

HE&D Offshore, L. P.

Two Allen Center
1200 Smith, Suite 2400
Houston, Texas 77002
Phone: (713) 586-5746
Fax: (713) 650-8305
salford@houstonenergyinc.com



February 23, 2022

Via Electronic Mail: boemadjudication@boem.gov

Bureau of Ocean Energy Management
Department of the Interior
1201 Elmwood Park Boulevard
New Orleans, LA 70123-2394
Attention: Adjudication Unit – Mail Stop GM-276A

RE: Assignment of Overriding Royalty Interest
Atwater Valley
Block 314 - OCS-G 35881

Ladies and Gentlemen:

Enclosed please find two copies of the following document:

Title of Documents: Assignment of Overriding Royalty Interest in Oil and Gas Lease

Identities of Parties to Documents: By and between HE&D Offshore, L.P. as Assignor and DKM Interests, LLC, AWA Investments, LLC, SEND Partners, LLC, Telluride Energy, LLC, Ishtaca II, LLC, CCC Investments, LLC, 4C Production Company, LLC, Zachary Alan Wright and BMT Production, LLC, as Assignees

Lease Affected: OCS-G 35881

Category to be Filed: 5 = **Overriding Royalty, Production Payment, Net Profit**

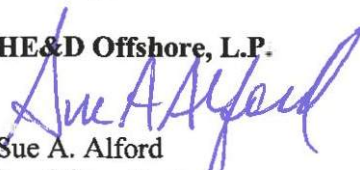
Service Fees: Pay.Gov receipt enclosed in amount of \$29.00

Once this assignment has been filed as requested, I would appreciate your stamping and returning a copy to my attention to salford@houstonenergyinc.com

If you should have any questions, my direct number is 713.586.5746.

Sincerely,

HE&D Offshore, L.P.


Sue A. Alford
Land Coordinator

**ASSIGNMENT OF
OVERRIDING ROYALTY INTEREST
IN OIL AND GAS LEASE**

Atwater Valley Block 314
OCS-G 35881

THE UNITED STATES OF AMERICA §
OUTER CONTINENTAL SHELF § KNOW ALL MEN BY THESE PRESENTS:
OFFSHORE LOUISIANA §

THAT, HE&D Offshore, L.P., whose address is Two Allen Center, 1200 Smith, Suite 2400, Houston, Texas 77002, (hereinafter referred to as "Assignor") is the owner of an undivided three percent (3%) overriding royalty interest in and to the oil and gas lease (hereinafter referred to as the "Lease") more fully described on the attached Exhibit "A".

WHEREAS, Assignor now desires to assign unto the parties set forth below, (hereinafter referred to as "Assignees") in the portions indicated, one hundred percent (100%) of the overriding royalty interest in the Lease all as hereinafter provided.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged and subject to the terms contained herein, Assignor does hereby TRANSFER, CONVEY, SELL and ASSIGN unto the following Assignees and in the amount set opposite their names, an overriding royalty interest in the Lease equal to 3.00% of 8/8ths (such interest assigned hereby is sometimes referred to as the "Overriding Royalty").

<u>Assignees</u>	<u>Interest Assigned</u>
DKM Interests, LLC Two Allen Center 1200 Smith, Suite 2400 Houston, Texas 77002	0.7500%
AWA Investments, LLC Two Allen Center 1200 Smith, Suite 2400 Houston, Texas 77002	0.7500%

<u>Assignees</u>	<u>Interest Assigned</u>
SEND Partners, LLC 5217 Braeburn Dr. Bellaire, Texas 77401	0.3333%
Telluride Energy, LLC 628 Shartle Circle Houston, Texas 77024	0.3334%
Ishtaca II, LLC 1036 Jefferson Avenue New Orleans, LA 70115	0.3333%
CCC Investments, LLC 3602 Sunset Boulevard Houston, Texas 77005	0.1000%
4C Production Company, LLC 10014 Touhy Lake Dr. Katy, Texas 77494	0.2000%
Zachary Alan Wright 978 Bethlehem Street Houston, Texas 77018	0.1000%
BMT Production, LLC 5318 229 th Ave SE Issaquah, WA 98029	<u>0.1000%</u>
Total:	3.0000%

Such Overriding Royalty interest shall be due only with respect to oil, gas and other minerals produced, saved and marketed from or attributable to the Lease, it being understood that any oil, gas or other minerals utilized in drilling, reworking, producing or other operations shall be specifically deducted in calculating such overriding royalty. Such Overriding Royalty shall be free and clear of any cost of drilling or production, but shall bear proportionately all applicable taxes including, but not limited to, severance or other similar taxes applicable to production. Such Overriding Royalty shall never be calculated, paid or determined on a basis in excess of the actual proceeds of production after deduction of the foregoing and shall be computed and paid at the same time and in the same manner as royalties are computed and paid to the lessor under the terms of the applicable Lease; **provided, however**, notwithstanding the foregoing, the Overriding Royalty shall never be subject to, affected by, or diminished by any past, present or future rules or regulations promulgated by the BOEM, or any other agency

or authority having jurisdiction over lands covered by the Lease, that provide for, or may provide for, relief, reduction or suspension of the lessor's royalty under the Lease.

On a lease by lease basis, the Lease, or parts thereof, may be pooled, unitized or communitized together with other leases, without the necessity for the consent or joinder of the holder of such Overriding Royalty. Such Overriding Royalty shall be subject to proportionate reduction (i) on account of the failure of leasehold or mineral title; (ii) on account of unitization, pooling or communitization with other leases in the area; (iii) in the event the Leases relate to less than the entirety of the minerals; or (iv) to the extent the leasehold interest of the grantors of HE&D Offshore, L.P.'s original overriding royalty interest in the Lease relates to or is derived from less than the entirety of the leasehold interest, then the Overriding Royalty herein conveyed shall be proportionately reduced. If the interest conveyed herein is subject to proportionate reduction, then such interest shall be payable to Assignees in the proportion that the interest of the grantors of HE&D Offshore, L.P.'s original overriding royalty interest in the Lease bears to the entire interest in the Lease and in the proportion that the Lease bears to the entire interest in the communitized area or pooled unit, if formed.

The Lease owners shall have the right to surrender, or permit to expire, the Lease without the necessity or joinder of the Overriding Royalty interest holder thereof and such owners shall not be in any manner obligated to maintain, preserve or continue in effect the Lease in any manner whatsoever, or to drill or rework any well or wells thereon or conduct any operation whatsoever thereunder.

This Assignment is made and Assignees acknowledge that this Assignment is made subject to all of the terms and conditions contained in the Lease.

Subject to the matters set forth herein, Assignor, to the extent of the interest conveyed hereunder, hereby agrees to warrant and forever defend title to the Overriding Royalty against the claims and demands of every person whomsoever claiming or to claim the same or any part thereof, by, through or under Assignor, but not otherwise.

This Assignment may be executed in any number of counterparts, each of which shall be valid and binding with respect to the signatories thereto and their interest in the property

conveyed hereby, but only upon full execution by all signatories of this Assignment or a counterpart hereof.

This Assignment shall inure to the benefit of and be binding upon the successors, representatives, and assigns of the parties hereto.

IN WITNESS WHEREOF, this Assignment is executed as indicated below and made effective as of January 24, 2022.

WITNESSES:

Shirley Cox
Shirley Cox

Martha Ann Moore
Name: Martha Ann Moore

ASSIGNOR:

HE&D Offshore, L.P.
By: MKD Investments, LLC, its General Partner
P. David Amend
P. David Amend
Vice President, Land (NS)

WITNESSES:

Shirley Cox
Shirley Cox

Martha Ann Moore
Name: Martha Ann Moore

ASSIGNEES:

DKM Interests, LLC

Ronald E. Neal
Ronald E. Neal
Managing Member

WITNESSES:

Shirley Cox
Shirley Cox

Stacey Guynes
Name: Stacey Guynes

Shirley Cox
Shirley Cox

Martha Ann Moore
Name: Martha Ann Moore

Shirley Cox
Shirley Cox

Martha Ann Moore
Name: Martha Ann Moore

Shirley Cox
Shirley Cox

Martha Ann Moore
Name: Martha Ann Moore

ASSIGNEES:

AWA Investments, LLC

Frank W. Harrison III
Frank W. Harrison III
Managing Member

SEND PARTNERS, LLC

Edward V. Zinni
Edward V. Zinni, Managing Member

Telluride Energy, LLC

James R. Hart
James R. Hart, Managing Member

Ishtaca II, LLC

Paul K. Wieg
Paul K. Wieg
Managing Member

WITNESSES:

Shirley Cox
Shirley Cox

Martha Ann Moore
Name: Martha Ann Moore

Shirley Cox
Shirley Cox

Martha Ann Moore
Name: Martha Ann Moore

Shirley Cox
Shirley Cox

Martha Ann Moore
Name: Martha Ann Moore

U. Quensel

Name: U. Quensel

Conrad A. Ball

Name: CONRAD A. BALL

ASSIGNEES:

CCC Investments, LLC

P. David Amend
P. David Amend
Managing Member

4C Production Company, LLC

Heath Suire
Heath Suire
Managing Member

Zachary Alan Wright

Zachary Alan Wright

BMT Production, LLC

Scott F. Scholz
Scott F. Scholz
Managing Member

ACKNOWLEDGMENTS

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared **P. David Amend**, known to me to be the person whose name is subscribed to the foregoing instrument as Vice President, Land of MKD Investments, LLC, General Partner of **HE&D Offshore, L.P.**, a Texas limited partnership, and as Managing Member of **CCC Investments, LLC**, a Texas limited liability company and acknowledged to me that he executed the same for and on behalf of said limited partnership and limited liability company, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN under my hand and seal of office this 4th day of February, 2022.



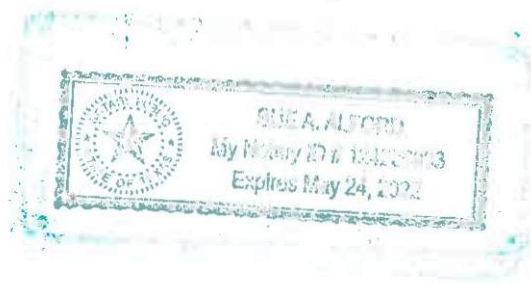
Sue A. Alford

Notary Public - State of Texas

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared **Ronald E. Neal**, Managing Member of **DKM Interests, LLC**, a Texas limited liability company, and known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN under my hand and seal of office this 17th day of February, 2022.



Sue A. Alford

Notary Public - State of Texas

ACKNOWLEDGMENTS

STATE OF TEXAS §
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COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared **Frank W. Harrison, III**, Managing Member of **AWA Investments, LLC**, a Texas limited liability company, and known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN under my hand and seal of office this 21st day of February, 2022.



Sue A. Alford

Notary Public - State of Texas

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared **Edward V. Zinni**, Managing Member of **SEND PARTNERS, LLC**, a Texas limited liability company, and known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN under my hand and seal of office this 9th day of February, 2022.



Sue A. Alford

Notary Public - State of Texas

ACKNOWLEDGMENTS

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared **James R. Hart**, Managing Member of **Telluride Energy, LLC**, a Texas limited liability company, and known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN under my hand and seal of office this 11th day of February, 2022.



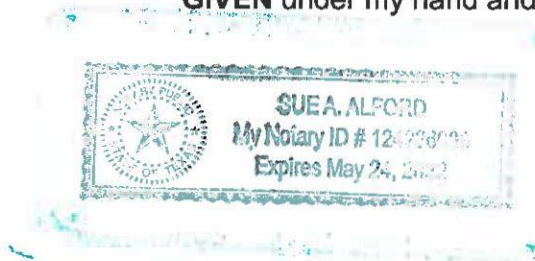
Sue A. Alford

Notary Public – State of Texas

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared **Paul K. Wieg**, Managing Member of **Ishtaca II, LLC**, a Texas limited liability company, and known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN under my hand and seal of office this 14th day of February, 2022.



Sue A. Alford

Notary Public - State of Texas

ACKNOWLEDGMENTS

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared **Heath Suire** Managing Member of **4C Production Company, LLC**, a Texas limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN under my hand and seal of office this 4th day of February, 2022.



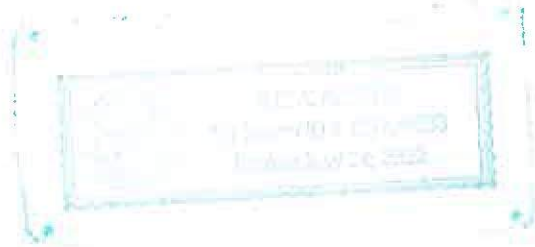
Sue A. Alford

Notary Public - State of Texas

STATE OF TEXAS §
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COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared **Zachary Alan Wright**, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN under my hand and seal of office this 11th day of February, 2022.



Sue A. Alford

Notary Public - State of Texas

ACKNOWLEDGMENTS

STATE OF Washington §
 §
COUNTY OF King §

BEFORE ME, the undersigned authority, on this day personally appeared **Scott F. Scholz**, Managing Member of **BMT Production, LLC**, as Texas limited liability company, and known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN under my hand and seal of office this 10 day of February, 2022.



Notary Public



EXHIBIT "A"

Attached to and made a part of Assignment of Overriding Royalty Interest in Oil and Gas Lease OCS-G 35881, made effective January 24, 2022 by and between HE&D Offshore, L.P. as Assignor and DKM Interests, LLC, AWA Investments, LLC, SEND Partners, LLC, Telluride Energy, LLC, Ishtaca II, LLC, CCC Investments, LLC, 4C Production Company, LLC, Zachary Alan Wright, and BMT Production, LLC, as Assignees

Atwater Valley

Ponchatoula Prospect

Oil and Gas Lease of Submerged Lands bearing Serial number OCS-G 35881 dated effective July 1, 2016, between the United States of America, as Lessor, and Ridgewood Energy Corporation, Houston Energy, L.P., and Red Willow Offshore, LLC, as Lessees, described as All of Block 314, Atwater Valley, OCS Official Protraction Diagram, NG 16-01, covering approximately 5,760.00 acres.