

**AMENDMENT #2 TO INVITATION FOR BID FOR ROYALTY GAS
GULF OF MEXICO ROYALTY IN KIND PROJECTS
MINERALS MANAGEMENT SERVICE**

By this second notice of amendment, the Minerals Management Service (MMS) is again amending its Invitation for Bid (IFB) for Royalty Gas that was originally issued via an MMS Home Page posting on October 8, 1999. The following changes are made to the IFB as amended via an MMS Home Page posting on October 13, 1999. All other language in the original IFB is still operative.

1. The first sentence of the second paragraph of Section A.4 is changed to read: "On a given day, if the Contractor fails to deliver at least 95 percent of the cumulative total of firm delivery volumes associated with all its contracted Royalty Gas, the Contractor will pay MMS in cash the value of the undelivered gas volume at the delivery point within 10 days after actual third-party information on such volumes becomes available."

This change is made to clarify that cash payment for significant volume underdeliveries is not due until 10 days after supporting information becomes available rather than 10 days after the end of the month as formerly stated.

2. A new sentence is added to Section F.4 to be inserted after the first sentence of the section. The new sentence reads: "This summary report is due to MMS by 30 days after the end of the applicable month of production."

This change is made because the original IFB did not specify a due date for the report.

3. The first sentence of Section F.5 is changed to read: "All Delivery Gas delivered by the Contractor to the MMS or its designated agent shall conform to pipeline quality specifications at the applicable delivery point." Each of the detailed gas quality specifications defined in Section F.5 beginning with "Water Vapor" and ending with "Gross Heating Value" is deleted.

This change is made to conform to industry standards on quality specifications.

4. The first sentence of the second full paragraph of Section F.5 is deleted. The sentence to be deleted reads: "Upon request by MMS or its designated agent, the Contractor shall provide periodic gas analyses to MMS for the gas delivered hereunder."

This change is made to conform to industry standards on quality specifications.

5. The last paragraph of Section F.5 is deleted.

This change is made to clarify that the Contractor's obligations with respect to this contract end with the delivery of the proper volumes of Delivery Gas meeting pipeline quality specifications at the applicable delivery points.