G35810	MC	291	5760.00	A CW	\$636,829	\$576,000		\$576,000	NA	1	18 3/4% R22	E
G35811	MC	292	5760.00	A CW	\$710,624	\$576,000		\$576,000	NA	2	18 3/4% R22	E
G35812	MC	293	5760.00	A CW	\$710,624	\$576,000		\$576,000	NA	1	18 3/4% R22	E
G35813	MC	305	5760.00	A CW	\$1,110,000	\$576,000		\$576,000	NA	1	18 3/4% R23	E
G35814	MC	312	5760.00	A CW	\$158,423	\$144,000		\$144,000	NA	1	18 3/4% RS21	E
G35815	MC	341	5760.00	A CW	\$921,681	\$576,000		\$576,000	NA	1	18 3/4% R23	C
R G35816	MC	346	5760.00	A CW	\$695,695	\$3,300,000		\$2,800,000	NA	1	18 3/4% R23	R
G35817	MC	358	2318.09	A CW	\$60,874	\$57,975		\$57,975	NA	1	18 3/4% RS21	E
G35818	MC	359	2105.85	A CW	\$67,777	\$52,650		\$52,650	NA	1	18 3/4% RS21	E
G35819	MC	360	5003.05	A CW	\$149,900	\$125,100		\$125,100	NA	1	18 3/4% RS21	E
G35820	MC	381	5760.00	A CW	\$621,681	\$576,000		\$576,000	NA	1	18 3/4% R23	E
G35821	MC	385	5760.00	A CW	\$6,500,000	\$5,500,000		\$4,400,000	NA	3	18 3/4% R23	C
G35822	MC	390	5760.00	A CW	\$845,845	\$576,000		\$576,000	NA	1	18 3/4% R23	E
G35823	MC	430	5760.00	A CW	\$921,681	\$576,000		\$576,000	NA	2	18 3/4% R23	C
G35824	MC	434	5760.00	A CW	\$13,687,108	\$576,000		\$576,000	NA	2	18 3/4% R23	C
G35825	MC	474	5760.00	A CW	\$712,060	\$576,000		\$576,000	NA	1	18 3/4% R23	C
G35826	MC	478	5760.00	A CW	\$1,089,624	\$576,000		\$576,000	NA	2	18 3/4% R23	E
G35827	MC	505	5760.00	A CW	\$596,383	\$576,000		\$576,000	NA	1	18 3/4% R22	E
G35828	MC	518	5760.00	A CW	\$8,021,690	\$3,400,000		\$2,600,000	NA	3	18 3/4% R23	C
R G35829	MC	589	5760.00	A CW	\$596,383	\$3,000,000		\$3,000,000	NA	1	18 3/4% R22	R
G35830	MC	611	5760.00	A CW	\$7,010,624	\$576,000		\$576,000	NA	2	18 3/4% R23	C
G35831	MC	749	5760.00	A CW	\$2,975,975	\$1,900,000		\$1,900,000	NA	1	18 3/4% RS21	C
G35832	MC	750	5760.00	A CW	\$1,185,185	\$576,000		\$576,000	NA	1	18 3/4% R21	E
G35833	MC	759	5760.00	A CW	\$1,190,190	\$576,000		\$576,000	NA	1	18 3/4% R22	E
G35834	MC	767	5760.00	A DD	\$7,089,624	\$8,900,000		\$6,300,000	NA	2	18 3/4% R22	C
G35835	MC	796	5760.00	A CW	\$1,475,475	\$576,000		\$576,000	NA	1	18 3/4% R21	E
G35836	MC	804	5760.00	A CW	\$975,975	\$576,000		\$576,000	NA	1	18 3/4% R22	E
G35837	MC	988	5760.00	A CW	\$1,321,681	\$830,000		\$810,000	NA	2	18 3/4% R22	C
G35838	MC	989	5760.00	A CW	\$1,355,355	\$1,200,000		\$1,100,000	NA	2	18 3/4% R22	C
G35839	DC	663	5760.00	A CW	\$5,200,120	\$4,600,000		\$3,500,000	NA	2	18 3/4% R23	C
G35840	DC	707	5760.00	A CW	\$1,200,120	\$840,000		\$640,000	NA	2	18 3/4% R23	C
G35841	DC	708	5760.00	A CW	\$620,120	\$576,000		\$576,000	NA	1	18 3/4% R23	E

R DENOTES TRACT WITH REJECTED HIGH

PHASE 2 DECISION INFORMATION MATRIX

Sale Number: 241

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Region Name: Gulf of Mexico OCS Region

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Sale Date: MARCH 23, 2016

OCS NUMBER	AREA CODE/	BLOCK NO.	ACRES/ HECTARES	TRACT TYPE	HIGH BID	MROV	MED	ADV	RAM	ADJ # BIDS	ROYALTY RATE	TRACT DEC.
G35842	GB	412	5760.00	A CW	\$621,681	\$576,000		\$576,000	NA	1	18 3/4% R21	E
G35843	GB	413	5760.00	A CW	\$621,681	\$576,000		\$576,000	NA	1	18 3/4% R21	C
G35844	GB	457	5760.00	A CW	\$621,681	\$576,000		\$576,000	NA	1	18 3/4% R21	C
G35845	GB	544	5760.00	A CW	\$621,681	\$576,000		\$576,000	NA	1	18 3/4% R21	E
G35846	GB	556	5760.00	A CW	\$610,624	\$576,000		\$576,000	NA	1	18 3/4% R22	E
G35847	GB	584	5760.00	A CW	\$621,681	\$576,000		\$576,000	NA	1	18 3/4% R21	E
G35848	GB	585	5760.00	A CW	\$621,681	\$576,000		\$576,000	NA	1	18 3/4% R22	E
G35849	GB	586	5760.00	A CW	\$621,681	\$576,000		\$576,000	NA	1	18 3/4% R22	E
G35850	GB	603	5760.00	A CW	\$697,324	\$576,000		\$576,000	NA	1	18 3/4% R22	E
G35851	GB	629	5760.00	A CW	\$621,681	\$576,000		\$576,000	NA	1	18 3/4% R22	E
G35852	GB	649	5760.00	A CW	\$610,624	\$576,000		\$576,000	NA	1	18 3/4% R22	E
G35853	GB	736	5760.00	A CW	\$710,624	\$576,000		\$576,000	NA	1	18 3/4% R22	E
G35854	GB	822	5760.00	A CW	\$1,398,324	\$576,000		\$576,000	NA	2	18 3/4% R22	E
G35855	GB	824	5760.00	A CW	\$710,624	\$576,000		\$576,000	NA	1	18 3/4% R22	E
G35856	GC	69	5760.00	A CW	\$2,765,270	\$2,500,000		\$2,500,000	NA	1	18 3/4% R21	C
G35857	GC	70	5760.00	A CW	\$1,565,270	\$576,000		\$576,000	NA	1	18 3/4% R21	C
G35858	GC	79	5760.00	A CW	\$621,681	\$576,000		\$576,000	NA	1	18 3/4% R21	E
G35859	GC	154	5760.00	A CW	\$1,150,150	\$576,000		\$576,000	NA	1	18 3/4% R21	E
G35860	GC	169	5760.00	A CW	\$921,681	\$576,000		\$576,000	NA	1	18 3/4% R22	E
G35861	GC	170	5760.00	A CW	\$721,681	\$576,000		\$576,000	NA	1	18 3/4% R22	E
G35862	GC	345	5760.00	A CW	\$624,624	\$740,000		\$576,000	NA	1	18 3/4% R22	C
G35863	GC	388	5760.00	A CW	\$2,425,126	\$576,000		\$576,000	NA	1	18 3/4% R22	C
G35864	GC	389	5760.00	A CW	\$1,560,560	\$2,100,000		\$1,100,000	NA	2	18 3/4% R22	C
G35865	GC	390	5760.00	A CW	\$1,560,560	\$576,000		\$576,000	NA	1	18 3/4% R22	C
G35866	GC	431	5760.00	A CW	\$2,125,126	\$1,100,000		\$940,000	NA	1	18 3/4% R22	C
G35867	GC	433	5760.00	A CW	\$1,560,560	\$770,000		\$576,000	NA	1	18 3/4% R22	C
G35868	GC	434	5760.00	A CW	\$624,624	\$576,000		\$576,000	NA	1	18 3/4% R22	C
R G35869	GC	437	4312.84	A CW	\$621,681	\$1,900,000		\$1,600,000	NA	1	18 3/4% R22	R
G35870	GC	475	5760.00	A CW	\$13,225,126	\$6,300,000		\$5,200,000	NA	1	18 3/4% R22	C
R G35871	GC	481	4591.87	A CW	\$571,681	\$2,700,000		\$2,300,000	NA	1	18 3/4% R22	R
G35872	GC	523	5760.00	A CW	\$822,126	\$576,000		\$576,000	NA	1	18 3/4% R22	E
G35873	GC	550	5760.00	A CW	\$1,089,624	\$576,000		\$576,000	NA	1	18 3/4% R22	E

R DENOTES TRACT WITH REJECTED HIGH

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OCS NUMBER	AREA CODE/	BLOCK NO.	ACRES/ HECTARES	TRACT TYPE	HIGH BID	MROV	MED	ADV	RAM	ADJ # BIDS	ROYALTY RATE	TRACT DEC.
G35874	GC	551	5760.00	A CW	\$3,500,624	\$576,000		\$576,000	NA	1	18 3/4% R22	E
G35875	GC	675	5760.00	A CW	\$676,108	\$576,000		\$576,000	NA	1	18 3/4% R23	E
G35876	GC	681	5760.00	A CW	\$761,108	\$576,000		\$576,000	NA	1	18 3/4% R23	E
G35877	GC	725	5760.00	A CW	\$626,829	\$576,000		\$576,000	NA	1	18 3/4% R23	E
G35878	GC	818	5760.00	A CW	\$752,003	\$576,000		\$576,000	NA	1	18 3/4% R23	E
G35879	GC	895	5760.00	A CW	\$624,624	\$576,000		\$576,000	NA	1	18 3/4% R23	E
G35880	GC	936	5760.00	A CW	\$626,829	\$576,000		\$576,000	NA	1	18 3/4% R23	E
G35881	AT	314	5760.00	A CW	\$624,624	\$576,000		\$576,000	NA	1	18 3/4% R22	E
G35882	LL	272	5760.00	A CW	\$627,324	\$576,000		\$576,000	NA	1	18 3/4% R23	E
G35883	LL	665	5760.00	A CW	\$716,829	\$576,000		\$576,000	NA	1	18 3/4% R23	E
G35884	LL	753	5760.00	A CW	\$616,202	\$576,000		\$576,000	NA	1	18 3/4% R23	E
G35885	LL	754	5760.00	A CW	\$616,108	\$576,000		\$576,000	NA	1	18 3/4% R23	E
G35886	KC	61	5760.00	A CW	\$957,324	\$1,300,000		\$750,000	NA	1	18 3/4% R22	C
G35887	KC	75	5760.00	A CW	\$1,838,108	\$576,000		\$576,000	NA	1	18 3/4% R23	E
G35888	KC	105	5760.00	A CW	\$797,324	\$900,000		\$630,000	NA	1	18 3/4% R22	C
G35889	KC	106	5760.00	A CW	\$1,007,324	\$1,100,000		\$850,000	NA	1	18 3/4% R22	C
G35891	KC	921	5760.00	A CW	\$600,000	\$576,000		\$576,000	NA	1	18 3/4% R23	E
G35892	KC	965	5760.00	A CW	\$2,250,000	\$576,000		\$576,000	NA	1	18 3/4% R23	E
G35893	WR	21	5760.00	A CW	\$695,695	\$576,000		\$576,000	NA	1	18 3/4% R23	E
G35894	WR	106	5760.00	A CW	\$624,624	\$1,800,000		\$576,000	NA	1	18 3/4% R23	C
G35895	WR	150	5760.00	A CW	\$624,624	\$770,000		\$576,000	NA	1	18 3/4% R23	C
G35896	WR	274	5760.00	A CW	\$2,400,120	\$3,000,000		\$2,100,000	NA	1	18 3/4% R23	C
G35897	WR	275	5760.00	A CW	\$1,200,120	\$576,000		\$576,000	NA	1	18 3/4% R23	C
G35898	WR	289	5760.00	A CW	\$1,206,557	\$576,000		\$576,000	NA	1	18 3/4% R23	E
G35899	WR	333	5760.00	A CW	\$2,866,687	\$576,000		\$576,000	NA	1	18 3/4% R23	E
R G35901	WR	594	5760.00	A CW	\$609,009	\$4,300,000		\$2,000,000	NA	1	18 3/4% R23	R
R G35902	WR	595	5760.00	A CW	\$609,009	\$7,800,000		\$4,000,000	NA	1	18 3/4% R23	R
G35903	WR	620	5760.00	A CW	\$650,000	\$576,000		\$576,000	NA	1	18 3/4% R23	C
G35904	WR	621	5760.00	A CW	\$925,000	\$1,900,000		\$810,000	NA	1	18 3/4% R23	C

R DENOTES TRACT WITH REJECTED HIGH