Allocation Example: System Valuation

Energy Software

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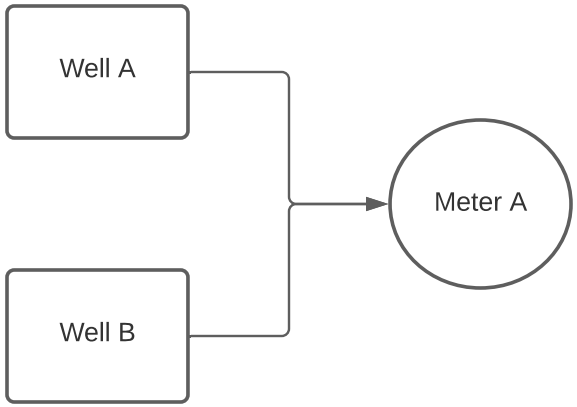
Data Required:
Gas Purchaser Statement
Well Level production from Production Asset

Meter A
RES/SETTLE: 1000 mmbtu
NGL/SETTLE: 500 GAL
METER FEE: 500$

Well A
RES/ALLOC: 700 mmbtu
NGL/ALLOC: 400 gal
WHD ALLOC: 700 mcf /900 mmbtu

Well B
RES/ALLOC: 400 mmbtu
NGL/ALLOC: 200 gal
WHD/ALLOC: 600 mcf / 770 mmbtu

Allocation Basis
RES/SETTLE => RES/ALLOC (mmbtu)
NGL/SETTLE => NGL/ALLOC (gal)
METER FEE => WHD/ALLOC (mmbtu)



Well A
RES/SETTLE: 636 mmbtu
NGL/SETTLE:333 gal
METER FEE: $270

Well B
RES/SETTLE: 364 mmbtu
NGL/SETTLE:167 gal
METER FEE: $230

Rates:
RES/SETTLE: 1.5$/mmbtu
NGL/SETTLE: 0.5$/gal
METER FEE: FLAT
CO2: 0.05/mcf

Well A
RES/SETTLE: $954.00
NGL/SETTLE:$166.50
METER FEE: $270.00
CO2: $35.00
GROSS: $1120.50
NET: $815.50

Well B
RES/SETTLE: $546.00
NGL/SETTLE:$83.50
METER FEE: $230
CO2:$30.00
GROSS:$629.50
NET: $369.50

Data Entry

Data will be loaded onto the Common Delivery point (CDP) and wells through our Previously Allocated Volumes (PAV) process.

Allocation

Through allocation process we will allocate data from Meter A to all accompanies Wells based on an allocation Basis

Value

Once the Products have been allocated to the well level, the system will assign value to each product based on volumes x rates