

Hypothetical example of how the Phase B Allocated Sale would be conducted:

Assume 1,000 MMcf available for the Phase B sale.

Bidder - Allocated Sale	Proportional Operational capacity	Company bid volume*	Allocated volume*	Excess volume requested*	Proration percent	Excess Allocated*	Total Allocated*
Purchaser A	19.4%	170	170				170
Purchaser B	29.0%	300	290	10	39.2%	10	300
Purchaser C	32.3%	350	323	27	43.5%	17+5	345
Purchaser D	12.9%	135	129	6	17.4%	6	135
Purchaser E	6.5%	50	50				50
Total	100.1%**	1,005	962	43	100.1%**	38	1,000

* All volumes in MMcf

** Percentages rounded

After the initial allocation, Purchasers A and E have received all volumes requested. However, 38 MMcf is deemed in excess of the total in the first iteration of the Phase B allocated sale and reallocated to the three remaining purchasers based on the operational capacity between them. With the reallocation, Purchasers B and D get all volumes requested, but Purchaser C is still short by 10 MMcf. Additionally, 5 MMcf remains unallocated and, without any other purchasers, is awarded to Purchaser C. All percentages used in the calculation will be rounded to the nearest one-tenth of one percent. All volumes calculated will be rounded to the nearest 1 Mcf.