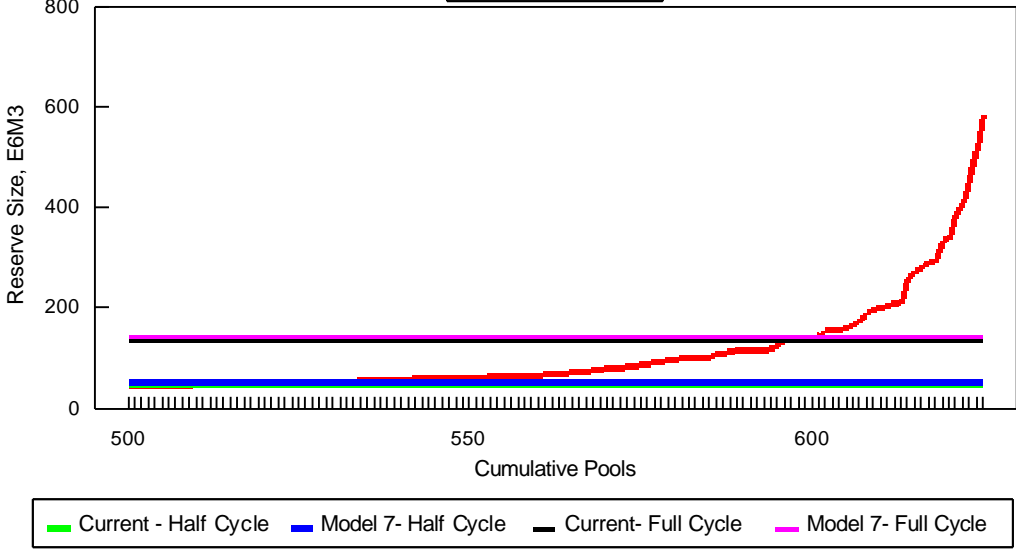

Distribution and Economic Impact Analysis

This first part of this appendix summarizes the analytical results for the one hundred companies that would be most financially affected by royalty regime changes. The objective of the analysis is to determine the distributional impact of a variety of economic models on all royalty clients for the year 1995.

The second part summarizes the impact on the economics of exploration and development for natural gas with several of the proposed regimes in place. Review of all regimes was not necessary as the impact from the selected models was found to be negligible on either half or full cycle economics in any of the 6 regions modeled.

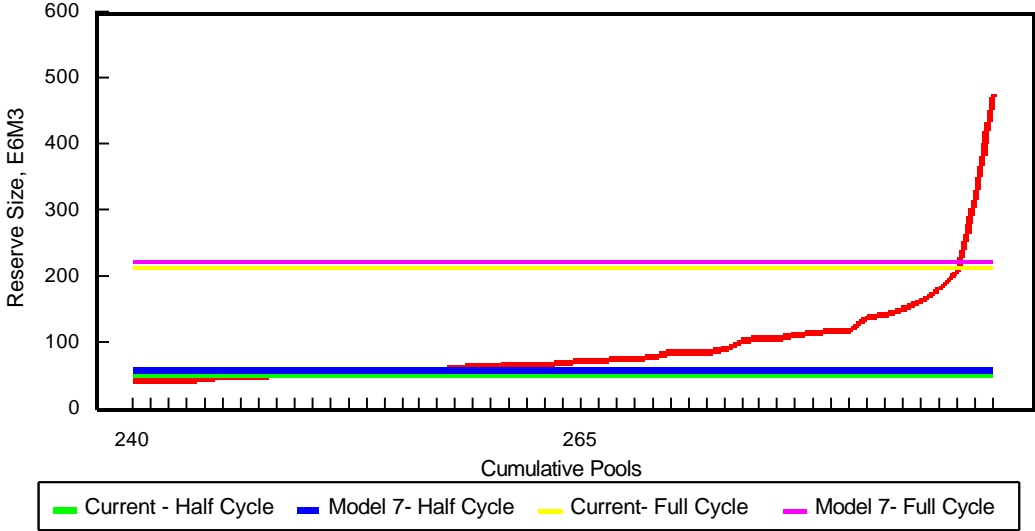
Analysis of Sample Regime Plant Gate #7 Shows Smaller, and Still Marginal, Negative Impact on Exploration and Development Economics of Pools Discovered to Date

Model 7
Area 1, 1 Well Pools



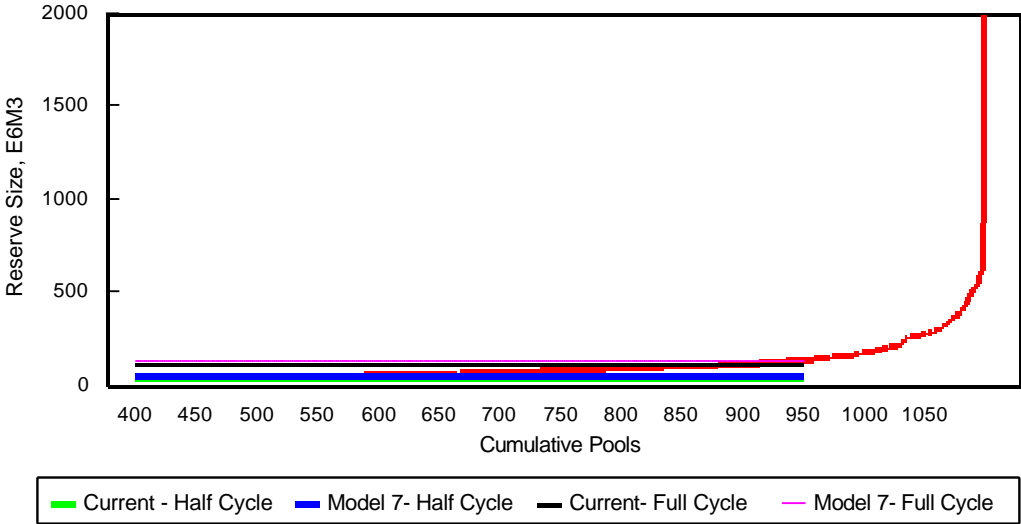
Analysis of Sample Regime Plant Gate #7 Shows Smaller, and Still Marginal, Negative Impact on Exploration and Development Economics of Pools Discovered to Date

Model 7
Area 2, 1 Well Pools



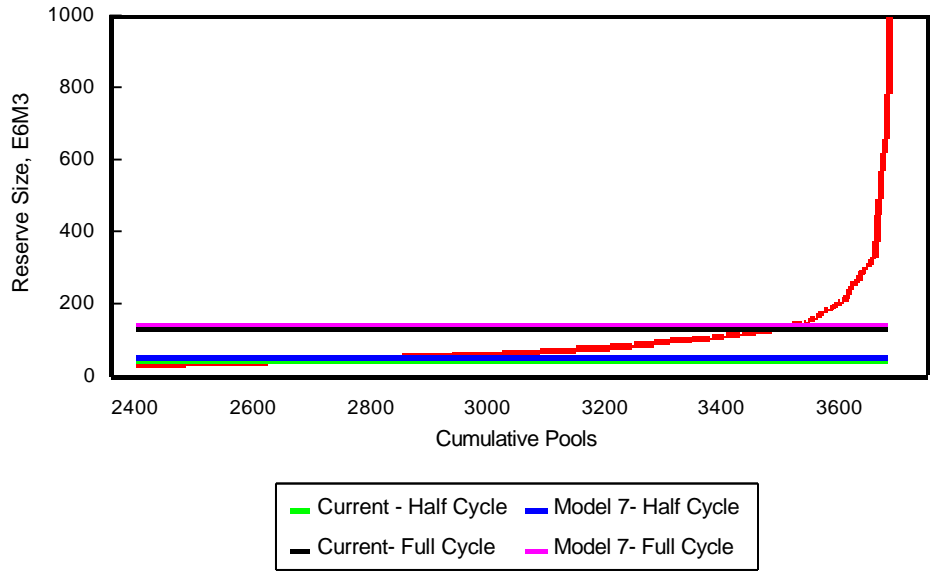
Analysis of Sample Regime Plant Gate #7 Shows Smaller, and Still Marginal, Negative Impact on Exploration and Development Economics of Pools Discovered to Date

Model 7
Area 3, 1 Well Pools



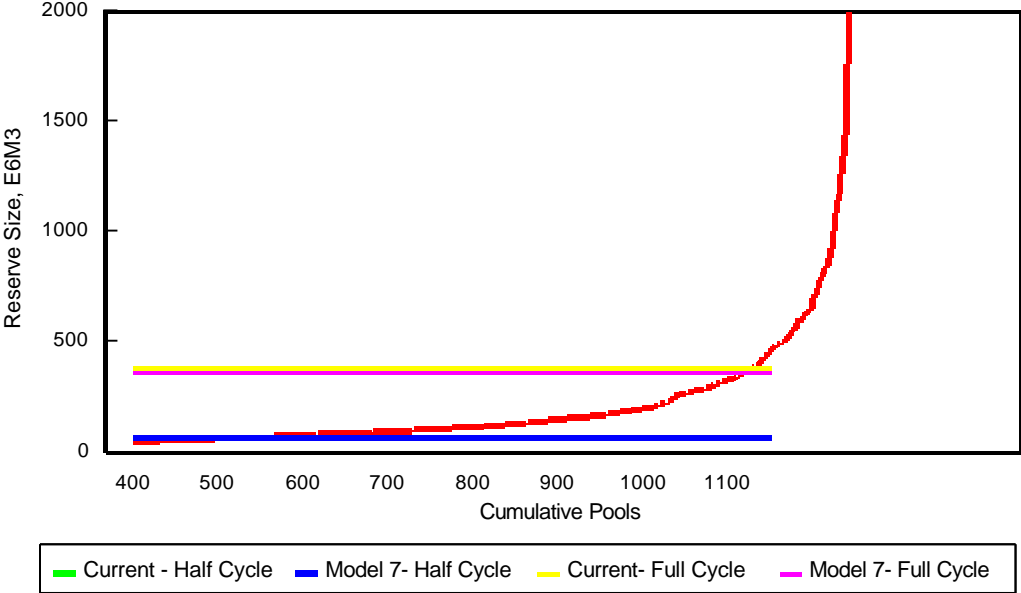
Analysis of Sample Regime Plant Gate #7 Shows Smaller, and Still Marginal, Negative Impact on Exploration and Development Economics of Pools Discovered to Date

Model 7
Area 4, 1 Well Pools



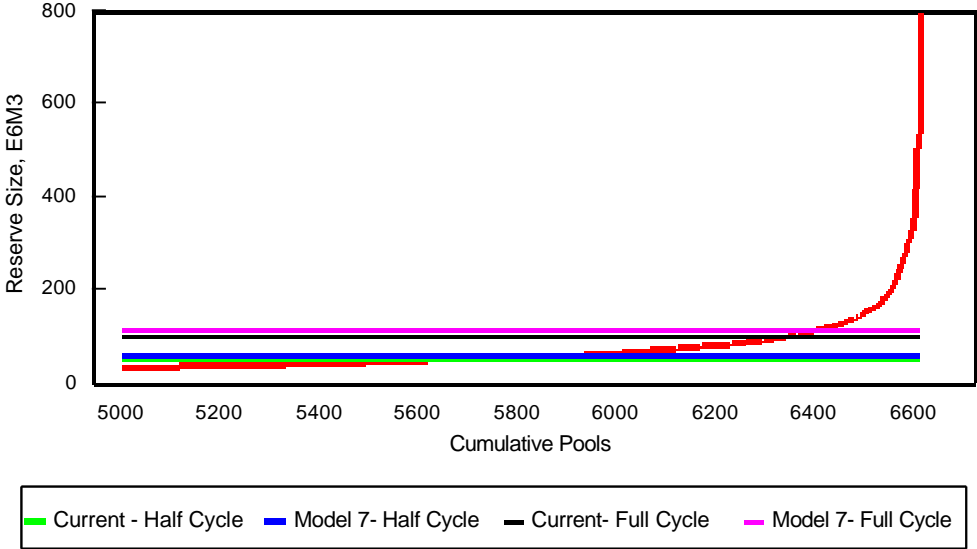
Analysis of Sample Regime Plant Gate #7 Shows Smaller, and Still Marginal, Negative Impact on Exploration and Development Economics of Pools Discovered to Date

Model 7
Area 5, 1 Well Pools



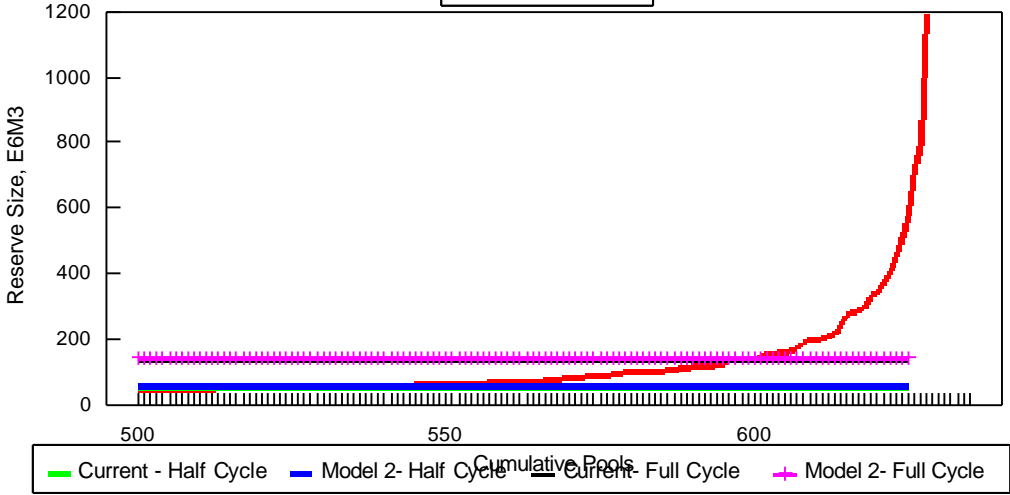
Analysis of Sample Regime Plant Gate #7 Shows Smaller, and Still Marginal, Negative Impact on Exploration and Development Economics of Pools Discovered to Date

Model 7
Area 6, 1 Well Pools



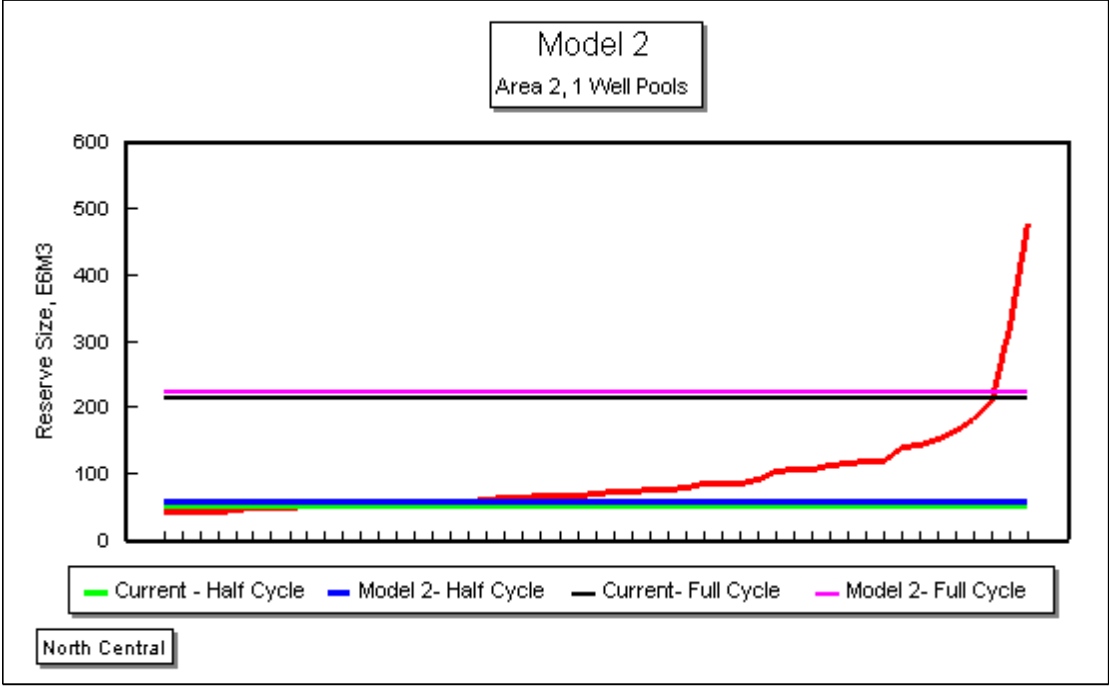
Analysis of Sample Regime Wellhead #2 Shows Marginal Negative Impact on Exploration and Development Economics of Pools Discovered to Date

Model 2
Area 1, 1 Well Pools



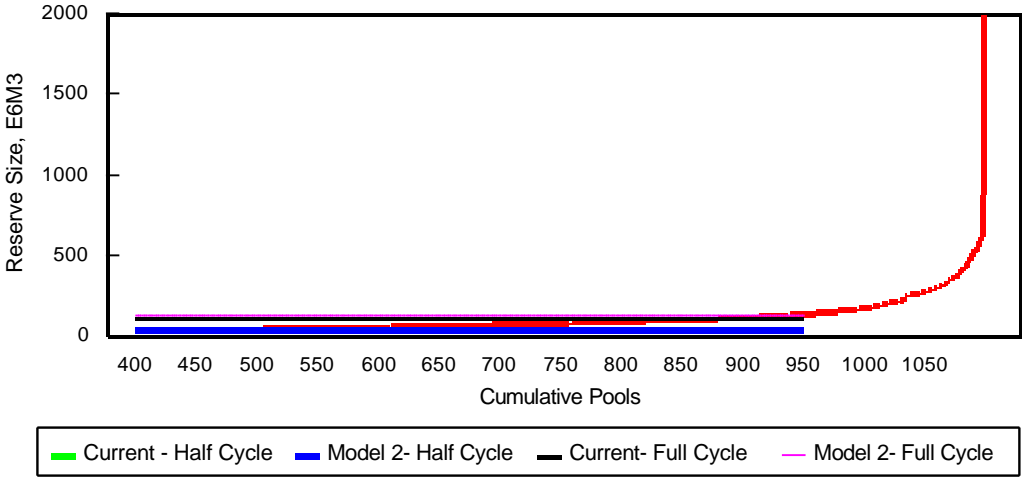
Rainbow, etc.

Analysis of Sample Regime Wellhead #2 Shows Marginal Negative Impact on Exploration and Development Economics of Pools Discovered to Date



Analysis of Sample Regime Wellhead #2 Shows Marginal Negative Impact on Exploration and Development Economics of Pools Discovered to Date

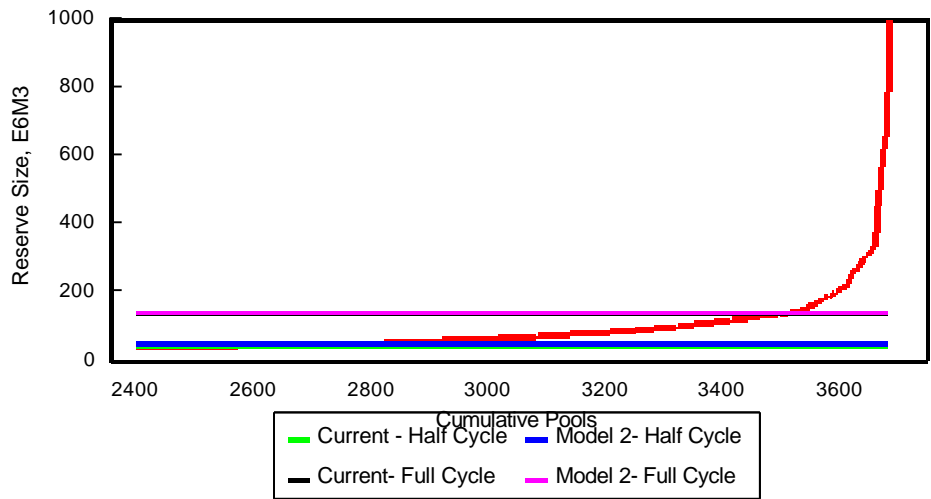
Model 2
Area 3, 1 Well Pools



Peace River

Analysis of Sample Regime Wellhead #2 Shows Marginal Negative Impact on Exploration and Development Economics of Pools Discovered to Date

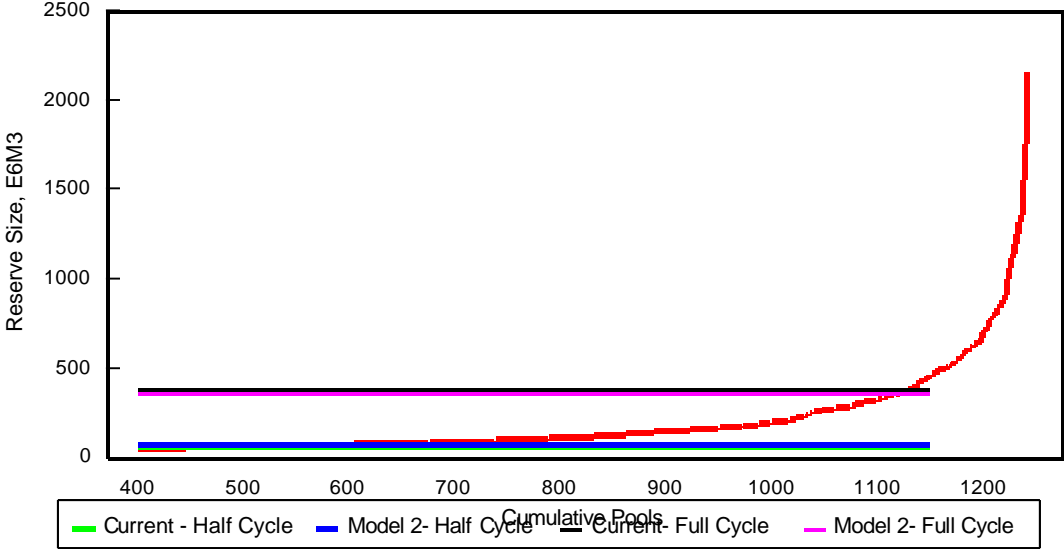
Model 2
Area 4, 1 Well Pools



Central

Analysis of Sample Regime Wellhead #2 Shows Marginal Negative Impact on Exploration and Development Economics of Pools Discovered to Date

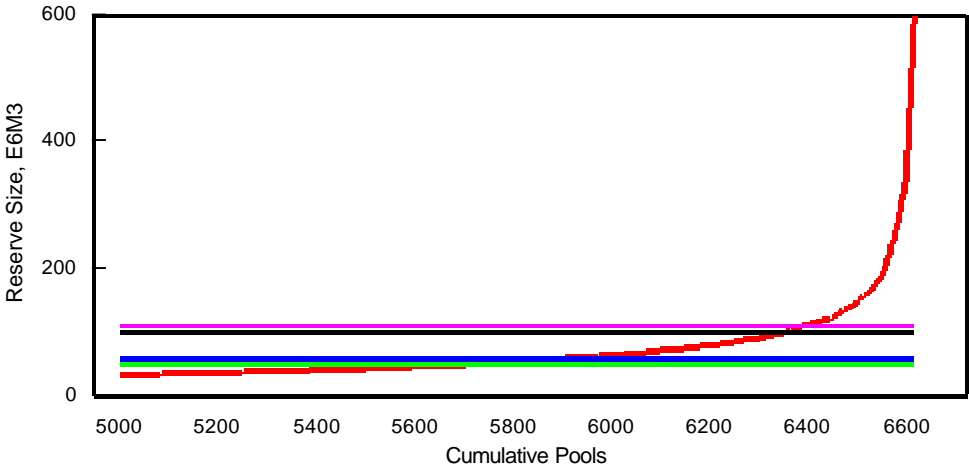
Model 2
Area 5, 1 Well Pools



Foothills

Analysis of Sample Regime Wellhead #2 Shows Marginal Negative Impact on Exploration and Development Economics of Pools Discovered to Date

Model 2
Area 6, 1 Well Pools



Current - Half Cycle Model 2- Half Cycle Current- Full Cycle Model 2- Full Cycle
Southeast

The distribution analysis of over 20 candidate regimes shows potential for distribution impact regardless of the regi

