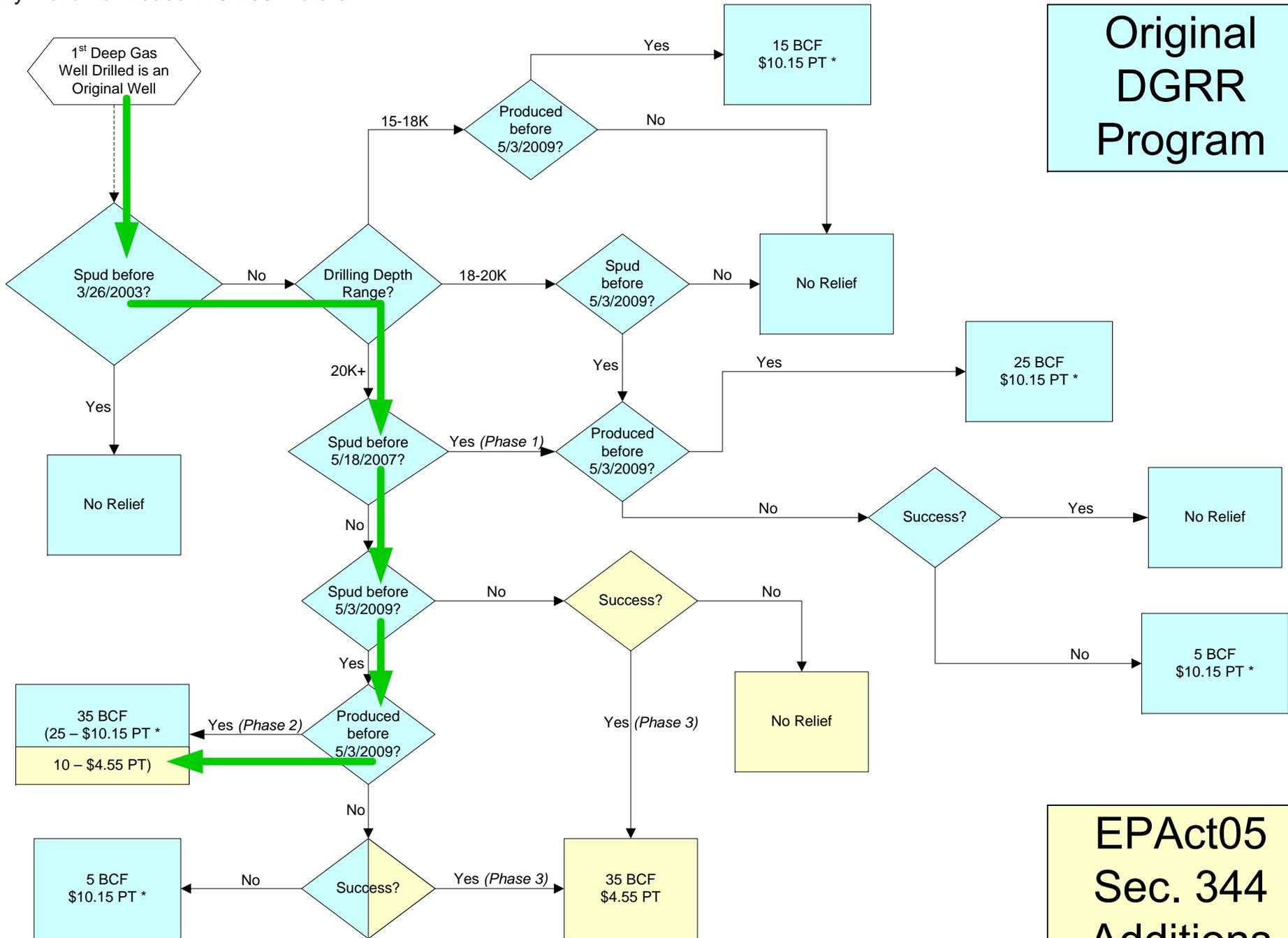


Royalty Relief for Lease in 0-200 meters

Original DGRR Program



EPA Act 05 Sec. 344 Additions

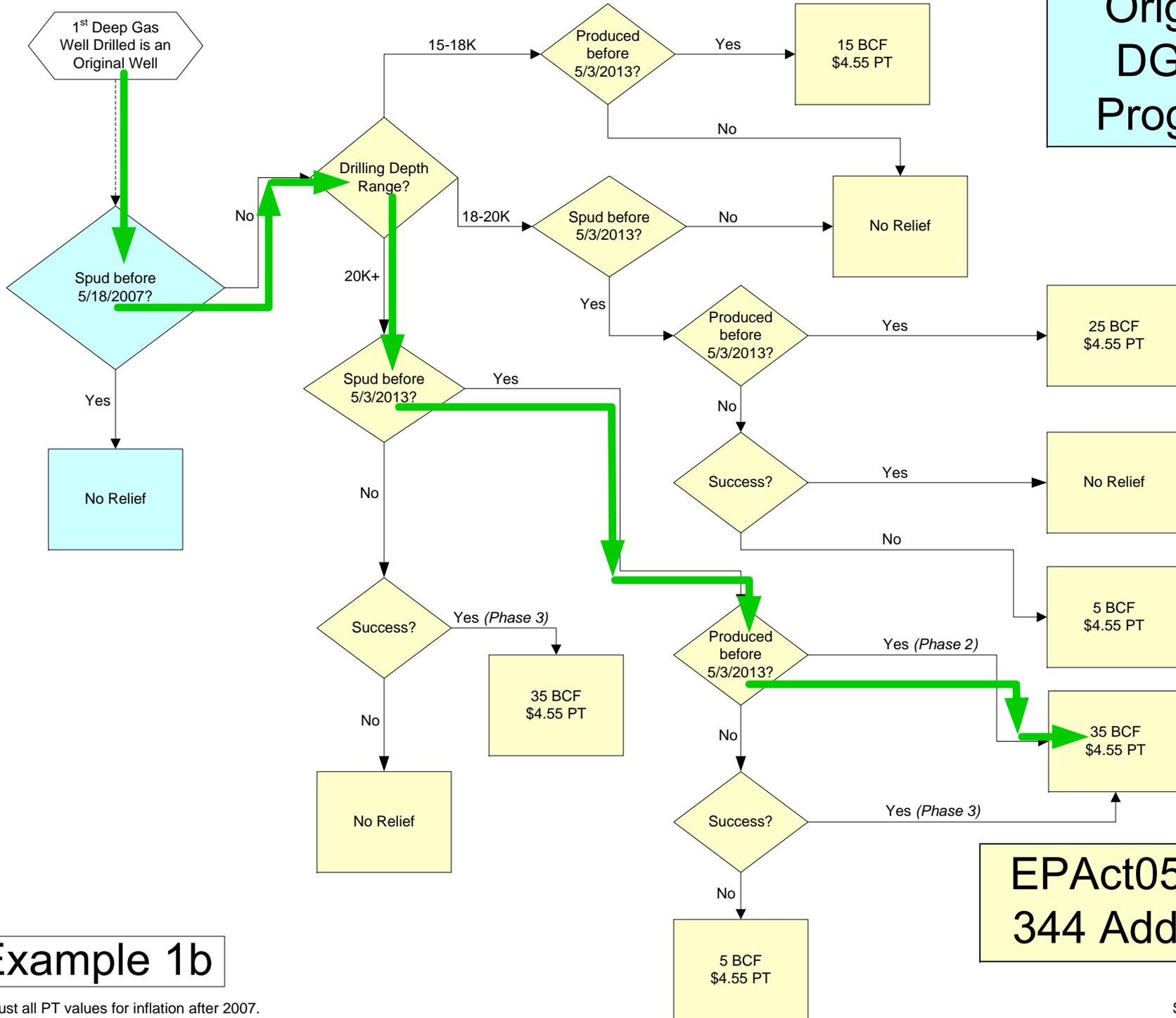
Example 1a

Adjust all PT values for inflation after 2007.

* A different price threshold (\$4.55) would apply if the lease is issued at least 30 days after the Final Rule.

Royalty Relief for Lease in 200-400 meters

Original
DGRR
Program



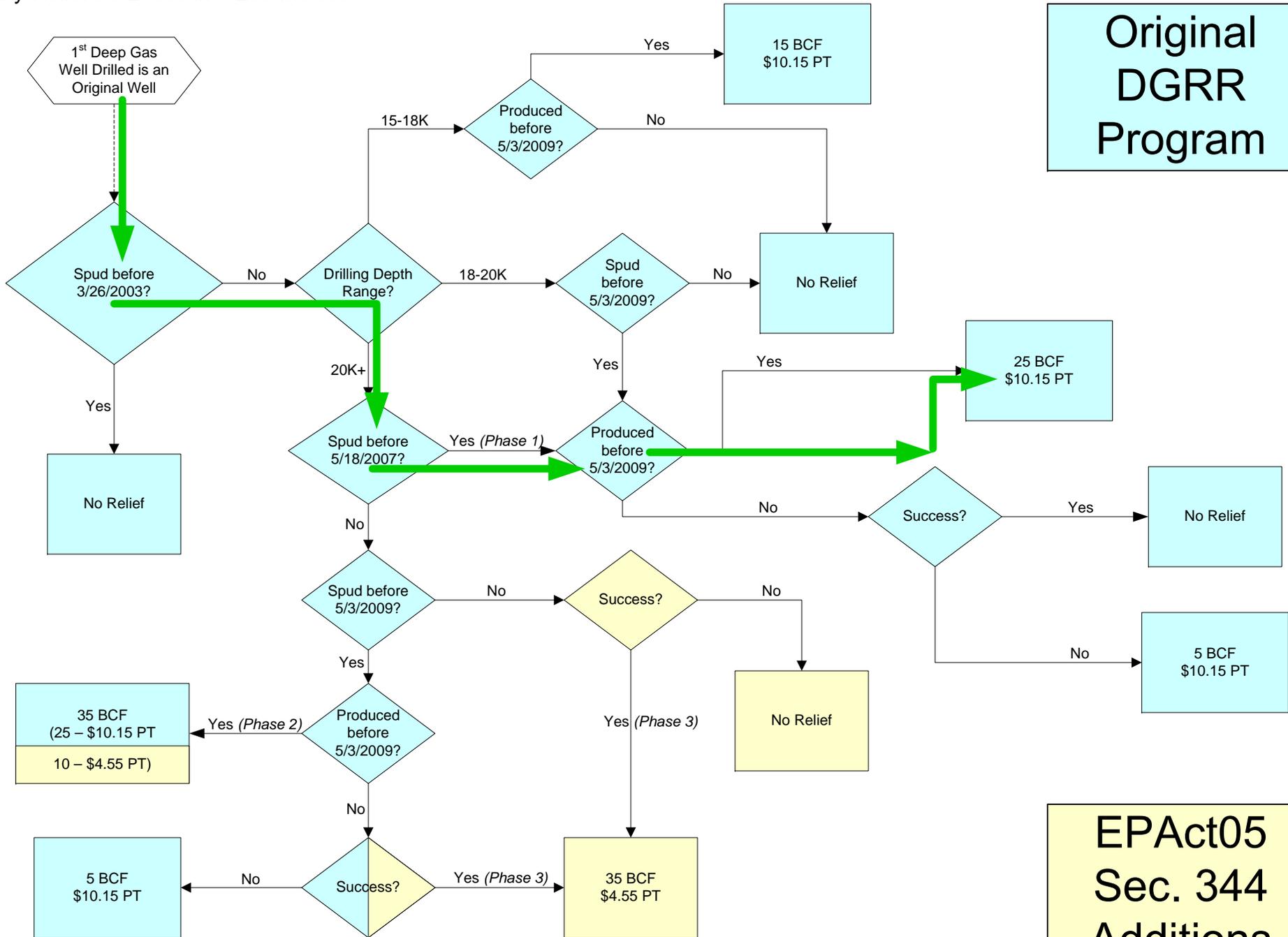
EPAct05 Sec.
344 Additions

Example 1b

Adjust all PT values for inflation after 2007.

Royalty Relief for Lease in 0-200 meters

**Original
DGRR
Program**



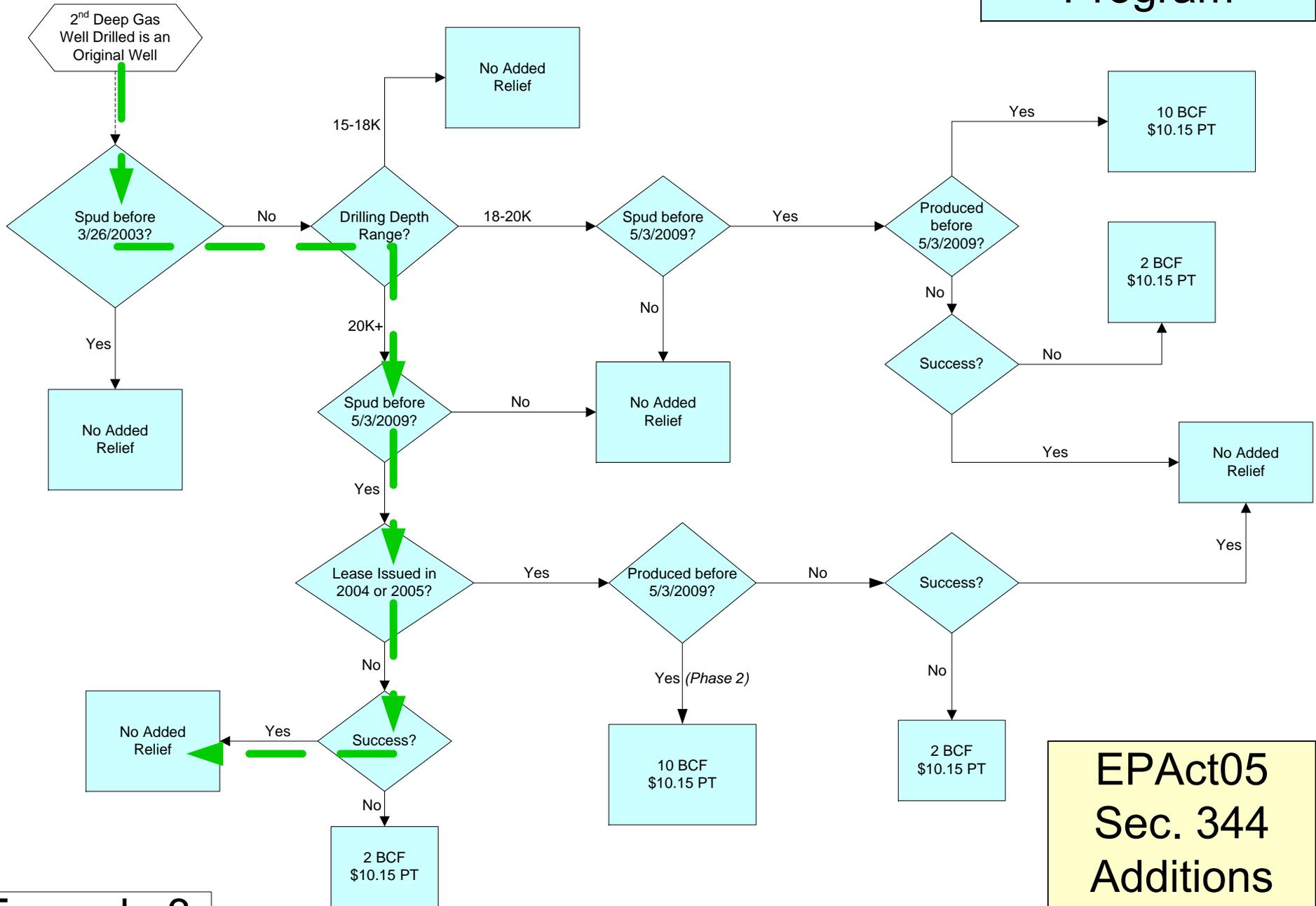
**EPA Act 05
Sec. 344
Additions**

Example 2

Adjust all PT values for inflation after 2007.

Royalty Relief for Lease in 0-200 meters,
 1st Successful Deep Gas Well Drilled is to 15,000-18,000 feet TVD Subsea

Original DGRR Program



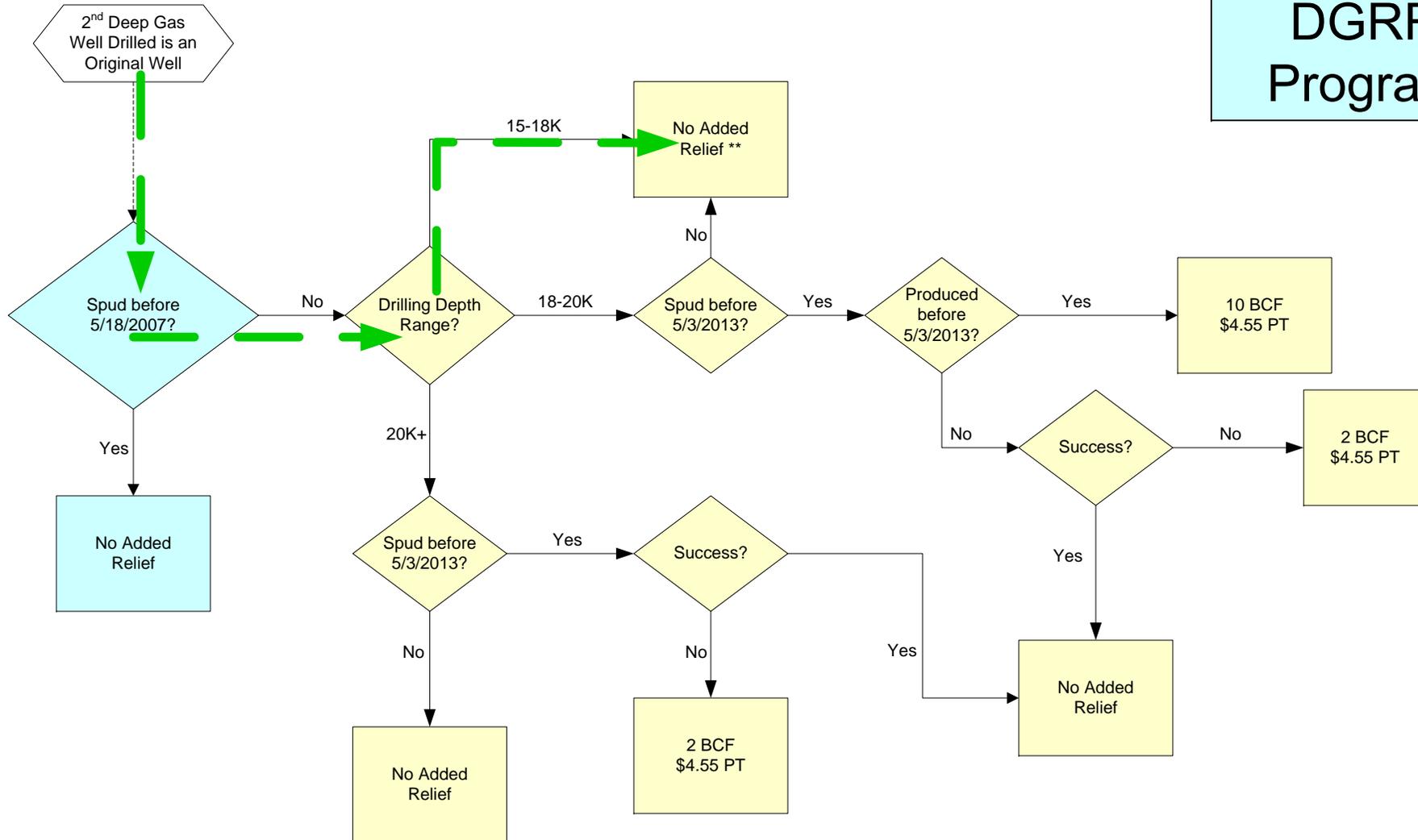
Example 3

Adjust all PT values for inflation after 2007.

**EPA Act 05
 Sec. 344
 Additions**

Royalty Relief for Lease in 200-400 meters,
 1st Successful Deep Gas Well Drilled is to >20,000 feet TVD Subsea (See Example 1b)

Original
 DGRR
 Program



EPAAct05
 Sec. 344
 Additions

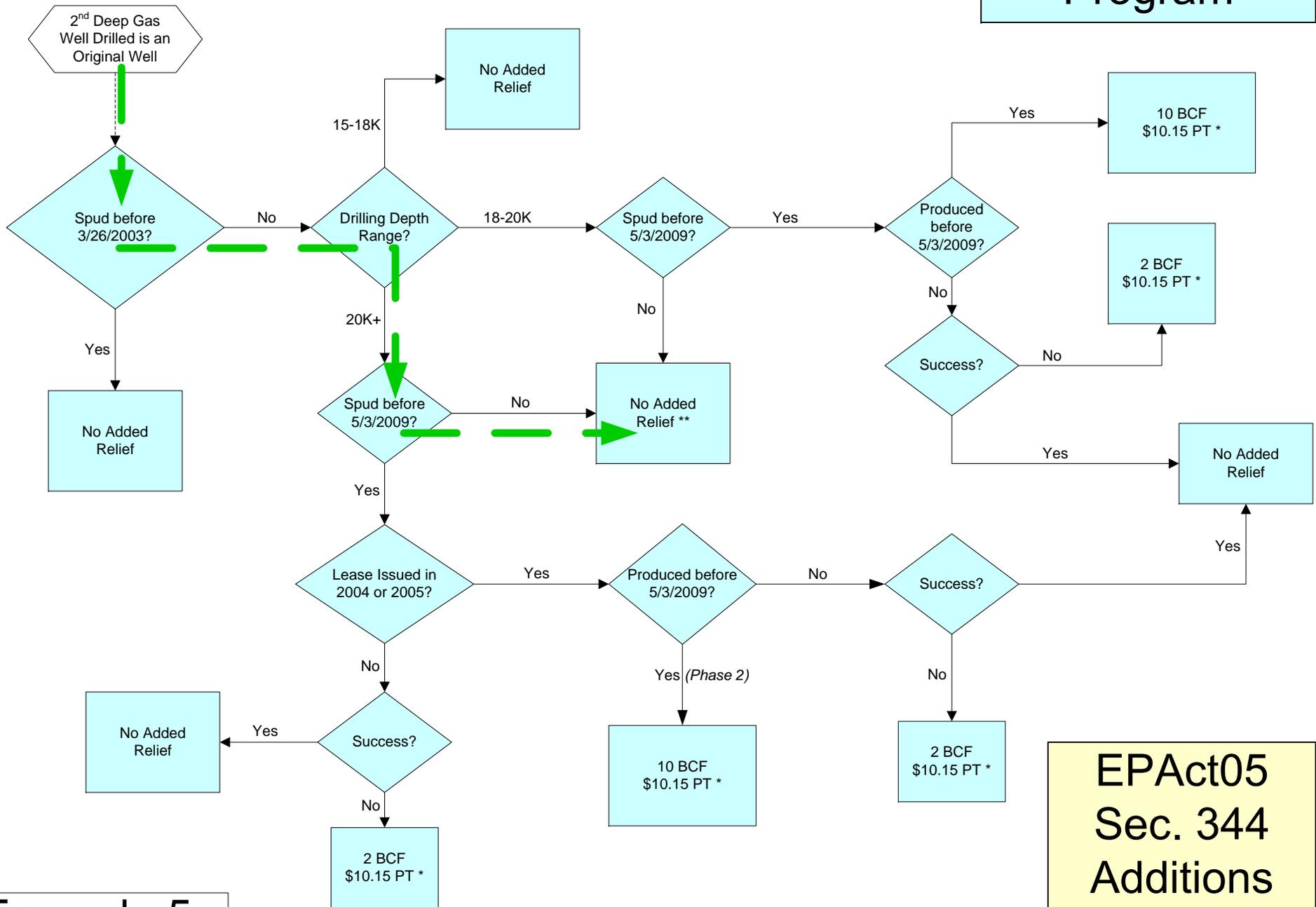
Example 4

Adjust all PT values for inflation after 2007.

** Shares any relief still available from 1st successful deep well

Royalty Relief for Lease in 0-200 meters,
 1st Successful Deep Gas Well Drilled is to 15,000-18,000 feet TVD Subsea

Original DGRR Program



Example 5a

**EPA Act 05
 Sec. 344
 Additions**

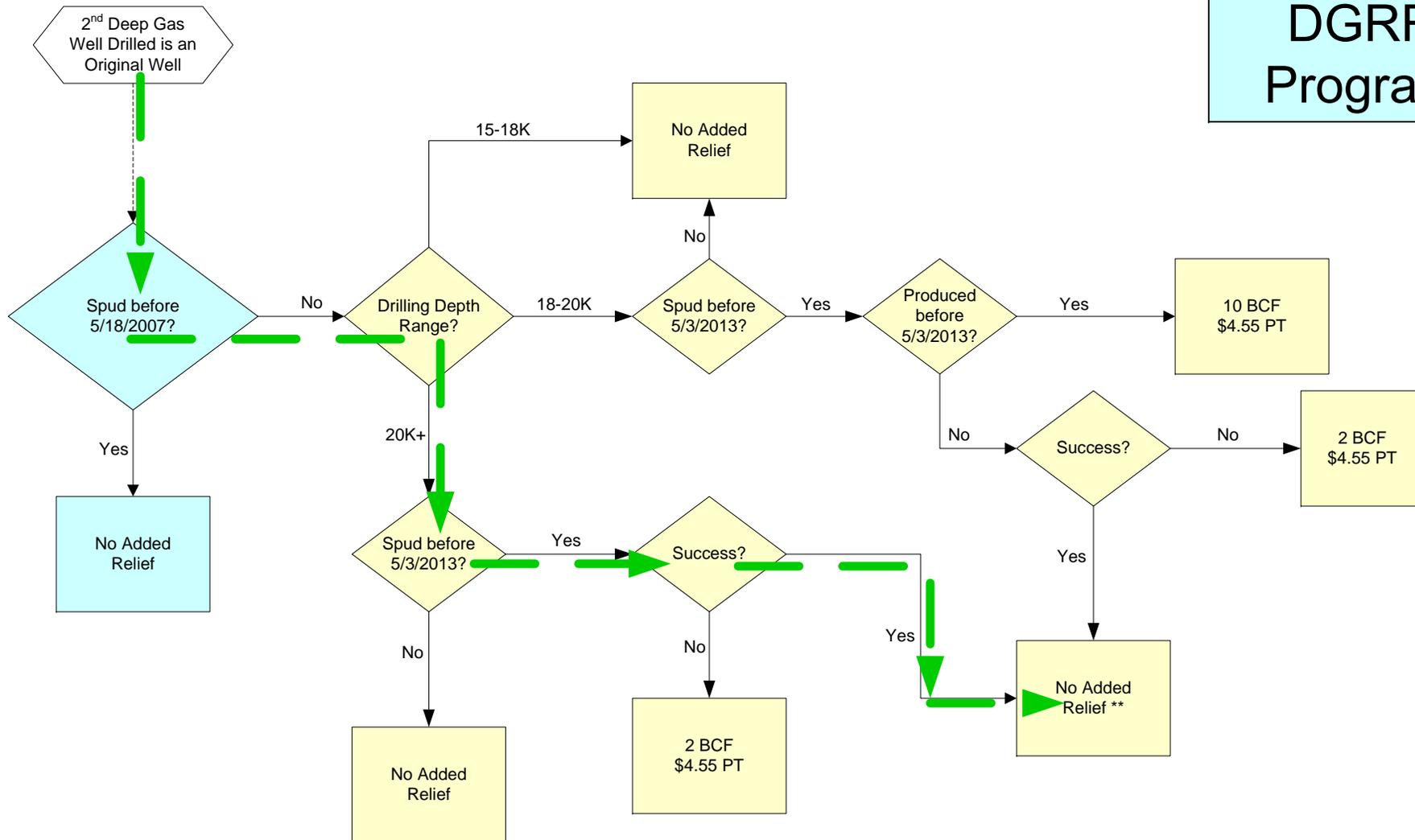
* A different price threshold (\$4.55) would apply if the lease is issued at least 30 days after the Final Rule.

** Shares any relief still available from 1st successful deep well

Adjust all PT values for inflation after 2007.

Royalty Relief for Lease in 200-400 meters,
 1st Successful Deep Gas Well Drilled is to 15,000-18,000 feet TVD Subsea

Original
 DGRR
 Program



EPAAct05
 Sec. 344
 Additions

Example 5b

Adjust all PT values for inflation after 2007.

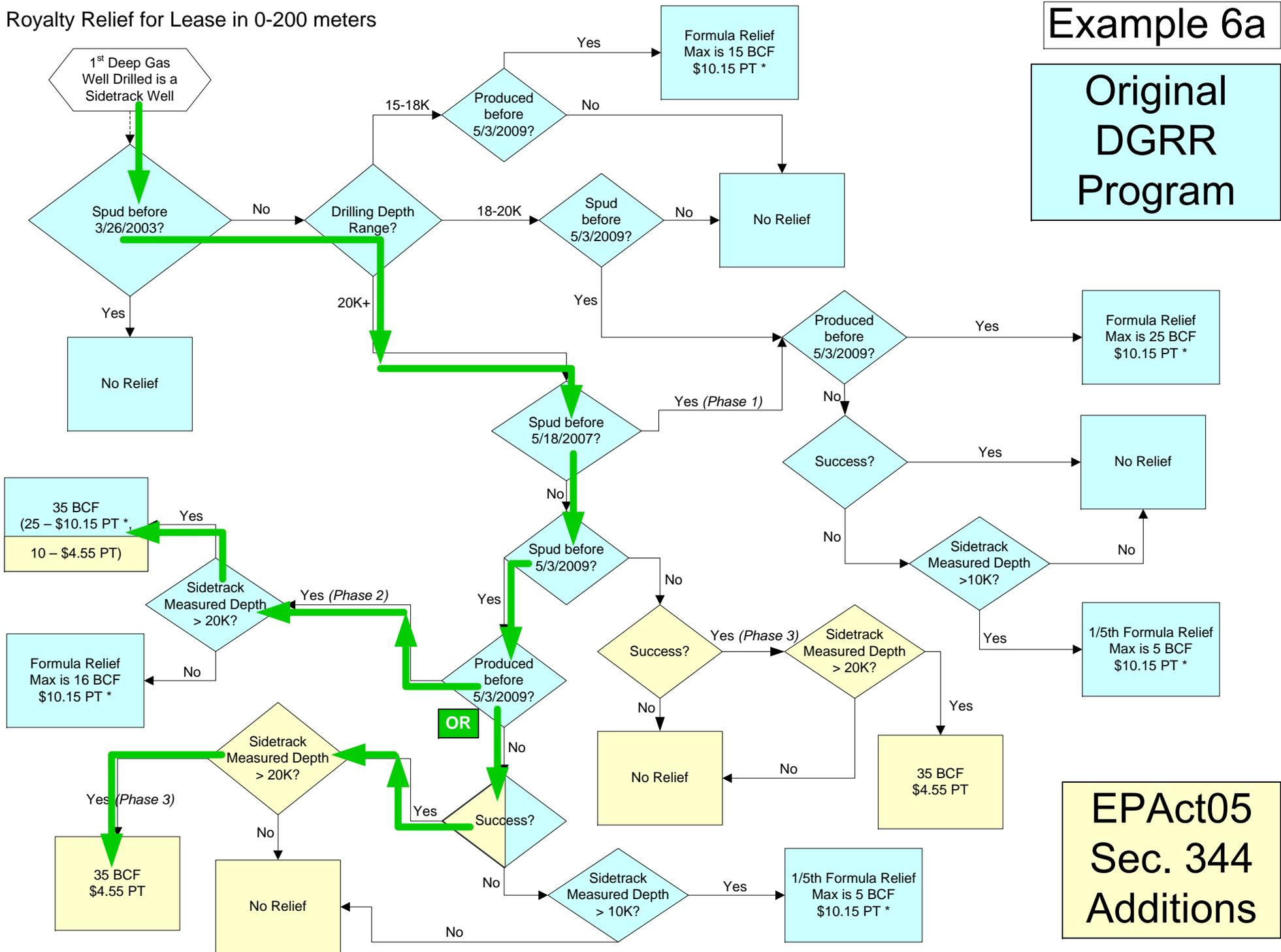
** Shares any relief still available from 1st successful deep well

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Royalty Relief for Lease in 0-200 meters

Example 6a

Original DGRR Program



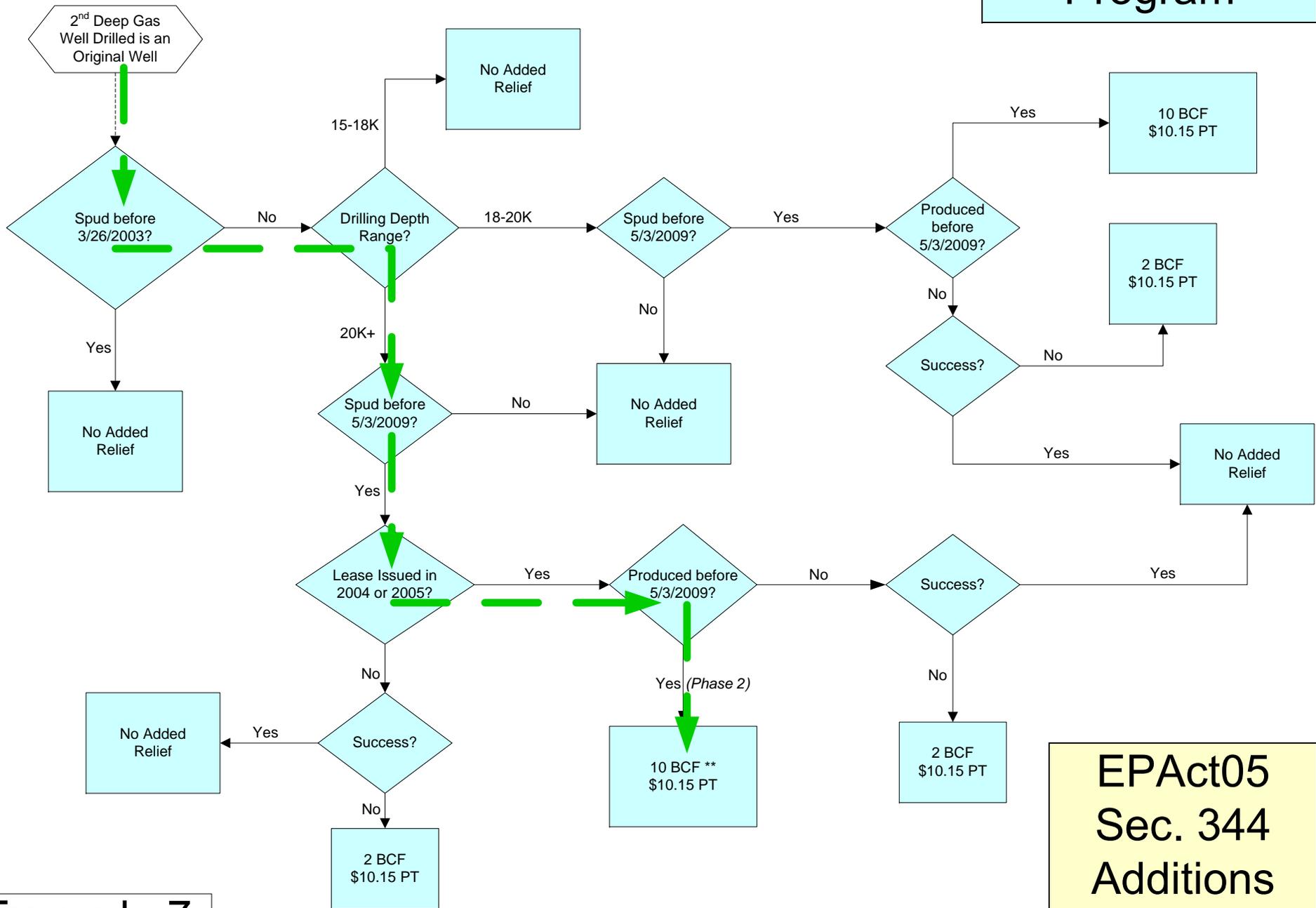
EPA Act 05
Sec. 344
Additions

Adjust all PT values for inflation after 2007.

* A different price threshold (\$4.55) would apply if the lease is issued at least 30 days after the Final Rule.

Royalty Relief for Lease in 0-200 meters, Issued Between 1/1/04 and 12/31/05,
 1st Successful Deep Gas Well Drilled is to 15,000-18,000 feet TVD Subsea

Original DGRR Program



**EPA Act 05
 Sec. 344
 Additions**

Example 7

Adjust all PT values for inflation after 2007.

** Shares any relief still available from 1st successful deep well

Version
 September 24, 2008