

YSCLOSKEY PLANT COST ALLOCATION					
YEAR	2008	2009	2010	2011	2012
Allowed Costs	88%	88%	88%	88%	88%
Disallowed Costs	12%	12%	12%	12%	12%
	100%	100%	100%	100%	100%
Fuel Allowed	88%	88%	88%	88%	88%
Fuel Disallowed	12%	12%	12%	12%	12%
	100%	100%	100%	100%	100%

ONRR calculated these UCAs using the most current information available (see "Disclaimer for ONRR Unbundling Website")

**Yscloskey Gas Plant  
SIMPLIFIED EXAMPLE FOR 2012 UCA**

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

Btu Factor	1,048	Wellhead Volume:	1,000 MMBtu	954 Mcf
Royalty Rate:	12.5%	Residue Volume:	800 MMBtu	763 Mcf
Bundled Processing Rate :	\$1.00 Per MCF	Plant Shrink Volume:	100 MMBtu	95 Mcf
Residue Gas Price:	\$5.00 Per MMBtu	Field Fuel:	50	48
Weighted Average NGL Price:	\$2.00 Per Gallon	Plant Fuel:	50 MMBtu	48 Mcf
NGL Volume:	2,000 Gross Gallons			
NGL Retainage %:	10%		1,000 Ties to Wellhead MMBtu	954 Ties to Wellhead Mcf
Net Volume	1,800 Net Gallons		950 Inlet MMBtu	906 Inlet Mcf

**VOLUME AND VALUE REPORTING**

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	E	F
800	50	12% Non-Allowed		6	806
	50	88% Allowed		44	
		100.00%		50	

**Residue Value (PC 03)**

MMBtu	Residue Gas Price	Sales Value (A * B)
A	B	C
806	\$5.00	\$4,030.00

*The calculation excludes 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
2,000	\$2.00	\$4,000.00

**ALLOWANCE REPORTING**

	Volume	Bundled Rate/ Price	Total Bundled Processing Cost (A * B)	Allowed Unbundling Cost Allocation	Allowed Processing Cost (C * D)	Royalty Rate	Total Processing Allowance (E * F)
	A	B	C	D	E	F	G
*Processing Rate Cost per MCF	906	\$1.00	(\$906.00)	88%	(\$797.28)	12.50%	(\$99.66)
NGL Retainage Cost (Gallons)	200	\$2.00	(\$400.00)	88%	(\$352.00)	12.50%	(\$44.00)
					Total Processing Cost		(\$143.66)

\* 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%)	Processing Allowance	Royalty Value Less Allowances (E + F)
A	B	C	D	E	F	G
03 Residue		806	\$4,030.00	\$503.75		503.75
07 Natural Gas Liquids	2,000		\$4,000.00	\$500.00	(\$143.66)	\$356.34
					Royalty Due ONRR	\$860.09

*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/PDFDoes/royassign.pdf>

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