

1 COMPROMISE AND SETTLEMENT AGREEMENT

2
3 AGREEMENT made October 1, 1993 between Exxon Company U.S.A. ("Exxon") and the
4 United States Department of the Interior ("DOI") and its Minerals Management Service
5 ("MMS")
6

7 RECITALS

- 8
- 9 A. DOI has completed two audits of Exxon's accounts, covering production of oil and
10 gas through September 30, 1989. DOI has ordered Exxon to perform certain actions
11 regarding reporting, computation and payment of additional royalties and late payment
12 interest ("royalties"), and has asserted claims as to Exxon's payments under various
13 oil and gas leases of federal and Indian onshore lands and submerged lands on the
14 outer continental shelf ("OCS"). DOI has had full and complete access to Exxon's
15 records related to Exxon's oil and gas production through September 30, 1989, with
16 the explicit exception of certain records concerning payments to resolve contractual
17 disputes with purchasers, which are excluded from this settlement (see paragraph
18 number 6 below).
19
- 20 B. DOI has also instituted several claims through its automated verification processes and
21 has ordered Exxon to perform other actions regarding reporting, computation and
22 payment of additional royalties for oil and gas production and associated late payment
23 interest ("royalties"), and has asserted claims as to Exxon's payments under various
24 oil and gas leases of federal and Indian onshore lands and submerged lands on the
25 OCS.
26
- 27 C. These oil and gas royalty claims of DOI against Exxon are the subject of on-going
28 administrative proceedings, which are included in Exhibit A attached hereto.
29
- 30 D. Exxon has filed requests for refunds of overpaid royalties in connection with certain
31 OCS production.

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1 E. DOI has utilized the assistance of various states and Indian tribes in connection with
2 certain audits associated with production that is subject to the Exhibit A proceedings.
3 It has consulted with those states and at its discretion with other affected parties in
4 connection with this settlement.

5
6 F. DOI, in good faith, contends that Exxon is liable with respect to the royalty
7 computations and payments involved in the Exhibit A proceedings. DOI, in addition,
8 has identified certain other matters, which have not yet resulted in orders to pay or
9 perform for production for the period ending September 30, 1989.

10
11 G. Exxon, in good faith, contends that it is not liable with respect to DOI's claims that
12 are involved with the Exhibit A proceedings, and has not determined the extent to
13 which it would contest any additional matters identified by DOI which have not yet
14 resulted in orders to pay or perform.

15
16 H. The parties are willing to accept a compromise and settlement of the disputes now
17 existing with respect to production on Exxon's federal and Indian oil and gas leases
18 for the period ending September 30, 1989 and certain other matters covering
19 production after that date as specified in Exhibit A. This Agreement is made for the
20 purpose of compromising and settling any and all claims, disputes, and matters
21 between the parties involving Exxon oil and gas production through September 30,
22 1989, except as specifically excluded herein.

23
24 AGREEMENT

25
26 In consideration of the above recitals and the mutual covenants herein, the parties agree as
27 follows.

28

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- 1 1. Exxon agrees to pay the sum of ~~----- X-4 -----~~ dollars) by wire
2 transfer to the Minerals Management Service by October 1, 1993. If Exxon is unable
3 to complete the transfer by that date, late payment interest shall be added to that sum.
4 Late payment interest shall be computed according to the requirements of the Federal
5 Oil and Gas Royalty Management Act (30 U.S.C. § 1721) and the implementing
6 regulations found at 30 C.F.R. §218.54 beginning on the effective date of the
7 Agreement.
8
- 9 2. With respect to oil and gas production by Exxon attributable to federal or Indian
10 leases through September 30, 1989, all accountings, audits, claims, rights,
11 recalculations, refunds, credits, offsets, duties, obligations and liabilities existing
12 between the parties as to Exxon's royalty obligation and all other financial
13 computations, refunds and payments, whether of not listed in Exhibit A hereto, and
14 excepting only those matters identified below in paragraph 6, are satisfied, released,
15 discharged and terminated ("Settled Claims"). Accordingly, Exxon is released from
16 record maintenance requirements for periods prior to September 1, 1987, except as
17 they may pertain to those matters identified below in paragraph 6.
18
- 19 3. Nothing in this Agreement shall prevent either DOI or Exxon from asserting or
20 reopening any of its claims against the other as to royalty and other financial
21 computations and payments for reasons of fraud, malfeasance, concealment or
22 misrepresentation of material fact on the part of the other.
23
- 24 4. Upon execution of this Agreement, the parties authorize and direct their attorneys to
25 execute withdrawals or dismissals with prejudice of all administrative or judicial
26 proceedings with respect to all Settled Claims. MMS agrees to process and release
27 all valid outstanding refund requests (as listed in Exhibit B, attached hereto) in

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1 accordance with the provisions of Section 10 of the Outer Continental Shelf Lands
2 Act (43 U.S.C. §1339) and Exxon agrees to withdraw all "tolling" requests.

3
4 5. DOI releases Exxon from its obligations to maintain any bonds or other security for
5 payment of any Settled Claims, and Exxon may reduce the amount of coverage under
6 any comprehensive bonds accordingly.

7
8 6. The parties expressly agree that the following cases, proceedings, issues or matters
9 are not Settled Claims under this Agreement:

10 a. Any royalty or other obligation, if and when DOI may assert there is one,
11 related to revenue, payments or other consideration received by Exxon with
12 respect to any and all settlements, litigation or other resolutions of contract
13 disputes between Exxon and purchasers of oil or gas ("Contract Settlement
14 Payments").

15 b. Any and all royalty obligations, if and when DOI may assert there is one,
16 related to the payment of Major Portion values for any Indian leases, except to
17 the extent they have already been settled in a settlement agreement dated
18 March 31, 1993, for leases on the Navajo Nation's lands.

19
20 7. It is understood and agreed that by executing this Agreement, Exxon in no way
21 admits liability to DOI of any kind, and that DOI, by executing this Agreement,
22 admits no liability to Exxon. It is specifically understood and agreed that this
23 agreement is executed for the sole purpose of settling the issues described herein.
24 Neither Exxon nor the DOI (including the MMS) shall be deemed to have approved,
25 accepted, or consented to any concept, method, theory, principle, or statutory or
26 regulatory or contractual interpretation, underlying or supposedly underlying, any of
27 the matters agreed to herein or raised in connection with the issues settled herein.

28 This agreement shall have no precedential value and shall not be binding on either

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1 party as to any issues, or any time periods, other than those specifically addressed
2 herein.

3
4 8. Nothing in this or any other agreement shall be construed so as to deprive a federal
5 official of the authority to revise, amend or promulgate regulations. Nor shall
6 anything in this Agreement be construed to commit a federal official to expend funds
7 not appropriated by Congress. Nor shall anything in this Agreement bar any party
8 from seeking judicial relief enforcing this Agreement in any court having jurisdiction
9 over the parties to, and the subject matter of, this Agreement.

10
11 9. This Agreement embodies the entire agreement of the parties respecting the settlement
12 of Exxon's royalty obligation with respect to its oil and gas production attributable to
13 federal onshore and OCS leases and Indian leases through September 30, 1989 except
14 as excluded in paragraph 6 (and with respect to other matters listed in Exhibit A).
15 DOI has raised in this Agreement all matters about which it has any question
16 regarding Exxon's compliance with its royalty obligation for its oil and gas production
17 for the period ending September 30, 1989, except as excluded in paragraph 6. There
18 are no promises, terms, conditions, or obligations other than those contained in this
19 Agreement. This document supersedes all previous communications, notices,
20 representations, denials or agreements, either verbal or written, between the parties
21 regarding the royalty and other financial computations and payments for the Settled
22 Claims.

23
24 10. With the payment specified in paragraph 1, above, for production from the properties
25 covered herein, Exxon's methodologies for computing its royalty obligation are in
26 substantial compliance with applicable DOI rules, regulations and guidelines for oil
27 and gas production for the period ending September 30, 1989, except as excluded in
28 paragraph 6.

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- 1 11. This Agreement is effective on October 1, 1993.
2
3 12. This Agreement is executed in duplicate, each of which is to be treated as an original,
4 and one of which is to be delivered to each party upon its execution by both.
5

6 IN WITNESS WHEREOF, the parties have executed this Agreement on the dates indicated
7 below.
8

9 EXXON COMPANY U.S.A.

UNITED STATES DEPARTMENT OF
10 THE INTERIOR, and its MINERALS
11 MANAGEMENT SERVICE

12
13 By:  _____

J. H. Steele
14 Operations Manager
15 Production Department
16

By:  _____

Tom Fry, Director,
17 Minerals Management Service

Date: 10/25/93

Date: DEC 6

GLOBAL SETTLEMENT AGREEMENT

AGREEMENT made and effective this March 22, 1994, between Chevron U.S.A. Inc. ("Chevron") and the United States Department of the Interior ("DOI") and its Minerals Management Service ("MMS")

RECITALS

- A. DOI has completed audits of Chevron's leases and accounts, covering production of oil and gas through September 30, 1989. DOI has ordered Chevron to perform certain actions regarding reporting, computation and payment of additional royalties and late payment interest ("royalties"), and has asserted claims as to Chevron's payments under various oil and gas leases of federal and Indian onshore lands and submerged lands on the outer continental shelf ("OCS").
- B. DOI has also instituted several claims through its automated verification processes and has ordered Chevron to perform other actions regarding reporting, computation and payment of additional royalties for oil and gas production and associated late payment interest ("royalties"), and has asserted claims as to Chevron's payments under various oil and gas leases on federal and Indian onshore lands and submerged lands on the OCS.
- C. Most of these oil and gas royalty claims of DOI against Chevron are the subject of on-going judicial or administrative proceedings, which are included on Exhibit A attached hereto. Also listed on Exhibit A are certain disputed matters that are not yet the subject of judicial or administrative proceedings.
- D. Chevron has filed requests for refunds of overpaid amounts in connection with certain OCS production.
- E. DOI has utilized the assistance of various states and Indian tribes in connection with certain audits associated with production that is subject to the Exhibit A proceedings.
- F. DOI, in good faith, contends that Chevron is liable with respect to the royalty computations and payments involved in the Exhibit A proceedings. DOI, in addition, has identified certain other matters, which have not yet resulted in orders to pay or perform for production for the period ending September 30, 1989 and for later periods.
- G. Chevron, in good faith, contends that it is not liable with respect to DOI's claims that are involved in the Exhibit A proceedings, and has not determined the extent to which it would contest any additional matters identified by DOI which have not yet resulted in orders to pay or perform.

- H. Except as expressly reserved and provided herein, the parties are willing to accept a compromise and settlement of any and all disputes, presently known or unknown, with respect to production on Chevron's federal and Indian oil and gas leases for the period ending September 30, 1989, whether or not such disputes are listed on Exhibit A, and certain other matters covering production after that date as specified in Exhibit A.

AGREEMENT

In consideration of the above recitals and the mutual covenants herein, the parties agree as follows:

1. Chevron agrees to pay the sum of \$150,000,000 (one hundred fifty million dollars) by wire transfer to the MMS, in accordance with MMS instruction, as follows:
 - (a) \$75 million on or before March 31, 1994; and
 - (b) \$75 million on the earlier of
 - (i) within five business days after DOI and Chevron terminate the reservation contained in paragraph (6) (b) below, referred to as the "California reserved issue"; or
 - (ii) December 31, 1994.
 - (c) MMS will provide Chevron with instructions to simplify reporting of the above-specified amounts. The payment of the amount provided in this paragraph 1 shall mean that payments of royalties by Chevron for the matters settled herein are deemed to be made in compliance with MMS orders and regulations. Chevron shall not be required to revise previously submitted reporting of royalty payments, including but not limited to, Form MMS-2014.

If Chevron is unable to complete the transfers by the specified dates, late payment interest shall be added to that sum. Late payment interest shall be computed according to the requirements of the Federal Oil and Gas Royalty Management Act (30 U.S.C. §1721) beginning on the date the payment was due.

2. With respect to oil and gas production by Chevron attributable to federal and Indian leases through September 30, 1989 and to oil and gas production after that date as provided in paragraph 7, all accountings, audits, claims, rights, recalculations, refunds, credits, offsets, duties, obligations and liabilities existing between the parties as to Chevron's royalty obligation and all other financial computations,

refunds and payments, whether or not listed in Exhibit A hereto, excepting only those matters identified below in paragraph 6, are satisfied, released, discharged and terminated ("Settled Claims"). Accordingly, Chevron is released from record maintenance requirements for periods prior to March 31, 1988, except as they may pertain to those matters identified below in paragraphs 6 and 7. Chevron agrees not to file any credit adjustments or effect any other form of refund or credit for any Settled Claim.

3. Nothing in this Agreement shall prevent either DOI or Chevron from asserting or reopening any of its claims against the other as to royalty and other financial computations and payments for reasons of fraud, malfeasance, concealment or misrepresentation of material fact on the part of the other.
4. Upon execution of this Agreement, the parties authorize and direct their attorneys to execute withdrawals or dismissals with prejudice of all administrative or judicial proceedings with respect to all Settled Claims, specifically including Chevron v. Lujan, No. CV90-0699 (W.D. La.) and Chevron v. Fry, No. 93-2163 (D. D.C.). Chevron agrees to withdraw its outstanding refund requests made in accordance with the provisions of Section 10 of the Outer Continental Shelf Lands Act (43 U.S.C. §1339) that are the subject of the Settled Claims as listed in Exhibit A, and it is agreed that MMS shall retain the monies that were the subject of the refund requests. DOI agrees that with respect to any refund requests filed by Chevron which are filed subsequent to the date of this Agreement and not included in the Settled Claims, DOI shall process those refund requests in a non-discriminatory manner relative to other federal royalty payors.
5. Upon payment of the amount prescribed in paragraph (1) (b), MMS will release Chevron's bonds and letters of credit. Chevron agrees to keep all such sureties in effect until released by MMS.
6. The parties expressly agree that the following cases, proceedings, issues or matter are not Settled Claims under this Agreement:
 - (a) Any royalty or other obligation, if and when DOI may assert there is one, related to revenue, payments or other consideration received by Chevron with respect to any and all settlements, litigation or other resolutions of contract disputes between Chevron and purchasers of gas ("Contract Settlement Payments").

- (b) Potential claims DOI may assert against Chevron for additional royalties and interest on crude oil production from federal leases in and offshore California between January 1, 1980 and September 30, 1989 due to posted prices being used to determine royalty value which do not represent reasonable value as a result of such posted prices being established through collusion with third parties, fraud, or improper conduct which violates the lease obligations or the Mineral Leasing Act ("California reserved issue"); provided, however, any and all defenses to such claims based on any applicable statute of limitations, other law, or in equity are expressly reserved to Chevron.
- (c) For production from wells in the Rangely Weber Sand Unit in Rio Blanco County, Colorado, for which Chevron has applied on or before March 3, 1994, for a royalty rate reduction and have been or are subsequently determined to qualify for a royalty rate reduction, recoupment by Chevron of amounts paid in excess of the Bureau of Land Management ("BLM") approved reduced royalty for a period of six years preceding the month Chevron applied for such reduction.
7. DOI and Chevron shall release and discharge the other for the same type of claims, offsets, reductions, etc., described in paragraph 2 for oil and gas production after September 30, 1989 as follows:
- (a) DOI claims for payment of additional royalty and interest for gas sold by Chevron and its predecessor Gulf Oil Corporation under the Texas Eastern Gas Transmission Corporation and Southern Natural Gas Company warranty-type contracts through termination of those contracts in 1989 and 1993, respectively;
- (b) For MMS orders contained on Exhibit A directing Chevron to recalculate and pay to current date, such claims through the date such order was issued; and
- (c) Any other claims, demands, bills, appeals, offsets, etc., contained on the list entitled Global Settlement Common Listing jointly prepared by Chevron and DOI, and attached as Exhibit A, as of the effective date of this settlement.
8. It is understood and agreed that by executing this Agreement, Chevron in no way admits liability to DOI of any kind, and that DOI, by executing this Agreement, admits no liability to Chevron. It is specifically understood and agreed that this Agreement is executed for the sole purpose of settling the issues described herein. Neither Chevron nor the DOI

COMPROMISE AND SETTLEMENT AGREEMENT

AGREEMENT made _____, 1995, between Mobil Exploration and Producing U.S. Inc. (Mobil) as agent for Mobil Oil Corporation, Mobil Exploration and Producing Southeast Inc., Mobil Exploration and Producing North America Inc. (as partial successor-in-interest to the Superior Oil Company), Mobil Producing Texas and New Mexico, Inc. (as partial successor-in-interest to the Superior Oil Company), Mobil Rocky Mountain Inc., their predecessors-in-interest, successors-in-interest and affiliated companies, and the United States Department of the Interior (DOI) and its Minerals Management Service (MMS), hereinafter collectively referred to as DOI.

RECITALS

- A. DOI has conducted audits of Mobil's accounts, covering production of oil and gas through September 30, 1989. DOI has ordered Mobil to perform certain actions regarding reporting, computation and payment of additional royalties and late payment interest (royalties), and has asserted claims as to Mobil's payments under various oil and gas leases of federal and Indian onshore lands and submerged lands on the outer continental shelf (OCS).
- B. DOI has also instituted several claims through its automated verification processes and has ordered Mobil to perform other actions regarding reporting, computation and payment of additional royalties for oil and gas production and associated late payment interest, and has asserted claims as to Mobil's payments under various oil and gas leases on federal and Indian onshore lands and submerged lands on the OCS.
- C. Most of these oil and gas royalty claims of DOI against Mobil are the subject of on-going judicial or administrative proceedings, which are referenced on Exhibit A attached hereto. Listed on Exhibit B are certain disputed matters that are not yet the subject of judicial or administrative proceedings.
- D. Mobil has filed requests for refunds of overpaid royalties in connection with certain OCS production.
- E. Mobil has provided MMS with assurances that Mobil's policy and practice was to pay royalties on any payments Mobil received from gas purchasers to settle disputes concerning whether the purchasers had paid the full price contractually required for gas produced in the past by Mobil from Federal and Indian leases (past pricing disputes). MMS auditors had access to Mobil's records and agree that it was Mobil's policy to pay royalties on settlement proceeds relating to past pricing disputes.

- F. Various states and Indian tribes have assisted DOI in performing audits leading to issues that are identified in Exhibits A and B. DOI has consulted with those states and at its discretion with other affected parties in connection with this settlement.
- G. DOI, in good faith, contends that Mobil is liable with respect to the royalty computations and payments involved in the Exhibit A proceedings. DOI, in addition, has identified certain other matters involving production for the period ending September 30, 1989, and for later periods, which have not yet resulted in orders to pay or perform. These other matters are specified on Exhibit B.
- H. Mobil, in good faith, contends that it is not liable with respect to DOI's claims that are involved in the Exhibit A proceedings, and has not determined the extent to which it would contest any additional matters identified on Exhibit B.
- I. The parties are willing to accept a compromise and settlement of the disputes now existing with respect to production on Mobil's federal onshore and OCS oil and gas leases for the period ending September 30, 1989, and certain other matters, as specified on Exhibits A and B (some of which cover production after that date). This Agreement is made for the purpose of compromising and settling any and all claims, disputes, and matters between the parties, whether known or unknown, involving Mobil's oil and gas production through September 30, 1989, except for those matters specifically identified as exclusions in paragraph 7 below, and of compromising and settling certain issues for later periods as expressly provided herein.
- J. By separate agreement, DOI and Mobil recently have settled DOI's claims for royalties due on reimbursements for production-related costs paid to Mobil under § 110 of the Natural Gas Policy Act (NGPA) and the implementing Federal Energy Regulatory Commission Order 94 series (production related cost settlement). Those matters therefore are not addressed in this Agreement, nor does the Agreement amend the production related cost settlement.

AGREEMENT

In consideration of the above recitals and the mutual covenants herein, the parties agree as follows:

1. Mobil agrees to pay the sum of \$ 4 by wire transfer to the MMS within ten working days after the effective date of this Agreement.

MMS will provide Mobil with instructions to simplify reporting of the above-specified amount.

If Mobil is unable to complete the transfer by the date specified above, late payment interest shall accrue on the above-stated amount. Late payment interest shall be computed at the rate established under the Federal Oil and Gas Royalty Management Act (30 U.S.C. 1721) and the implementing regulations at 30 C.F.R. § 218.54 beginning on the effective date of the Agreement.

2. With respect to oil and gas produced by Mobil and attributable to Federal onshore and OCS leases through September 30, 1989, all accountings, audits, claims, rights, recalculations, refunds, credits, offsets, duties, obligations and liabilities existing between the parties as to Mobil's royalty obligations, excess royalty or related production payments, interest or late payment penalties and all other financial computations, refunds and payments, whether or not listed on Exhibits A and B hereto, and excepting only those matters identified below in paragraph 7, are satisfied, released, discharged and terminated (Settled Claims). Accordingly, Mobil is released from record maintenance requirements for periods prior to January 1, 1989, except as they may pertain to those matters identified below in paragraph 7. Mobil agrees not to file any credit adjustments or effect any other form of refund or credit for any Settled Claim.
3. All royalty obligations arising from proceeds received by Mobil from gas purchasers for settlement of past pricing disputes are satisfied, released, discharged, and terminated for the contract settlements listed in Exhibit C, except to the extent that these past pricing disputes affect royalties on Indian leases, in which case they are excluded from this settlement agreement. Mobil warrants that any dollar amounts received under pipeline settlements listed in Exhibit C which were categorized by Mobil, on or before the effective date of this agreement, as buyout, buydown, take-or-pay, litigation expense, or other, will not be reclassified by Mobil after this settlement as a pricing issue upon which Mobil would not owe additional royalties. DOI warrants that any dollar amounts received under pipeline settlements listed in Exhibit C, which were classified by Mobil as buyout, buydown, take-or-pay, litigation expense, or other, will not be reclassified after this settlement by DOI as a pricing issue upon which DOI would claim additional royalties.
4. Nothing in this Agreement shall prevent either DOI or Mobil from asserting or reopening any claim or potential claim against the other as to royalty and other financial

computations and payments for reasons of fraud, concealment, or misrepresentation of material fact on the part of the other.

5. Upon execution of this Agreement, the parties agree to execute withdrawals or dismissals, with prejudice, consistent with the terms of this Agreement, of all administrative proceedings with respect to all Settled Claims. This Agreement shall govern, control, and take precedence over any proceeding related to the Settled Claims. The parties further agree to jointly move the Court for the issuance of an order dismissing Mobil Exploration & Producing U.S., Inc. v. Babbitt, Civil No. 93-0184 (SM) (D.D.C.) that dismissal to be without prejudice to Mobil's right to raise statute of limitations as a defense in any other presently pending or future judicial or administrative proceeding. In the case of MMS-92-0493-OCS the parties will execute an appropriate amendment to dismiss issues other than the issue of gas transportation allowances under leases governed by section 6 of the OCS Lands Act, 43 U.S.C. 1335, as referenced in paragraph 7(e) below.
6. Upon Mobil's payment of the amount agreed to under paragraph 1, MMS will release Mobil's bonds and letters of credit related to the Settled Claims within 30 days. Mobil agrees to keep all such sureties in effect until 30 days after payment.
7. The following matters are expressly excluded from this Agreement:
 - (a) Any claim or potential claim of DOI arising from revenue or consideration, in any form, received by Mobil due to the resolution of contract disputes between Mobil and purchasers of oil or gas (Contract Settlement Payments), excepting those past pricing disputes specified in paragraph 3 and excepting those claims for royalties due on reimbursement for production-related costs that were settled pursuant to the agreement referenced in paragraph J. This exclusion applies, inter alia, to the administrative appeal docketed as MMS-94-0151-OCS (except to the extent that DOI has claimed royalty on reimbursement for production-related costs or past pricing disputes).
 - (b) Any claim arising from facts indicating that the prices used or paid for crude oil produced from Federal leases in and offshore California do not reflect accurately the value of the crude oil. This exclusion does not cover claims based on matters other than crude oil valuation; specifically it will not include disputes as

to measurement discrepancies, accounting errors, erroneous gravity of oil, or oil run time issues.

- (c) Any potential claim for compensatory royalty against Mobil resulting from failure to protect against drainage of onshore or offshore Federal and Indian leases.
- (d) All claims, issues, or matters, whether currently pending or not, involving Indian leases, other than those specifically identified on Exhibit A (for which the assessment is being paid in full by way of this Agreement). The parties acknowledge the existence of prior settlements between Mobil, DOI, and various Indian tribes and allottees. Nothing in this Agreement amends, supersedes, or vitiates those prior agreements.
- (e) The issue of whether MMS should grant transportation allowances in determining royalties due for natural gas production from leases validated under Section 6 of the OCS Lands Act (43 U.S.C. § 1335). This issue is the subject of administrative appeals (MMS-92-0493-OCS, in part, involving \$ ~~X-4~~ in principal claimed by MMS, and MMS-93-0905-OCS, involving \$: ~~X-4~~ in principal claimed by MMS) and of Mobil's claims in the case styled Oxy, USA, Inc. et al v. Babbitt et al, Civil No. 93-1186 (LC) (W.D.La.).
- (f) The issue of whether MMS may require Mobil to calculate the transportation allowance for transportation of carbon dioxide produced from the McElmo Dome unit (Montezuma and Dolores Counties, Colorado) on the basis of actual costs. This issue is the subject of an administrative appeal docketed as MMS-93-0997-OCS and of the case styled Mobil Exploration & Producing U.S. Inc. v. Babbitt, Civil No. 94-0387 (SSK) (D.D.C.).
- (g) The issue of whether MMS should grant Mobil an extraordinary cost allowance for removing hydrogen sulfide from the natural gas produced from its leases in the Mobile Bay area of the OCS. This is the subject of an administrative appeal docketed as MMS-93-0884-OCS and of Mobil's claims asserted in paragraph 8(e) of the complaint in the case styled Mobil Exploration & Producing U.S. Inc. v. Babbitt, Civil No. 94-0393 (RCL) (D.D.C.).
- (h) The issue of how Mobil should calculate the royalty value for diamondoids produced from its leases in the Mobile Bay area of the OCS. This is the subject of an administrative appeal docketed as MMS-93-0831-OCS.

With respect to issues which are not settled claims, neither Mobil nor DOI waive any claims or defenses, including without limitation any defenses based on any applicable statute of limitations, other law, or in equity.

8. MMS agrees to allow Mobil to recoup all amounts in the refund requests listed in Exhibit D, once : 1) such amounts were requested in accordance with the provisions of Section 10 of the OCS Lands Act (43 U.S.C. § 1339); 2) MMS has submitted to Congress a report specifying the amounts and facts associated with the refund requests; and 3) the waiting period specified in 43 U.S.C. § 1339 (b) has expired. These refund requests are allowed subject to DOI's right to audit the underlying transactions, except to the extent that they are for payments made on oil or gas produced prior to September 30, 1989, in which case they will be deemed to be correct.
9. It is understood and agreed that by executing this Agreement, Mobil in no way admits liability to DOI of any kind, and that DOI, by executing this Agreement, admits no liability to Mobil. It is specifically understood and agreed that this Agreement is executed for the sole purpose of settling the issues described herein. Neither Mobil nor the DOI (including MMS) shall be deemed to have approved, accepted, or consented to any concept, method, theory, principle, or statutory or regulatory or contractual interpretation, underlying or supposedly underlying, any of the matters agreed to herein or raised in connection with the issues settled herein. This Agreement shall have no precedential value and shall not be binding on either party as to any issues, or any time periods, other than those specifically addressed herein.
10. Nothing in this or any other agreement shall be construed so as to deprive a federal official of the authority to revise, amend or promulgate regulations. Nor shall anything in this Agreement be construed to commit a federal official to expend funds not appropriated by Congress. Nor shall anything in this Agreement bar any party from seeking judicial relief enforcing this Agreement in any court having jurisdiction over the parties to, and the subject matter of, this Agreement.
11. This Agreement embodies the entire agreement of the parties respecting the settlement of Mobil's royalty obligation with respect to its oil and gas production attributable to federal onshore and OCS leases and Indian leases through September 30, 1989. With respect to all settled claims, DOI has had access to all records it requested from Mobil related to Mobil's Federal oil and gas production and Federal royalty payments attributable to the period ending

September 30, 1989, and DOI has raised, prior to this Agreement, all matters about which it has any question regarding Mobil's compliance with its royalty obligations for its oil and gas production for the period ending September 30, 1989, except as provided in paragraph 7. There are no promises, terms, conditions, or obligations other than those contained in this Agreement. Except as to prior settlement agreements whether enumerated herein or not, this document supersedes all previous communications, notices, representations, denials or agreements, either verbal or written, between the parties regarding the royalty and other financial computations and payments for the Settled Claims. This Agreement cannot be amended except by written agreement executed by the parties thereto. Subsequent audit closure letters issued by the MMS, relating to the issues settled herein, shall have no effect if they are contrary to the terms and conditions of this agreement.

12. This Agreement is executed in duplicate, each of which is to be treated as an original and one of which is to be delivered to each party upon its execution by both. This agreement is effective as of the last date on which it is executed by a party to the agreement.
13. Except for the U.S. Department of Justice's submission with Mobil of a joint motion to dismiss in Mobil Exploration & Producing U.S., Inc. v. Babbitt, Civil No. 93-0184 (SSH) (D.D.C.), no other governmental authority is required for the execution, delivery, or performance by DOI of this Agreement. DOI also represents that this Agreement when executed and delivered constitutes a valid and binding obligation upon the United States Department of the Interior. Mobil represents that this Agreement has been duly and validly authorized by Mobil and when executed and delivered constitutes a valid obligation upon Mobil.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates indicated below.

Mobil Exploration
& Producing U.S. Inc.

By:

R. W. White
R. W. White
President

Date:

September 23, 1945

United States Department of
the Interior, and its Minerals
Management Service

By:

C. Quarterman
Cynthia Quarterman,
Director
Minerals Management
Service

Date:

9/25/45

United States Department
of Justice

By:

J. Lowell

Date:

September 23, 1945