



BOEM Economic Assumptions for BSEE Discretionary Royalty Relief Applications

Effective November 19, 2019

Updated table of economic parameters:

Parameter	Minimum	Most Likely	Maximum	Dependency
Version of RSVP		2.14		
Year of Initial Oil Price		2019		
Initial Oil Price, landed (2019\$/bbl)	\$49.69	\$60.40	\$70.06	
Real Oil Price Growth Rate 1	-1.85%	-1.34%	0.33%	
Year Second Oil Scenario Starts	2 nd rates are first applied to infer 2023 price from 2022			
Real Oil Price Growth Rate 2	-0.09%	1.65%	2.47%	
Year Third Oil Scenario Starts	3 rd rates are first applied to infer 2029 price from 2028			
Real Oil Price Growth Rate 3	-0.03%	1.83%	2.79%	
Year of Initial Gas Price		2019		
Initial Gas Price, landed (2019\$/Mcf)	\$2.24	\$2.74	\$3.23	+1 with Oil Start Price
Real Gas Price Growth Rate 1	1.10%	1.94%	2.51%	+1 with Oil Growth Rate 1
Year Second Gas Scenario Starts	2 nd rates are first applied to infer 2023 price from 2022			
Real Gas Price Growth Rate 2	1.56%	2.43%	3.54%	+1 with Oil Growth Rate 2
Year Third Gas Scenario Starts	3 rd rates are first applied to infer 2029 price from 2028			
Real Gas Price Growth Rate 3	0.38%	0.97%	3.50%	+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)	0%		25%	
Discount Rate Range for All Other Areas	10%		15%	
Random Number Seed		104		
Overhead Cost Allowance		5%		