

Methodology for calculating the Reserve Price and Conservation Helium Reserve Price for the FY 2015 Sales and Auctions and the FY2016 Advance Sale

Definitions:

- *RP* – The Reserve Price calculated by the BLM for Open Market sales of conservation crude helium. This Price Calculation is For the FY2015 Sales and Auction and FY2016 Advance Sale only due to the lack of time to complete a market survey.
- *CHP* – The Conservation Helium Price, starting January 1, 2014 Posted For FY 2014 which is \$95 per Mcf.
- *BPPI* – The Base Producers Price Index as calculated by the Bureau of Labor Statistics for September 2013 using the **325120 Industrial Gas Manufacturing Index**
- *CPPI* – The Calculated Producers Price Index adjustment through March 31, 2014.
- *AWP* – Auction Price weighted average
- *Mcf* – One-thousand cubic feet at 14.65 pounds per square inch and 60 degrees Fahrenheit.

Calculation for Reserve Price:

- $RP = CHP \times (CPPI/BPPI)$
- $RP = \$95 \times (151/143.2)$
- $RP = \$100$

Calculation for Conservation Price:

- CHP is calculated by multiplying the Reserve Price and Auction Weighted Price by the percentage of volume being sold.
- $CHP = \text{Auction\%} \times \text{AWP} + \text{Sales\%} \times \text{RP}$

Example:

- Calculation for FY 2015
 - $RP = \$100$
 - $AWP = \$115$

$$\begin{aligned} \text{CHP} &= 90\% \times \text{RP} + 10\% \times \text{AWP} \\ &= .90 \times 100 + .10 \times 115 \\ &= 90 + 11.50 \\ &= 101.50 \end{aligned}$$

Producer Price Index Industry Data
Original Data Value

Series Id: PCU325120325120
Industry: Industrial gas manufacturing
Product: Industrial gas manufacturing
Base Date: 200312
Years: 2004 to 2014

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2004	101.8	104.4	107.1	100.9	107.4	109.5	114.8	111.1	111.1	111.2	108.3	112.4	108.3
2005	116.3	109.5	113.5	112.6	115.6	114.8	113.1	116.5	116.3	130.5	129.4	131.5	118.3
2006	126.0	127.6	124.9	122.7	122.2	120.9	118.9	120.1	115.3	127.4	115.6	134.6	123.0
2007	112.6	117.0	120.7	125.2	126.1	127.4	127.9	123.9	122.4	121.7	126.0	129.0	123.3
2008	130.1	128.9	135.9	137.7	137.5	148.9	151.0	156.8	146.6	140.4	139.2	137.9	140.9
2009	142.0	137.5	129.6	130.7	127.3	127.2	127.6	127.1	126.3	125.1	124.4	124.1	129.1
2010	125.2	125.4	124.8	125.0	124.9	126.4	128.2	129.1	130.3	130.0	128.4	128.5	127.2
2011	130.3	128.4	128.3	132.0	133.5	135.8	137.6	135.2	135.7	134.2	132.8	133.7	133.1
2012	134.7	134.9	134.9	136.7	133.8	135.0	135.9	135.4	138.9	138.4	140.9	140.1	136.6
2013	140.1	138.7	139.4	139.9	141.0	141.0	142.0	141.6	143.2	142.2	141.9	143.7	141.2
2014	145.7	147.3	151.0										

Base Month	End Month	FY2014 Price
Sep-13	Mar-14	95.0 1.05447 100.175

Formula: March 2014 (End Month) / September 2013 (Base Month) x \$95

* Data printed on 4/14/2014

** February 2014 to May 2014 are pilimary data. All indexes are subject to revision four months after original publication.

2012 NAICS Definition

T = Canadian, Mexican, and United States industries are comparable.

325120 Industrial Gas Manufacturing

This industry comprises establishments primarily engaged in manufacturing industrial organic and inorganic gases in compressed, liquid, and solid forms.

Cross-References. Establishments primarily engaged in--

- Manufacturing chlorine gas--are classified in Industry [325180](#), Other Basic Inorganic Chemical Manufacturing; and
- Manufacturing ethane and butane gases made from refined petroleum or liquid hydrocarbons--are classified in Industry [325110](#), Petrochemical Manufacturing.

2002 NAICS	2007 NAICS	2012 NAICS	Corresponding Index Entries
325120	325120	325120	Acetylene manufacturing
325120	325120	325120	Argon manufacturing
325120	325120	325120	Carbon dioxide manufacturing
325120	325120	325120	Chlorodifluoromethane manufacturing
325120	325120	325120	Chlorofluorocarbon gases manufacturing
325120	325120	325120	Compressed and liquefied industrial gas manufacturing
325120	325120	325120	Dichlorodifluoromethane manufacturing
325120	325120	325120	Dry ice (i.e., solid carbon dioxide) manufacturing
325120	325120	325120	Fluorinated hydrocarbon gases manufacturing
325120	325120	325120	Fluorocarbon gases manufacturing
325120	325120	325120	Gases, industrial (i.e., compressed, liquefied, solid), manufacturing
325120	325120	325120	Helium manufacturing
325120	325120	325120	Helium recovery from natural gas
325120	325120	325120	Hydrogen manufacturing
325120	325120	325120	Ice, dry, manufacturing
325120	325120	325120	Industrial gases manufacturing
325120	325120	325120	Liquid air manufacturing
325120	325120	325120	Monochlorodifluoromethane manufacturing
325120	325120	325120	Neon manufacturing
325120	325120	325120	Nitrogen manufacturing
325120	325120	325120	Nitrous oxide manufacturing
325120	325120	325120	Oxygen manufacturing