

**Opal Plant  
Cost Allocation**

The Opal UCAs are for the plant only.

**Opal Plant Cost Allocation - Gas Delivered to Ruby / Colorado Interstate Gas/  
Questar / Northwest / Kern River pipelines**

YEAR	2008	2009	2010	2011	2012	2013
Allowed Costs	41%	44%	52%	44%	45%	50%
Disallowed Costs	59%	56%	48%	56%	55%	50%
	100%	100%	100%	100%	100%	100%
Fuel Allowed	41%	44%	52%	44%	45%	50%
Fuel Disallowed	59%	56%	48%	56%	55%	50%
	100%	100%	100%	100%	100%	100%

**Opal Gas Processing Plant  
SIMPLIFIED EXAMPLE FOR 2013 UCA**

This example does not represent all contractual situations or include all transportation and processing fees that may be charged.

Royalty Rate:	12.50%	Wellhead Volume:	1,000 MMBtu
Bundled Processing Rate:	\$1.00 Per Gallon	Residue Volume:	800 MMBtu
Residue Gas Price:	\$4.00 Per MMBtu	Plant Shrink Volume:	100 MMBtu
NGL Price:	\$1.10 Per Gallon	Field Fuel:	70 MMBtu
NGL Volume:	1,500 Gross Gallons	Plant Fuel:	30 MMBtu
			1,000 Ties to Wellhead MMBtu
			930 Inlet MMBtu

**VOLUME AND VALUE REPORTING**

**Residue Volume (PC 03)**

Residue MMBtu	Total Plant Fuel MMBtu	Unbundling Plant Fuel Allocation	Disallowed/Allowed Plant Fuel MMBtu (B * C)	Total Residue MMBtu (A + E)
A	B	C	D	F
800	30	50% Non-Allowed 50% Allowed 100.00%	15 15 30	815

**Residue Value (PC 03)**

MMBtu	Residue Gas Price	Sales Value (A * B)
A	B	C
815	\$4.00	\$3,260.00

*udes the plant fuel allowed royalty free per 30 CFR 1202.151(b). Therefore, you may not take plant fuel as a processing allowance.*

**NGL Value (PC 07)**

Gallons	NGL Price	Sales Value (A * B)
A	B	C
1,500	\$1.10	\$1,650.00

**ALLOWANCE REPORTING**

**Processing Allowance PC 07**

MMBtu	Bundled Rate/Price	Total Bundled Processing Cost (A * B)	Allowed Unbundling Cost Allocation	Allowed Processing Cost (C * D)	Royalty Rate <sup>4</sup>	Total Processing Allowance (E * F)
A	B	C	D	E	F	G
930	\$1.00	(\$930.00)	50%	(\$465.00)	12.50%	(\$58.13)

\* Review your contract to determine if processing cost is based on inlet or wellhead volume and revise calculation accordingly.  
For this example, the processing cost is based on NGL Gallons.

**ROYALTY REPORTING**

Product Code/ Product	NGL Sales Volume (Gal)	Gas Sales Volume (MMBtu)	Sales Value	Royalty Value Prior to Allowances  (D * 12.5%)	Transportation Allowance	Processing Allowance	Royalty Value Less Allowances  (E + F + G)
A	B	C	D	E	F	G	H
03 Residue		815	\$3,260.00	\$407.50	-		\$407.50
07 Natural Gas Liquids	1,500		\$1,650.00	\$206.25	-	(\$58.13)	\$148.12
						Royalty Due ONRR	<u>\$555.62</u>

*For Percentage-of-Proceeds or Keepwhole agreements, you must apply the UCAs to determine the allowed fuel, transportation, and processing allowances.*

**Note to Reporters:**

*If you need assistance with royalty reporting, contact your representative with ONRR Financial Management.*

*The listing of Financial Management contacts is located at: <http://www.onrr.gov/ReportPay/PDFDocs/royassign.pdf>*