Minerals Management Service **October 30, 2008**
Unrestricted RIK Crude Oil Sale
IFO No. MMS-RIKOIL-2009-UNR-001
Summary of Amendments

Exhibit A:

- Packages 1, 4, and 9 have been removed from the sale due to extensive hurricane damage, do not submit offers. Total estimated volume for the sale is now 81,230 bbls/day.

- For packages 5-8, an additional option was added as the oil is currently flowing from Auger P/L into Poseidon P/L into Houma. Normal flow from Auger P/L into Bonito P/L and Ship Shoal P/L is expected to commence by Jan-09. However, in the event it doesn't and flow continues on Poseidon P/L, an offer needs to be made on both routes.

Exhibit B:

- The Incentive Program Rate for package 20 was revised from $.75 to $.45

INVITATION FOR OFFER – UNRESTRICTED RIK CRUDE OIL SALE
IFO No. MMS-RIKOIL-2009-UNR-001
Deliveries beginning January 1, 2009

Introduction

The Minerals Management Service (MMS) of the U.S. Department of the Interior is requesting written offers from pre-qualified companies (see "Pre-qualification and Credit Requirements" section) to buy royalty oil and condensate produced from certain Federal leases in the Gulf of Mexico.

This Invitation for Offer (IFO) is for a sales term beginning January 1, 2009 (see "Term" section). Buyers will take custody of the royalty oil at the applicable custody transfer points shown in Exhibit A and will be responsible for moving the royalty oil downstream of this point.

Offers must be made in writing and submitted via email to rikoiloffers@mms.gov or facsimile (303-462-9944) by 10:00 am MT on Wednesday November 5, 2008. The MMS will confirm receipt of all offers. **Royalty oil packages will be awarded by 2:00 pm MT on November 7, 2008**.

Please call the contacts below for additional information:

- Robert Kronebusch for technical and contracting questions at 303-231-3510
- David Denson for pre-qualification or credit questions at 281-987-6807
- Bernie Muniz for payment and accounting questions at 303-231-3854

Offer Requirements

- Offers must be submitted on the Offer Sheet along with any additional comments or offer caveats
- Offers must be to the nearest $0.0001. MMS will assume missing numbers are zeros if the offer is not to four decimal places
- Offers must reflect total consideration
- Submit offers to the email address or fax number shown above and not to any other MMS contacts

Failure to comply with the offer requirements may disqualify a company's offer. The MMS reserves the right to reject any offer.

Offers

Exhibit A is the Offer Sheet to be completed and emailed or faxed. Exhibit A identifies 61 packages of royalty oil including details on Facility Measurement Point (FMP) operators, pipelines, and custody transfer points. Data in the Exhibit is not warranted and offerors can contact the appropriate parties for the most recent information. The royalty volumes shown for each custody transfer point represent the most recent production data available for properties behind the custody transfer point. Other pertinent information such as leases/agreements, operators, and royalty rates will be provided to the buyer upon award.

Most of the volumes shown in Exhibit A are estimates prior to Hurricanes Gustav and Ike. For FMPs where we were aware of damage to platforms or pipelines, we contacted the operators for their best estimate of flow starting January 1, 2009. The properties behind Packages 3 (EI 360 E), 8 (EI 397 A) and 12 (GC 65 A) sustained damages during the hurricanes and are under repair, see Notes A-C on Exhibit A.

Please see the "Quality" section of this IFO for more information on how to account for gravity and sulfur in the offer. For hurricane surcharges, offerors should follow standard industry practice and include the surcharge(s) in the offer.

- For all **HLS** packages, buyers will be responsible for the Empire exit fee (also known as outbound terminal or pump out fee) and reconsignment fee, when applicable.
- For packages 5 through 8, not all of the barrels are able to flow down Bonito Pipeline from Auger Pipeline because of pressure issues at EI 330/331, therefore the overflow is prorated down Auger Pipeline. An offer needs to be submitted for Bonito as well as an additional offer to account for the volumes prorated on Auger Pipeline. Or, an offer may be submitted for 100 percent of the crude to be shipped down Auger Pipeline.
- The Ship Shoal Inventory Management Fees, if applicable, will not be reimbursed by MMS.

Royalty oil from new wells on currently producing properties behind the custody transfer points that commence production during the term of this IFO will be automatically added to the volumes awarded under this IFO. Royalty oil from new properties behind the custody transfer points that commence production during the term of this IFO will be added to the volumes awarded under this IFO on a case-by-case basis pursuant to mutual consent of MMS and buyers.

Gulf of Mexico Pricing Mechanism: Offerors must submit offers as an increment or decrement from one or both of the following pricing formulas. If you would like to submit an offer based on an alternative pricing formula, please caveat the offer with the alternative pricing formula used.

1. (Calendar NYMEX + Daily Roll) + (Argus Weighted Average Crude Type Differential)

2. (Calendar NYMEX + Daily Roll) – (Platts WTI – Platts Crude Type)

Pricing Definitions:

Platts WTI: The arithmetic average of the daily high and low price quotes for West Texas Intermediate (WTI) Cushing for the Platts Month of Delivery

Platts Crude Type: The arithmetic average of the daily high and low price quotes for crude type for Platts Month of Delivery

Argus Weighted Average Crude Type Differential: The weighted average differential for each crude type published by Argus for the Argus Month of Delivery

Calendar NYMEX: Arithmetic average of the daily settlement price for the "Light Sweet Crude Oil" front month futures contract reported by the New York Mercantile Exchange (NYMEX) during the Physical Month of Delivery (excluding weekends and holidays)

Platts or Argus Month of Delivery: Refers to quotes in Platts Oilgram Price Report or Petroleum Argus Americas Crude Price Report for the period of time from the twenty-sixth day of the month two months prior to the physical month of delivery through the twenty-fifth day of the month one month prior to the Physical Month of Delivery (excluding weekends and holidays)

Physical Month of Delivery: The calendar month when the crude oil is delivered

Daily Roll: (X – Y).6667 + (X – Z).3333, where:

X = Average of the daily NYMEX settlement price for the prompt month, trading days only, when the Physical Month of Delivery is the prompt month trading on NYMEX
Y = Average of the daily NYMEX settlement price for the second month during the same period, trading days only
Z = Average of the daily NYMEX settlement price for the third month during the same period, trading days only

Consideration of Offers

The MMS may award a contract on the basis of initial offer(s) received without discussions. Accordingly, each initial offer should be submitted on the most favorable terms the offeror can submit. However, MMS may negotiate with offerors in the event offers of similar or unanticipated values are received. All information about the origin and value of offers received will remain confidential, except as noted below under "Imbalances" with respect to resolving certain extraordinary imbalances.

The MMS shall award a contract resulting from this IFO to the party whose offer, in MMS' judgment, is most advantageous to the Federal Government. The MMS prefers no more than one award for each package and will attempt to award 100 percent of the volume from a custody transfer point. However, MMS may consider offers on only part of a royalty oil package if favorable to the Government. The MMS will award to buyers by means of the "Oil Transaction Confirmation and Agreement."

Term

Delivery of royalty oil will begin on January 1, 2009 and end on June 30, 2009 if a 6-month contract is awarded or December 31, 2009 if a 12-month contract is awarded.

Quality

For **Bonito** packages, quality bank debits/credits should not be included in the offer for any leg flowing down the Bonito Pipeline System as they will be passed back to MMS by the operator. All other quality banks debits/credits downstream of the Bonito Pipeline System, with the exception of market center delivery banks, also should not be included in your offer. Successful Offers will pass back to MMS all quality bank(s) debits/credits received from the quality bank administrator(s). Market center delivery banks should be included in your offer.

For **HLS** packages 13-14, where the STUSCO invoices do not reflect the quality bank adjustment, quality bank debits/credits should not be included in your offer because the buyer will adjust the payment each month for gravity. This adjustment will be based on the difference between the FMP run ticket and the common stream delivered gravity using the standard Gravcap calculation.

For **HLS** packages 15-16 and 18-21, as well as **Eugene Island, HOOPS, Poseidon,** and **SGC** packages, quality bank debits/credits should not be included in your offer. Successful offerors will pass back to MMS all quality bank(s) debits/credits received from the quality bank administrator(s).

For **HLS** package 17 (Venice - Plains) there is no quality bank to include or pass back as the quality bank is incorporated into the buy/sell agreement with Plains Marketing.

For **HLS** packages 22-26, and 31, as well as **HLS-SB** packages 27-30, offerors will pass back to MMS only the first receipt bank at the custody transfer point and therefore this quality bank should not be included in the offer. All other quality banks downstream of the receipt point should be included in the offer.

For **LLS** and **Mars** packages, with the exception of the market center delivery banks, quality bank debits/credits should not be included in the offer. Successful offerors will pass back to MMS all quality bank(s) debits/credits received from the quality bank administrator(s). Market center delivered quality bank(s) debits/credits should be included in the offer.

For **TXG** packages, quality bank debits/credits should not be included in the offer as they will be passed back to the MMS by the operator.

Buyers must net any quality bank credits or debits against the monthly charges for purchased oil. The net payment is due to MMS by the 20th of the month after receipt. All quality bank data must be accompanied by supporting documentation supplied to MMS on or before the 19th of the month after receipt.

The API Gravity information in Exhibit A represents MMS' most recent data for the custody transfer points in the packages offered. Actual quality during the term of this sale may vary. Data provided by MMS is based on the best information available at the time of IFO publishing and is not warranted.

Pipeline Loss Allowance

MMS will estimate the Pipeline Loss Allowance (PLA) for all crude types by using the average NYMEX WTI forward curve for the term of the contract. For this sale, the average will include Jan-Dec 2009, using the NYMEX settle prices on the day of the sale. The most recent year of Argus crude differentials (Oct-07 to Sep-08) will be used to apply the grade differentials.

If a 12-month contract is awarded, a contract amendment will be allowed to compensate for the adjusted PLA costs for the remaining 6 months of the contract, if the new price is less or greater than $10 of the original calculation. In mid Jun-09, the average NYMEX forward curve will be calculated from Jul-Dec 2009. The same methodology will be used to calculate the grade differentials.

See PLA calculation example and explanation below (data used is not actual – for illustration only).

PLA Adjustment for Jan-09 to Dec-09	Argus Differential	NYMEX forward curve + Argus Diff.
NYMEX forward curve		$75.00
LLS differential to WTI	+$3.00	$78.00

The NYMEX forward curve shown above was calculated on November 1, 2008 by using the average daily settle price from Jan-Dec 2009. On June 23, 2009, the NYMEX forward curve will be recalculated by using the average daily settle prices from Jul-Dec 2009. Using the LLS example, the NYMEX forward curve + the Argus Diff. would have to be less than $68.00 or greater than $88.00 to justify a contract amendment. Supporting documentation from the buyer will be required for a contract amendment.

Scheduling and Transporting Royalty Oil

For packages 47-48 and 50-52 only, no later than 10 business days before the first day of each month, the MMS will notify buyers of the daily royalty oil volumes anticipated for the following month of production. Buyers understand that any such estimates are not warranties of actual deliveries to be made but are provided to facilitate planning the delivery of royalty oil. This process will continue for each month of the term of this IFO.

For all other packages, the MMS will no longer notify buyers of the daily royalty oil volumes anticipated for the following month of production. The buyers will be responsible for obtaining this information from the FMP operators. The buyer, as our designated agent, will communicate directly with the FMP operator, obtain estimated volumes, and make arrangements for the delivery and transfer of royalty oil from each custody transfer point identified in Exhibit A.

Buyers are responsible for transporting all royalty oil volumes downstream of the custody transfer point specified in Exhibit A. Buyers must nominate and schedule all volumes awarded through this IFO separately from all other volumes owned or controlled at the custody transfer point where royalty oil is received. When nominating to the pipeline, buyers are required to indicate that the nomination is for MMS sourced crude oil.

Regardless of flow, the buyer must pay on the awarded crude type pricing methodology and awarded pipeline. In the event that the production is not shipped by means of the awarded pipeline, the buyer must either send a representative sample down the awarded pipeline to obtain a per barrel quality bank cost, or a Quality Bank Administrator can simulate the quality bank and supply a report to the buyer. The buyer is responsible to provide this data to MMS. If there is a cost to supply this data, the buyer is responsible for that cost.

Exhibit B identifies Marathon Reserve Incentive Rates for transportation on Marathon Oil Pipeline Company for those packages identified in Exhibit A.

Within 10 business days of execution of the “MMS Crude Oil Transaction Confirmation” relative to this IFO, buyers must request in writing to all pipeline companies moving royalty oil, that MMS royalty volumes be itemized separately from non-MMS volumes. In cases where the pipeline companies are unable to break out the MMS volumes on the pipeline statement, buyers must provide MMS with acceptable third-party

data itemizing the MMS volumes delivered or use a pipeline assigned measurement facilitator. Any charges associated with obtaining this third-party data are the responsibility of the buyer.

Buyers will provide MMS with pipeline statements and any third-party documentation within 2 business days after the documents are available to the buyer, no later than the 19th day of the month following the month of production. Documentation not received by the due date may be purchased by MMS with the buyer being billed the associated costs.

Buyers, through customary industry practice, will communicate directly with MMS and the FMP operator and will make arrangements to deliver and transfer the royalty oil from the awarded custody transfer point. Buyers, at their expense, will make all necessary arrangements to receive royalty oil at the custody transfer point. Buyers are not responsible for any transportation costs upstream of the custody transfer point.

The operators of the properties behind the custody transfer points offered in this IFO are instructed to use reasonable efforts, consistent with industry practice, to inform MMS and buyers regarding significant changes in royalty oil production levels and production shut-ins.

Contract Amendments

The buyer or MMS can request a contract amendment to adjust an awarded offer by any increase or decrease in tariff-based transportation costs effective on the date of the change. The buyer or MMS must not adjust costs until the tariff adjustment is approved. Supporting documentation is required to verify the requested tariff adjustment, i.e., copy of the FERC tariff.

Also, a contract amendment will be considered due to pipeline flow changes such as operational issues on the platform, pipeline, or at onshore receiving facilities (for instance; hurricanes, maintenance, or some other unanticipated event). Supporting documentation is required to verify the requested pricing adjustment.

Imbalances

Buyers are granted rights to royalty oil delivered by operators at the custody transfer points indicated in Exhibit A, not actual entitlements due the Federal Government.

The MMS and the operator will jointly monitor imbalances between deliveries and entitlements. Routine imbalances may be resolved by the operator adjusting the volume of royalty oil delivered to buyers unless otherwise approved by MMS. The MMS will communicate these volume adjustments to the buyer. The contract price may be used to as a basis to settle monthly imbalances in certain situations.

The MMS is not responsible for royalty oil pipeline imbalances downstream of the custody transfer point.

Payment Terms

Buyers must pay MMS invoiced amounts in accordance with instructions for the US Treasury FEDWIRE Deposit System for electronic payments, see http://www.mrm.mms.gov/ReportingServices/PDFDocs/fedwire.pdf. Buyers must provide specific information to their bank so that a FEDWIRE message can be transmitted to the MMS US Treasury account. RIK payments must not include other non-RIK payments made to MMS.

If the buyer is awarded properties in multiple RIK contracts covering the same production months, one wire transfer payment is required and supporting documentation must be separated by oil program (i.e., Small Refiner or Unrestricted). If the buyer uses a third party agent to administer charges and invoicing, MMS must be notified immediately in writing of the buyer and agent agreement.

If buyers dispute an invoiced amount, supporting documentation must clearly demonstrate the basis for the dispute within 5 business days of the payment due date. Supporting documentation should include actual pipeline transportation invoices, quality bank statements, additional charge details, or other payment support that validates the claim.

Please be advised that unpaid portions of due invoices may be referred to the U.S. Department of Treasury for collection under the Debt Collection Improvement Act of 1996 if greater than 180 days.

Confidentiality

Neither MMS or the buyer shall disclose directly or indirectly, without the prior written consent of the other party, the terms of any transaction under this IFO to a third-party (other than the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons shall have agreed to keep such terms confidential) except; (i) to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary to enforce this Contract, (iii) to the extent necessary to implement any transaction, including any transaction as described above in the section "Transporting and Scheduling Royalty Oil," or (iv) to the extent such information is delivered to such third-party for the sole purpose of calculating a published index.

Each party shall notify the other party of any proceeding of which it is aware which may result in disclosing the terms of any transaction (other than as permitted above) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereto for 1 year from the expiration of the transaction.

Pre-qualification and Credit Requirements

To pre-qualify, offerors are required to sign the MMS base contract "RIK Crude Oil General Terms and Conditions" and provide detailed financial information. Upon pre-qualifying, MMS will issue an amount of unsecured credit based on the creditworthiness of the offeror. In most cases where offerors have submitted their most current financial documentation, no additional information will be required. Please be advised that MMS will require a parent guaranty in situations where the company submitting the offer is a different entity than the company that has pre-qualified.

MMS reserves the right to request additional financial information in any situation it deems necessary and may reissue or suspend approved lines of credit. Furthermore, buyers are required to provide MMS with any information regarding a significant, adverse change in their financial status that would affect the approved line of credit. Such adverse changes would include a credit downgrade, material changes to liquidity or capital resources, noncompliance with financial covenants in debt documents, or significant market events affecting operations, revenues, or assets. Further, should the creditworthiness, financial responsibility, or ability to perform become unsatisfactory to the MMS at any time during the term of this agreement, satisfactory assurance may be required as a condition to further performance under the agreement.

For awards exceeding the amount of unsecured credit issued by MMS, buyers will be required to provide secured financial assurance in the form of an Irrevocable Letter of Credit (ILOC), Bond, or other MMS-acceptable surety instrument 5 business days prior to first receipt of oil under the contract. The financial assurance amount shall be sufficient to cover the value of 60 days of deliveries of the estimated production of all royalty oil awarded, less the amount of unsecured credit issued by the MMS as previously notified. For new surety instruments, the MMS will contact you regarding the calculation of an estimated amount of surety to be provided prior to initial deliveries. For continuing surety instruments, we will contact you regarding renewal requirements. Significant and sustained increases in the value of crude oil during the term of the contract may result in requiring an increase in the amount of financial assurance. Failure to provide requested surety within 5 business days after the request has been made, may result in cancellation of the award or termination of the contract.

Limitation of Liability

Neither party shall be liable for indirect, special, or consequential damages.

Governing Contract

This transaction is governed by the MMS base contract "RIK Crude Oil General Terms and Conditions," signed by the offeror and MMS. **By submitting an offer, the offeror agrees to be bound by the terms of its signed MMS base contract and this IFO.** Conflicts between the MMS base contract and the terms

of this IFO will be resolved in favor of this IFO. Only companies who are pre-qualified and have signed the MMS base contract may receive an RIK transportation contract.

The MMS will send the buyer an "Oil Transaction Confirmation and Agreement" (Transaction Confirmation) detailing the award packages. Transaction Confirmations not signed and returned within 2 business days of receipt will be deemed binding on behalf of both parties. The MMS prefers that a fully executed Transaction Confirmation be returned.

Paperwork Reduction Act of 1995 (PRA) Statement:

The OMB Control Number for this IFO is 1010-0119 with an expiration date of February 28, 2009. The PRA (44 U.S.C. 3501 et seq.) requires us to inform you that we collect this information to document fulfillment of royalty obligations on minerals removed from Federal lands. The MMS uses the information to maintain and audit lease accounts. Responses are voluntary (43 U.S.C. 1334). Proprietary information is protected in accordance with standards established by the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1733), the Freedom of Information Act (5 U.S.C. 552(1), (4)), and the Department regulations (43 CFR 2). An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number. Public reporting burden for this form is estimated to average 1 hour per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to the Information Collection Clearance Officer, Minerals Management Service, Mail Stop 4230, 1849 C Street, NW, Washington, DC 20240.

Exhibit:
Exhibit A: Offer Sheet
Exhibit B: Marathon Transportation Rates

Minerals Management Service
Unrestricted RIK Crude Oil Sale
IFO No. MMS-RIKOIL-2009-UNR-001
Deliveries beginning: January 1, 2009

Offer Sheet
(revised Oct. 30, 2008)

Exhibit A

Offer Pkg	Royalty Oil Type	Custody Transfer Point (Volume Metered At)	MMS FMP No.	FMP Operator	Custody Transfer Point Royalty Volume (bbls/day)	Custody Transfer Point API Gravity (Note 1)	See Note	Pipelines and Gulf Coast Market Center	Common Carrier Unless Buy/Sell is Noted	NYMEX + Daily Roll basis (offshore delivery) 6 Mo.	NYMEX + Daily Roll basis (offshore delivery) 12 Mo.	Required: Argus or Platts (indicate A or P)
~~**1**~~	~~**Bonito**~~	~~**EI 330 (EI 339 B)**~~	~~**20177102609**~~	~~**Chevron Corp.**~~	~~**625**~~	~~**32.0**~~	~~**2**~~	~~• **Bonito P/L into Ship Shoal P/L into St. James**~~		N/A	N/A	N/A
2	Bonito	EI 316 ssti (EI 361 A)	2017710260J	Chevron Corp.	170	35.7	**2**	• Bonito P/L into Ship Shoal P/L into St. James				
3	Bonito	EI 316 ssti (EI 360 E)	2017710260K	Chevron Corp.	**See Note A**	34.0	**2**	• Bonito P/L into Ship Shoal P/L into St. James				
~~**4**~~	~~**Bonito**~~	~~**EI 330 D**~~	~~**2017710260E**~~	~~**Devon Energy**~~	~~**1,055**~~	~~**29.5**~~	~~**2**~~	~~• **Bonito P/L into Ship Shoal P/L into St. James**~~		N/A	N/A	N/A
				Pipeline Total	**170**							
5a	Bonito or	GB 128 A	20608077000	Shell Offshore	2,900	38.2	**2**	• Auger P/L into Bonito P/L into Ship Shoal P/L into St. James				
								• Prorated on Auger P/L				
5b	Bonito (100% Auger P/L)						**2**	• Auger P/L into Ship Shoal P/L into St. James				
5c	**Poseidon (see Note D)**							**• Auger P/L into Poseidon P/L into Houma**				
				Pipeline Total	**2,900**							
6a	Bonito or	GB 783 A	20608072603	ConocoPhillips	1,225	39.2		• Auger P/L into Bonito P/L into Ship Shoal P/L into St. James				
							2	• Prorated on Auger P/L				
6b	Bonito (100% Auger P/L)						**2**	• Auger P/L into Ship Shoal P/L into St. James				
6c	**Poseidon (see Note D)**							**• Auger P/L into Poseidon P/L into Houma**				
				Pipeline Total	**1,225**							
7a	Bonito or	GB 426 A	20608072600	Shell Offshore	3,550	34.8	**2, 3**	• Auger P/L into Bonito P/L into Ship Shoal P/L into St. James				
								• Prorated on Auger P/L				
7b	Bonito (100% Auger P/L)						**2**	• Auger P/L into Ship Shoal P/L into St. James				
7c	**Poseidon (see Note D)**							**• Auger P/L into Poseidon P/L into Houma**				
				Pipeline Total	**3,550**							
8a	Bonito or	SM 205 ssti (EI 397 A)	2017710260P	W & T Offshore	**See Note B**	36.3	**2, 3**	• Auger P/L into Bonito P/L into Ship Shoal P/L into St James				
								• Prorated on Auger P/L				
8b	Bonito (100% Auger P/L)						**2**	• Auger P/L into Ship Shoal P/L into St. James				
7c	**Poseidon (see Note D)**							**• Auger P/L into Poseidon P/L into Houma**				
				Pipeline Total	**0**							
~~**9a**~~	~~**Eugene Island**~~	~~**VR 386 B**~~	~~**20177062954**~~	~~**Merit Energy**~~	~~**150**~~	~~**31.6**~~	~~**4**~~	~~• **Eugene Island P/L (Marathon capacity) into Shell's South Louisiana System into St. James**~~		N/A	N/A	N/A
~~**9b**~~	~~**Eugene Island**~~	~~**VR 386 B**~~ ~~**(Non-Incentive Rate)**~~	~~**20177062954**~~	~~**Merit Energy**~~	~~**20**~~			~~• **Eugene Island P/L (Marathon capacity) into Shell's South Louisiana System into St. James**~~		N/A	N/A	N/A
10a	Eugene Island	EC 346 A (EC 339/344/346)	20177042950	Energy Resource Technology	450	33.6	**4**	• Eugene Island P/L (Marathon capacity) into Shell's South Louisiana System into St. James				
10b	Eugene Island	EC 346 A (Non-Incentive Rate EC 345/360)	20177042950	Energy Resource Technology	20			• Eugene Island P/L (Marathon capacity) into Shell's South Louisiana System into St. James				
11	Eugene Island	SM 128 A	20177082951	Devon Energy Prod. Corp.	750	40.2		• Eugene Island P/L into Shell's South Louisiana System into St. James				
				Pipeline Total	**1,220**							

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Exhibit A

Offer Pkg	Royalty Oil Type	Custody Transfer Point (Volume Metered At)	MMS FMP No.	FMP Operator	Custody Transfer Point Royalty Volume (bbls/day)	Custody Transfer Point API Gravity (Note 1)	See Note	Pipelines and Gulf Coast Market Center	Common Carrier Unless Buy/Sell is Noted	NYMEX + Daily Roll basis (offshore delivery) 6 Mo.	NYMEX + Daily Roll basis (offshore delivery) 12 Mo.	Required: Argus or Platts (indicate A or P)
12a	Eugene Island	GC 65 A	20608117000	Shell Offshore	1,440	31.1	3	• Amberjack P/L into Boxer P/L into Eugene Island				
					See Note C			P/L into Shell's S. LA Sys. into St. James or;				
	or							• Shell 12" P/L into Boxer P/L into Eugene Island				
								P/L into Shell's S. LA Sys. into St. James				
12b	Mars							• Amberjack P/L into Mars Oil P/L into Clovelly				
	or											
12c	Poseidon							• Shell 12" P/L into Shell Trading 12" P/L into	Poseidon			
								Poseidon P/L into Houma				
				Pipeline Total	**1,440**							
13	HLS	MP 69 PS (SP 60)	20177255111	SPN Resouces	1,500	31.1		• Delta P/L into Empire	STUSCO			
				Pipeline Total	**1,500**							
14	HLS	S.W. Pass 24 (MC 194 A)	20608174850	Shell Offshore	330	29.8		• Coganc P/L into Delta P/L into Empire	STUSCO			
				Pipeline Total	**330**							
15	HLS	Grand Bay Rec. Stn.	20170755600	Apache Corp.	320	28.8		• Chevron P/L into Empire				
16	HLS	Venice, LA (WD 117 G)	20177204300	Anglo-Suisse	205	36.3		• Chevron P/L into Empire				
		(into Chevron Terminal)										
17	HLS	Venice, LA (into Plains Terminal)	20170755200	Noble Energy	315	31.9	5	• Chevron P/L into Empire	Plains			
18	HLS	Venice, LA (WD 27 A) into Chevron Terminal	20177194300	Anglo-Suisse	190	25.8		• Chevron P/L into Empire				
				Pipeline Total	**1,030**							
19	HLS	SP 89 B	20177224600	Apache Corp	135	35.2	4	• South Pass-West Delta System (Marathon P/L)				
								into Chevron P/L into Empire or;				
								• South Pass-West Delta System (Marathon P/L)	Multiple Co.			
								into Chevron P/L into Empire				
20	HLS	WD 79 A	20177194600	SPN Resources	140	37.2	4	• South Pass-West Delta System (Marathon P/L)				
								into Chevron P/L into Empire or;				
								• South Pass-West Delta System (Marathon P/L)	Multiple Co.			
								into Chevron P/L into Empire				
21	HLS	WD 109 A	20177194602	Chevron Corp.	300	37.6		• Chevron P/L into Empire				
				Pipeline Total	**575**							
22	HLS	ST 26 A	2017715360C	Energy Partners	250	35.5		• Energy Partners P/L into Fourchon into Chevron P/L				
								into Empire				
23	HLS	ST 41 B	2017715360J	Energy Partners	165	35.0		• Chevron P/L into Fourchon into Chevron P/L				
								into Empire				
				Pipeline Total	**415**							
24	HLS	Grand Isle EM Terminal Inlet	20170513700	ExxonMobil	5,875	32.1		• ExxonMobil P/L into St. James or;				
								• Chevron P/L into Empire				
25	HLS	WD 90 (Grand Isle)	20177193702	ExxonMobil	200	31.0		• ExxonMobil P/L into St. James or;				
								• Chevron P/L into Empire				
26	HLS	MC 311 A (Grand Isle)	20608173700	Apache Corp.	70	32.6		• ExxonMobil P/L into St. James or;				
								• Chevron P/L into Empire				
				Pipeline Total	**6,145**							

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Exhibit A

Offer Pkg	Royalty Oil Type	Custody Transfer Point (Volume Metered At)	MMS FMP No.	FMP Operator	Custody Transfer Point Royalty Volume (bbls/day)	Custody Transfer Point API Gravity (Note 1)	See Note	Pipelines and Gulf Coast Market Center	Common Carrier Unless Buy/Sell is Noted	NYMEX + Daily Roll basis (offshore delivery) 6 Mo.	NYMEX + Daily Roll basis (offshore delivery) 12 Mo.	Required: Argus or Platts (indicate A or P)
27	HLS-SB	EC 321 A	20177042202	W & T Offshore	550	31.2		• Marathon P/L into ExxonMobil P/L into ExxonMobil S. LA System				
28	HLS-SB	EC 332 A	20177042208	Beryl Oil and Gas LP	50	35.0		• Beryl private line (no charge) into Marathon P/L into ExxonMobil P/L into ExxonMobil S. LA System				
29	HLS-SB	SM 31 ssti (SM 27 A)	20177072208	ANKOR Energy LLC	70	40.0		• ExxonMobil P/L into ExxonMobil S. LA System				
30	HLS-SB	SM 69 B	20177072206	ANKOR Energy LLC	660	33.1		• ExxonMobil P/L into ExxonMobil S. LA System				
				Pipeline Total	**1,330**							
31a	HLS	MP 69 MPOG (VK 826 A)	20608165111	Kerr-McGee	4,860	42.5	**6**	• Cypress P/L into Empire and				
31b		MP 69 MPOG (VK 915 A)	20608165114	BP Expl. and Prod.	1,215	32.4		• Delta P/L into Empire				
		MP 69 MPOG (MP 281 A)	2017724511G	ENI Petroleum								
		MP 69 MPOG (VK 823 A)	20608165115	Total E & P			**3**					
		MP 69 MPOG (MP 225 A)	2017724511C	Dauphin Island Gathering Partners								
				Pipeline Total	**6,075**							
32a	HOOPS	AC 25 A	20608050130	ExxonMobil	1,140	29.3		• ExxonMobil P/L into Seaway P/L into Jones Creek				
32b								• ExxonMobil P/L into Seaway P/L into Texas City				
33a	HOOPS	EB 602 A	20608040134	Kerr-McGee	1,500	34.6	**3**	• ExxonMobil P/L into Seaway P/L into Jones Creek				
33b								• ExxonMobil P/L into Seaway P/L into Texas City				
34a	HOOPS	EB 643 A	20608040135	Kerr-McGee	450	29.1	**3**	• ExxonMobil P/L into Seaway P/L into Jones Creek				
34b								• ExxonMobil P/L into Seaway P/L into Texas City				
				Pipeline Total	**3,090**							
35	LLS	SS 146 ssti (SS 154 E)	20177112606	Century Exploration	315	28.7	**2**	• Whitecap P/L into Ship Shoal P/L into St. James				
36	LLS	SS 169 ssti (SS 182 C-B)	2017711260B	Chevron Corp.	320	28.7	**2**	• Whitecap P/L into Ship Shoal P/L into St. James				
37	LLS	SS 169 ssti (SS 182 C-X)	2017711260X	Apache Corp.	175	30.4	**2**	• Whitecap P/L into Ship Shoal P/L into St. James				
38	LLS	SS 209 A	2017711260G	Chevron Corp.	250	32.7	**2**	• Whitecap P/L into Ship Shoal P/L into St. James				
39	LLS	SS 208 F (SS 207 A)	2017711260E	Apache Corp.	285	33.7	**2**	• Whitecap P/L into Ship Shoal P/L into St. James				
40	LLS	SS 266 A	20177122608	Chevron Corp.	140	36.9	**2**	• Whitecap P/L into Ship Shoal P/L into St. James				
41	LLS	ST 300 ssti (EW 826 A)	20608102601	Apache Corp.	705	36.3	**2**	• Cougar P/L into Whitecap P/L into Ship Shoal P/L into St. James				
42	LLS	ST 300 A	20177162600	Shell Offshore Inc.	675	36.3	**2**	• Cougar P/L into Whitecap P/L into Ship Shoal P/L into St. James				
43	LLS	SS 28 Ent. to Whitecap (SM 268 A)	20177072602	Apache Corp.	660	36.9	**2**	• Whitecap P/L into Ship Shoal P/L into St. James				
				Pipeline Total	**3,525**							
44	Mars	MC 807 A	20608173650	Shell Offshore	15,455	28.9		• Mars Oil P/L into Clovelly				
45	Mars	MC 809 A	20608173651	Shell Offshore	9,000	29.5		• Ursa P/L into Mars Oil P/L into Clovelly				
46	Mars	GI 115 ssti (MC 711 A)	20608173653	ATP Oil & Gas Corp.	1,800	31.2		• Amberjack P/L into Mars Oil P/L into Clovelly				
				Pipeline Total	**26,255**							

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Offer Pkg	Royalty Oil Type	Custody Transfer Point (Volume Metered At)	MMS FMP No.	FMP Operator	Custody Transfer Point Royalty Volume (bbls/day)	Custody Transfer Point API Gravity (Note 1)	See Note	Pipelines and Gulf Coast Market Center	Common Carrier Unless Buy/Sell is Noted	NYMEX + Daily Roll basis (offshore delivery) 6 Mo.	NYMEX + Daily Roll basis (offshore delivery) 12 Mo.	Required: Argus or Platts (indicate A or P)
47a	Mars or	SS 332 B (GC 645 A)	20608110250	BP Expl. and Prod.	3,855	31.5		• Seajack P/L into Amberjack P/L into Mars Oil P/L				
47b	Poseidon or							• Poseidon P/L into Houma	Poseidon			
47c	SGC or							• Cameron Highway P/L into Texas City				
47d	SGC							• Cameron Highway P/L into Port Arthur				
48a	Mars or	SS 332 B (GC 782 A)	20608110251	BP Expl. and Prod.	9,655	26.8		• Seajack P/L into Amberjack P/L into Mars Oil P/L				
48b	Poseidon or							• Poseidon P/L into Houma	Poseidon			
48c	SGC or							• Cameron Highway P/L into Texas City				
48d	SGC							• Cameron Highway P/L into Port Arthur				
				Pipeline Total (Caesar Common Stream)	**13,510**	**27.1**						
49a	Poseidon	GC 158 A	20608113652	Shell Offshore	3,200	31.3		• Brutus P/L into Jackalope P/L into Poseidon P/L	Poseidon			
	or							into Houma				
49b	Mars							• Brutus P/L into Amberjack P/L into Mars Oil P/L				
								into Clovelly				
				Pipeline Total	**3,200**							
50a	Poseidon or	SS 332 A (GC 254 A)	20608112955	ENI Petroleum	825	29.2	**3**	• Poseidon P/L into Houma	Poseidon			
50b	SGC or							• Cameron Highway P/L into Texas City				
50c	SGC							• Cameron Highway P/L into Port Arthur				
51a	Poseidon or	SS 332 A (ST 316 A)	20177162950	W & T Offshore	50	35.5		• Poseidon P/L into Houma	Poseidon			
51b	SGC or							• Cameron Highway P/L into Texas City				
51c	SGC							• Cameron Highway P/L into Port Arthur				
52a	Poseidon or	SS 332 A (GC 608 A)	20608112957	Anadarko Petoleum Corp.	1,065	29.7	**3**	• Poseidon P/L into Houma	Poseidon			
52b	SGC or							• Cameron Highway P/L into Texas City				
52c	SGC							• Cameron Highway P/L into Port Arthur				
				Pipeline Total (Allegheny Common Stream)	**1,940**	**29.7**						
53	TXG	GA 256 ssti (GA 209 B)	20427060150	ExxonMobil	310	33.7		• High Island Pipeline System into Texas City				
54	TXG	HIA 474 A	20427090153	McMoran Oil and Gas	135	38.6		• High Island Pipeline System into Texas City				
55	TXG	EB 159 A	20608040150	Chevron Corp.	60	41.6		• High Island Pipeline System into Texas City				
56	TXG	EB 160 A	20608040151	Chevron Corp.	260	32.1		• High Island Pipeline System into Texas City				
57	TXG	HIA 563 B	20427090158	Chevron Corp.	150	35.1		• High Island Pipeline System into Texas City				
58	TXG	HIA 582 C	2042709015E	Chevron Corp.	355	38.4		• High Island Pipeline System into Texas City				
59	TXG	HIA 546 ssti (HIA 376 A)	20427110152	Apache Corp.	110	35.8		• High Island Pipeline System into Texas City				
60	TXG	HIA 573 B	2042709015B	Apache Corp.	185	35.0		• High Island Pipeline System into Texas City				
61	TXG	GB 189 A (WC 661 A)	20177020150	Tarpon Offshore	240	33.4		• High Island Pipeline System into Texas City				
				Pipeline Total	**1,805**							
				Total Barrels Offered	**81,230**							

Send Offer Sheet to:
rikoiloffers@mms.gov
Fax: 303-462-9944

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Buy/Sell and Pipeline Contacts:

- Chevron Pipeline: Ken Salter (713-432-2652)
- Enterprise (Cameron Highway): Beto Lopez (713-381-4003)
- ExxonMobil Pipeline: Scott Massengale (713-656-2044)
- Plains: Tim Gill (303-572-4929)
- Poseidon: James Hostetler (303-339-0381)
- Shell Pipeline: Robert Contreras (713-241-6148)
- STUSCO: Brett Jones (713-230-1944)

- FMP: Facility Measurement Point
- N/A: Not Applicable

Note A: Pkg 3, EI 316 ssti (EI 360 E), operated by Chevron Corp.; platform expected to be operational in Apr-09, 85 bpd estimate.
Note B: Pkg 8, EI 397 A, operated by W&T Offshore; platform sustained considerable damage and is currently being assesed, may be operational as early as Mar-09. Pre-hurricane volume was 200 bpd.
Note C: Pkg 12, GC 65 A, operated by Shell Offshore; platform expected to be operational in Jan-09.
Note D: The oil from pkgs 5-8 is currently flowing from Auger P/L into Poseidon P/L into Houma. Normal flow from Auger P/L into Bonito P/L and Ship Shoal P/L is expected to commence by Jan-09. However, in the event it doesn't and flow continues on Poseidon P/L, an offer needs to be made on both routes.

Note 1: API gravity is not warranted and is measured at the FMP unless otherwise noted.
Note 2: The Ship Shoal Inventory Management Fees will not be reimbursed by MMS.
Note 3: FMP contains a lease(s) in Royalty Relief status whose volume will not be included in deliveries to the buyer.
Note 4: Reserve Commitment Program for Marathon's tariff, see Exhibit B.
Note 5: Includes area/blocks MP 305, MP 306, MP 138, MP 293
Note 6: The first gravity listed is the average commingled MPOG gravity entering Cypress P/L. The second is the average commingled gravity entering Delta P/L. Both are measured at MP 69. These gravities are the most current data available at the time of this solicitation. The volume breakdown is Cypress P/L 80% and Delta P/L 20%, though it varies monthly. In Oct-Nov 2008, 100% flowed Cypress P/L.

Your Name

Company Name

Marathon Offshore Pipeline LLC Exhibit B
Reserve Incentive Rates

Marathon Contacts:
Ted Skinner (713-296-3719)

Offer Pkg	Custody Transfer Point	Pipeline System	Incentive Program Rate	See Note	FERC Number
9a	VR 386 B	Eugene Island	$1.27	1	20
10a	EC 346 A	Eugene Island	$1.27	2	20
19	SP 89 B	South Pass-West Delta	$0.85		NRS-3
	SP 89 B (Zia)	South Pass-West Delta	$0.45		NRS-3
20	WD 79 A	South Pass-West Delta	$0.45		NRS-3

Note: Line loss based on actuals.
Note 1: Rate is only for VR 408 production. Production from other blocks will be at non-incentive rate.
Note 2: Rate is only from EC 339/344/346 production. Production from EC 345/360 will be at non-incentive rate.