

## Confidential

### Small Refiner Royalty-in-Kind Program February 9, 2000 Sale

#### Statistics:

- X - 4 barrels of Gulf of Mexico crude oil were offered for sale. This oil was from leases in the following areas:

Area	Daily Royalty Share
Green Canyon	4,638
Ship Shoal	10,868
Eugene Island	9,139
Garden Banks	16,029
Main Pass	6,502
South Marsh Island	4,471
Vermilion	4,578
West Delta	4,138
Ewing Bank	1,219
South Timbalier	1,629
West Cameron	1,335
East Cameron	569
Grand Isle	877
High Island	616
Mississippi Canyon	575
South Pass	1,741
Galveston	47
Pelto	283

- X - 4 barrels of Offshore Pacific crude oil were offered for sale.
  - This oil was from leases in the following areas:

Area	Daily Royalty Share
Beta	271
Pt. Pedernales	1,542
Santa Clara	667
Sockeye	447

- The main oil types offered were:

Oil Type	Daily Royalty Share
Eugene Island	28,809
Light Louisiana Sweet	20,281
Light Louisiana Sweet - SB	762

Heavy Louisiana Sweet	11,271
Heavy Louisiana Sweet -GI	3,690
Heavy California	2,927
MARS	796
Poseidon	2,561
Bonito Sour	1,084

Bid Process

- Eight refiners submitted applications:

Calcasieu Refining Company  
 Greka Energy  
 Maretech Corporation  
 Placid Refining Company, LLC

Gary-Williams Energy  
 Kern Oil & Refining Company  
 Paramount Petroleum  
 U.S. Oil & Refining Co.

- Six refiners submitted bids. The refiners who submitted applications but not bids were:

Refiner	Reason for not submitting bid
Kern Oil & Refining Company	X _____ 4
Paramount Petroleum	X _____ 4

- Bids for Gulf of Mexico crude were as follows:

	LLS- St. James	LLS - South Bend	HLS - Empire	EI - St. James	MARS - Clovelly	HLS - Grand Isle	Bonito Sour	Poseidon
Calcasieu	X							4
Gary-Williams	X							4
	X							4
Maretech	X							4
Placid	X							4
U.S. Oil	X							4

- Bids for Offshore California were as follows:

	CL-M	CL-C	BTA	PTP
Greka	X			
U.S. Oil	X			4

- Minimum acceptable bids were established as follows:

Oil type	Minimum acceptable bid
All Gulf of Mexico grades of crude	X ————— 4
CL-M and CL-C	
BTA	
PTP	

The minimum acceptable bids were determined by management (Quality Steering Council) based on various factors including:

- 1) X ————— 4
- X' ————— 4
- 2) X ————— 4
- 3) X ————— 4
- 4) X ————— 4

- Based on the above, the acceptable bids were the following:

Selection Rank	Refiner	Bid	Oil Group
1 for LLS	Placid	X	Light Louisiana Sweet - St. James
2 for LLS	Gary-Williams		Light Louisiana Sweet - St. James
3 for LLS	U.S. Oil		Light Louisiana Sweet - St. James
4 for LLS	Gary-Williams		Light Louisiana Sweet - St. James
1 for HLS	Placid	X	Heavy Louisiana Sweet - Empire
2 for HLS	Gary-Williams		Heavy Louisiana Sweet - Empire
3 for HLS	U.S. Oil		Heavy Louisiana Sweet - Empire
4 for HLS	Gary-Williams		Heavy Louisiana Sweet - Empire
1 for EI	Placid	4	Eugene Island
2 for EI	Gary-Williams		Eugene Island
1 for HLS-GI	Placid	4	Heavy Louisiana Sweet - Grand Isle
1 for MARS	Gary-Williams		MARS

1 for BS	Gary-Williams	X --- 4)	Bonito Sour
1 for Pos	Gary-Williams		Poseidon

X \_\_\_\_\_ 4

Lease Selection

X \_\_\_\_\_ 4

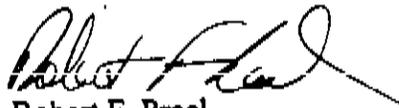
X-----4

X-----4

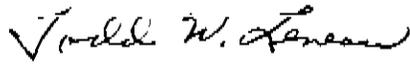
X-----4

Recommendation

Based on the above, award contracts to Placid, Gary-Williams Energy and U.S. Oil.

  
Robert F. Prael  
Chief, Royalty-in-Kind Section

Concur.



Todd W. Leneau  
Contracting Officer

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