

Price Thresholds Above Which Full Royalties Are  
Due Not Withstanding Volume Suspensions

**Deep Water Oil**

Deflator		Oil Price Threshold (\$/bbl)		Actual (\$/bbl)
Calendar Year	Implicit Price Deflator for GDP	For DWRRA <sup>1</sup>	For Deep Water Leases Sold in 2001	Average NYMEX Nearby Delivery
1994	96.01	\$28.00		
1995	98.10	\$28.61		
1996	100.00	\$29.16		\$21.99
1997	101.95	\$29.73		\$20.63
1998	103.20	\$30.10		\$14.43
1999	104.65	\$30.52		\$19.26
2000	107.04	\$31.22	\$28.00	\$30.25
2001	109.37	\$31.90	\$28.61	\$25.99
2002	110.66	\$32.27	\$28.95	\$26.10
2003e	112.42	\$32.78	\$29.41	
<b>NYMEX Year-to-Date 2003 Average</b>				\$30.97
Dec Average Needed to Suspend Relief		\$52.65	\$12.25	
Estimated (e) Threshold Target Price Level		\$32.78	\$29.41	
Gap Between Threshold and Current Average		\$1.81	-\$1.56	

**Deep Water Natural Gas**

Deflator		Gas Price Threshold (\$/MMBTU)		Actual (\$/MMBTU)
Calendar Year	Implicit Price Deflator for GDP	For DWRRA <sup>1</sup>	For Deep Water Leases Sold in 2001	Average NYMEX Nearby Delivery
1994	96.01	\$3.50		
1995	98.10	\$3.58		
1996	100.00	\$3.65		\$2.50
1997	101.95	\$3.72		\$2.42
1998	103.20	\$3.76		\$2.16
1999	104.65	\$3.81		\$2.31
2000	107.04	\$3.90	\$3.50	<b>\$4.33</b>
2001	109.37	\$3.99	\$3.58	<b>\$4.06</b>
2002	110.66	\$4.03	\$3.62	\$3.36
2003e	112.42	\$4.10	\$3.68	
<b>NYMEX Year-to-Date 2003 Average</b>				\$5.40
Dec Average Needed to Suspend Relief		-\$10.20	-\$15.20	
Estimated (e) Threshold Target Price Level		\$4.10	\$3.68	
Gap Between Threshold and Current Average		-\$1.30	-\$1.72	

**Shallow Water, Deep Natural Gas**

Calendar Year	Deflator Implicit Price Deflator for GDP	Gas Price Threshold (\$/MMBTU)		Actual (\$/MMBTU) Average NYMEX Nearby Delivery
		Sale 178 Well Depths >15,000 ft	Sales After 178	
2000	107.04	\$3.50	\$5.00	<b>\$4.33</b>
2001	109.37	\$3.58	\$5.11	<b>\$4.06</b>
2002	110.66	\$3.62	\$5.17	\$3.36
2003e	112.42	\$3.68	\$5.25	
<b>NYMEX Year-to-Date 2003 Average</b>				\$5.40
Dec Average Needed to Suspend Relief		-\$15.20	\$3.60	
Estimated (e) Threshold Target Price Level		\$3.68	\$5.25	
Gap Between Threshold and Current Average		-\$1.72	-\$0.15	

Footnote: 1. These price thresholds apply to pre-act leases, certain eligible leases, and leases issued in 2002 and 2003.

Note: The implicit price deflator for the 2003 GDP is an estimate (e). Inflation data may be revised.

Sources: **NYMEX - OIL WORLD**  
[www.oilenergy.com/1onymex.htm](http://www.oilenergy.com/1onymex.htm)  
[www.oilenergy.com/1gnymex.htm](http://www.oilenergy.com/1gnymex.htm)

Data for Implicit Price Deflator for GDP:	
2002 IV	111.25
2003 I	111.90
2003 II	112.18
2003 III	112.65
Source: <a href="http://www.bea.doc.gov">http://www.bea.doc.gov</a>	

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