United States Department of the Interior

BUREAU OF OCEAN ENERGY MANAGEMENT
Gulf of Mexico OCS Region
1201 Elmwood Park Boulevard
New Orleans, LA 70123-2394

OCS-G 36682

DECISION

Offering Date	Map Area and Block Number
03/20/2019	NG16-02 - Lloyd Ridge - 136
Rental	**Balance of Bonus**
$63,360.00	$585,590.40
Total Amount Due	$648,950.40

Shell Offshore Inc.
Post Office Box 61933
New Orleans, Louisiana 70161

LEASE FORMS TRANSMITTED FOR EXECUTION

Pursuant to Section 8 of the Outer Continental Shelf Lands Act (67 Stat. 462; 43 U.S.C. 1337) as amended (92 Stat. 629), and the regulations pertaining thereto (30 CFR 556), your bid for the block described above is accepted. Accordingly, in order to perfect your rights hereunder, the following actions must be taken:

1. A signatory, authorized pursuant to the qualification records on file with the Bureau of Ocean Energy Management (BOEM), Gulf of Mexico Region (GOMR), Adjudication Section, must execute on behalf of the Lessee, each of the three lease forms attached hereto; and return same to the BOEM GOMR Office of Leasing and Plans, Adjudication Section.

2. You must pay, by Electronic Funds Transfer, the balance of the bonus and the first year's rental indicated above, by following the detailed instructions contained on the BOEM website for the specific lease sale this Decision Letter pertains to or on the Payment Information Webpage found on the Office of Natural Resources and Revenue (ONRR) website. Payment must be received by the Federal Reserve Bank of New York no later than noon, eastern standard time, on the 11th business day after receipt of this decision (30 CFR 556.47). That day is **May 28, 2019.**

You must comply with the two requirements enumerated above not later than the 11th business day after receipt of this decision. Failure to comply with the above requirements will result in forfeiture of the 1/5 bonus deposit and your rights to acquire the lease.

Additionally, you must comply with bonding requirements according to 30 CFR 556, Subpart I, and with the regulations at 30 CFR 550.143, addressing designations of operator.

IMPORTANT: *The lease form requires the attachment of the* CORPORATE SEAL *to all leases executed by corporations.*

Acting Regional Director

Attachments

Date May 9, 2019

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF OCEAN ENERGY MANAGEMENT

OIL AND GAS LEASE OF SUBMERGED LANDS UNDER THE OUTER CONTINENTAL SHELF LANDS ACT

Paperwork Reduction Act of 1995 statement: *This form does not constitute an information collection as defined by 44 U.S.C. 3501 et seq., and therefore does not require approval by the Office of Management and Budget.*

Office **New Orleans, LA**	Serial number **OCS-G 36682**
Cash bonus **$731,988.00**	Rental rate per acre, hectare or fraction thereof **See Addendum**
Minimum royalty rate per acre, hectare or fraction thereof **$11.00 per acre**	Royalty rate **18 3/4 percent**
	Profit share rate

This lease is effective as of JUN - 1 2019 (hereinafter called the "Effective Date") and shall continue for a primary term of **ten** years (hereinafter called the "Primary Term") by and between the United States of America (hereinafter called the "Lessor"), by the **Regional Director, Gulf of Mexico OCS Region**, Bureau of Ocean Energy Management (BOEM), its authorized officer, and

Shell Offshore Inc. **100%**

RECEIVED MAY 21 2019 ADJUDICATION SECTION

(hereinafter called the "Lessee"). In consideration of any cash payment heretofore made by the Lessee to the Lessor and in consideration of the promises, terms, conditions, and covenants contained herein, including the Stipulation(s) numbered **1, 2, 3 and 4** attached hereto, the Lessee and Lessor agree as follows:

Sec. 1. Statutes and Regulations. This lease is issued pursuant to the Outer Continental Shelf Lands Act of August 7, 1953; 43 U.S.C.1331 *et seq.*, as amended, (hereinafter called "the Act"). This lease is subject to the Act, regulations promulgated pursuant thereto, and other statutes and regulations in existence upon the Effective Date of the lease, and those statutes enacted (including amendments to the Act or other statutes) and regulations promulgated thereafter, except to the extent they explicitly conflict with an express provision of this lease. It is expressly understood that amendments to existing statutes and regulations, including but not limited to the Act, as well as the enactment of new statutes and promulgation of new regulations, which do not explicitly conflict with an express provision of this lease may be made and that the Lessee bears the risk that such may increase or decrease the Lessee's obligations under the lease.

In accordance with the regulations at 2 CFR, parts 180 and 1400, the Lessee must comply with the U.S. Department of the Interior's debarment and suspension (nonprocurement) requirements and must communicate this requirement to comply with these regulations to all persons with whom the Lessee does business as it relates to this lease by including this term as a condition when entering into contracts and transactions with others.

Sec. 2. Rights of Lessee. The Lessor hereby grants and leases to the Lessee the exclusive right and privilege to drill for, develop, and produce oil and gas resources, except helium gas, in the submerged lands of the Outer Continental Shelf containing approximately **5,760.000000** acres or hectares (hereinafter referred to as the "leased area"), described as follows:

All of Block 136, Lloyd Ridge, OCS Official Protraction Diagram, NG 16-02.

This lease is amended by addendum pursuant to the Final Notice of Sale for Outer Continental Shelf (OCS) Oil and Gas Lease Sale 252. The addendum shall become a part of the lease and supersede any inconsistent provisions of the lease form.

These rights include:
(a) the nonexclusive right to conduct within the leased area geological and geophysical explorations in accordance with applicable regulations;
(b) the nonexclusive right to drill water wells within the leased area, unless the water is part of geopressured-geothermal and associated resources, and to use the water produced therefrom for operations pursuant to the Act free of cost, on the condition that the drilling is conducted in accordance with procedures approved by the Secretary of the Interior or the Secretary's delegate (hereinafter called the "Secretary"); and
(c) the right to construct or erect and to maintain within the leased area artificial islands, installations, and other devices permanently or temporarily attached to the seabed and other works and structures necessary to the full enjoyment of the lease, subject to compliance with applicable laws and regulations.

Sec. 3. Term. This lease shall continue from the Effective Date of the lease for the Primary Term and so long thereafter as oil or gas is produced from the leased area in paying quantities, or drilling or well reworking operations, as approved by the Lessor, are conducted thereon, or as otherwise provided by regulation.

Sec. 4. Rentals. The Lessee shall pay the Lessor on or before the first day of each lease year before the discovery of oil or gas on the lease, then on or before the last day of each full lease year in which royalties on production are not due, a rental as shown on the face hereof.

Sec. 5. Minimum Royalty. The Lessee shall pay the Lessor on or before the last day of each lease year beginning with the year in which royalty-bearing production commences, and notwithstanding any royalty suspension that may apply, a minimum royalty as shown on the face hereof, with credit applied for actual royalty paid during the lease year. If actual royalty paid exceeds the minimum royalty requirement, then no minimum royalty payment is due.

Sec. 6. Royalty on Production.
(a) The Lessee shall pay a royalty as shown on the face hereof in amount or value of production saved, removed, or sold from the leased area. Gas (except helium) and oil of all kinds are subject to royalty. All helium produced shall remain the property of the United States. The Lessee is liable for royalty payments on oil or gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator of the lease, or due to the failure to comply with any rule or regulation, order, or citation issued under the Federal Oil and Gas Royalty Management Act of 1982 or the Act. The Lessor shall determine whether production royalty shall be paid in amount or value.
(b) The value of production for purposes of computing royalty shall be the reasonable value of the production as determined by the Lessor. The value upon which royalty will be paid is established under 30 CFR Chapter XII or applicable successor regulations.
(c) When paid in value, royalties on production shall be due and payable monthly on the last day of the month next following the month in which the production is obtained, unless the Lessor designates a later time. When paid in amount, such royalties shall be delivered at pipeline connections or in tanks provided by the Lessee. Such deliveries shall be made at reasonable times and intervals and, at the Lessor's option, shall be effected either (i) on or immediately adjacent to the leased area, without cost to the Lessor, or (ii) at a more convenient point closer to shore or on shore, in which event the Lessee shall be entitled to reimbursement for the reasonable cost of transporting the royalty production to such delivery point.

Sec. 7. Payments. The Lessee shall make all payments (rentals, royalties and any other payments required by this lease) to the Lessor by electronic transfer of funds unless otherwise provided by regulations or by direction of the Lessor. Rentals, royalties, and any other payments required by this lease shall be made payable to the Office of Natural Resources Revenue and tendered to the Lessor. Determinations made by the Lessor as to the amount of payment due shall be presumed to be correct and payable as due.

Sec. 8. Bonds. The Lessee shall at all times maintain the bond(s) required by regulation prior to the issuance of the lease. The Lessee shall furnish such additional security as may be required by the Lessor if, after operations have begun, the Lessor determines additional security is necessary to ensure compliance with Lessee's obligations under this lease and the regulations.

Sec. 9. Plans. The Lessee shall conduct all operations on the lease or unit in accordance with an approved exploration plan (EP), development and production plan (DPP) or development operations coordination document (DOCD), approval conditions, and any other applicable requirements provided by law or regulation. The Lessee may depart from an approved plan only as provided by applicable regulations.

Sec. 10. Diligence and Prevention of Waste.
(a) The Lessee must exercise diligence in the development of the leased area and in the production of wells located thereon and must prevent unnecessary damage to, loss of, or waste of leased resources.
(b) The Lessee shall comply with all applicable laws, regulations and orders related to diligence, sound conservation practices and prevention of waste. EPs, DPPs and DOCDs, are to conform to sound conservation practices to preserve, protect, and develop minerals resources and maximize the ultimate recovery of hydrocarbons from the leased area.

Sec. 11. Directional Drilling. A directional well drilled under the leased area from a surface location on nearby land not covered by this lease shall be deemed to have the same effect for all purposes of the lease as a well drilled from a surface location on the leased area. Drilling shall be considered to have been commenced on the leased area when drilling is commenced on the nearby land for the purpose of directionally drilling under the leased area, and production of oil or gas from the leased area through any directional well surfaced on nearby land or drilling or reworking of any such directional well shall be considered production or drilling or reworking operations on the leased area for all purposes of the lease. Nothing contained in this Section shall be construed as granting to the Lessee any interest, license, easement, or other right in any nearby land.

Sec. 12. Safety and Inspection Requirements. The Lessee shall:
(a) maintain all places of employment within the leased area in compliance with occupational safety and health standards and, in addition, free from recognized hazards to employees of the Lessee or of any contractor or subcontractor operating within the lease area;
(b) maintain all operations within the leased area in compliance with regulations or orders intended to protect persons, property and the environment on the Outer Continental Shelf; and
(c) allow prompt access, at the site of any operation subject to safety regulations, to any authorized Federal inspector and provide any documents and records that are pertinent to occupational or public health, safety, or environmental protection as may be requested.

Region-wide Sale 252 Lease Addendum – R23
Leases in Water Depths Greater Than or Equal to 1,600 Meters

This lease is amended by addendum pursuant to the Final Notice of Sale for OCS Oil and Gas Lease Sale 252. The addendum shall become a part of the lease and supersede any inconsistent provisions of the lease form.

Sec. 4. Rentals.

Notwithstanding the language in Sec. 4 of the lease instrument, annual rental rates are as follows:

Rental Rates per Acre or Fraction Thereof	
Years 1-5	**Years 6, 7, & 8+**
$11.00	$16.00

Stipulation No. 1– Military Areas

A. Hold and Save Harmless

Whether compensation for such damage or injury might be due under a theory of strict or absolute liability or otherwise, the lessee assumes all risks of damage or injury to persons or property that occur in, on, or above the Outer Continental Shelf (OCS), and to any persons or to any property of any person or persons who are agents, employees, or invitees of the lessee, its agents, independent contractors, or subcontractors doing business with the lessee in connection with any activities being performed by the lessee in, on, or above the OCS if such injury or damage to such person or property occurs by reason of the activities of any agency of the United States (U.S.) Government, its contractors or subcontractors, or any of its officers, agents, or employees, being conducted as a part of, or in connection with, the programs and activities of the command headquarters listed in the table located in Section C. Operational.

Notwithstanding any limitation of the lessee's liability in Section 14 of the lease, the lessee assumes this risk whether such injury or damage is caused in whole or in part by any act or omission, regardless of negligence or fault, of the U.S. Government, its contractors or subcontractors, or any of its officers, agents, or employees. The lessee further agrees to indemnify and save harmless the U.S. Government against all claims for loss, damage, or injury sustained by the lessee, or to indemnify and save harmless the U.S. Government against all claims for loss, damage, or injury sustained by the agents, employees, or invitees of the lessee, its agents, or any independent contractors or subcontractors doing business with the lessee in connection with the programs and activities of the aforementioned military installation, whether the same be caused in whole or in part by the negligence or fault of the U.S. Government, its contractors or subcontractors, or any of its officers, agents, or employees and whether such claims might be sustained under a theory of strict or absolute liability or otherwise.

B. Electromagnetic Emissions

The lessee agrees to control its own electromagnetic emissions and those of its agents, employees, invitees, independent contractors, or subcontractors emanating from individual designated defense warning areas in accordance with requirements specified by the commander of the command headquarters listed in the following table to the degree necessary to prevent damage to, or unacceptable interference with, Department of Defense flight, testing, or operational activities conducted within individual designated warning areas. Necessary monitoring, control and coordination with the lessee, its agents, employees, invitees, independent contractors, or subcontractors will be affected by the commander of the appropriate onshore military installation conducting operations in the particular warning area provided; however, that control of such electromagnetic emissions shall in no instance prohibit all manner of electromagnetic communication during any period of time between a lessee, its agents, employees, invitees, independent contractors, or subcontractors, and onshore facilities.

C. Operational

The lessee, when operating, or causing to be operated on its behalf, a boat, ship, or aircraft traffic in an individual designated warning area, must enter into an agreement with the commander of the individual command headquarters listed in the following list, prior to commencing such traffic. Such an agreement will provide for positive control of boats, ships, and aircraft operating in the warning areas at all times.

Eglin Water Test Areas 3	101 West D Ave, Bldg. 1, Suite 116 Eglin AFB, FL 32542 Contact: Steven C. Dietzius Technical Director (96TW/CT) Telephone (850) 882-0762 Alternate Contact: Mr. Chris Smith Email: charles.smith.7@us.af.mil Range and Operations Sustainment Section 96 TW/XPO Eglin AFB, FL 32542 Telephone:(850) 882-5614

Stipulation No. 2 – Evacuation

A. The lessee, recognizing that oil and gas resource exploration, exploitation, development, production, abandonment, and site cleanup operations on the leased area of submerged lands may occasionally interfere with tactical military operations, hereby recognizes and agrees that the United States reserves and has the right to temporarily suspend operations and/or require evacuation on this lease in the interest of national security. Such suspensions are considered unlikely in this area. Every effort will be made by the appropriate military agency to provide as much advance notice as possible of the need to suspend operations and/or evacuate. Advance notice of fourteen (14) days normally will be given before requiring a suspension or evacuation, but in no event will the notice be less than four (4) days. Temporary suspension of operations may include the evacuation of personnel and appropriate sheltering of personnel not evacuated. Appropriate shelter means the protection of all lessee personnel for the entire duration of any Department of Defense activity from flying or falling objects or substances; it will be implemented by a written order from the Bureau of Safety and Environmental Enforcement (BSEE) Gulf of Mexico Regional Supervisor for District Field Operations (RSDFO), after consultation with the appropriate command headquarters or other appropriate military agency or higher authority. The appropriate command headquarters, military agency, or higher authority will provide information to allow the lessee to assess the degree of risk to, and provide sufficient protection for, the lessee's personnel and property. Such suspensions or evacuations for national security reasons normally will not exceed seventy-two (72) hours; however, any such suspension may be extended by order of the BSEE Gulf of Mexico RSDFO. During such periods, equipment may remain in place, but all production, if any, must cease for the duration of the temporary suspension if the BSEE Gulf of Mexico RSDFO so directs. Upon cessation of any temporary suspension, the BSEE Gulf of Mexico RSDFO immediately will notify the lessee that such suspension has terminated and operations on the leased area can resume.

B. The lessee must inform BSEE of the persons/offices to be notified to implement the terms of this stipulation.

C. The lessee is encouraged to establish and maintain early contact and coordination with the appropriate command headquarters in order to avoid or minimize the effects of conflicts with potentially hazardous military operations.

D. The lessee is not entitled to reimbursement for any costs or expenses associated with the suspension of operations or activities or the evacuation of property or personnel in fulfillment of the military mission in accordance with subsections A through C above.

E. Notwithstanding subsection D, the lessee reserves the right to seek reimbursement from appropriate parties for the suspension of operations or activities, or the evacuation of property or personnel, associated with conflicting commercial operations.

Stipulation No. 3 – Coordination

A. The placement, location, and planned periods of operation of surface structures on this lease during the exploration stage are subject to approval by the Bureau of Ocean Energy Management (BOEM) Gulf Of Mexico Regional Director (RD) after the review of an operator's exploration plan (EP). Prior to approval of the EP, the lessee must consult with the appropriate command headquarters regarding the location, density, and planned periods of operation of such structures, and to maximize exploration while minimizing conflicts with Department of Defense activities. When determined necessary by the appropriate command headquarters, the lessee will enter into a formal Operating Agreement with such command headquarters, which delineates the specific requirements and operating parameters for the lessee's activities in accordance with the military stipulation clauses contained herein. If it is determined that the operations will result in interference with scheduled military missions in such a manner as to possibly jeopardize national defense or to pose unacceptable risks to life and property, then the BOEM Gulf of Mexico RD may approve the EP with conditions, disapprove it, or require modification in accordance with 30 CFR part 550. The BOEM Gulf of Mexico RD will notify the lessee in writing of the conditions associated with plan approval, or the reason(s) for disapproval or required modifications. Moreover, if there is a serious threat of harm or damage to life or property, or if it is in the interest of national security or defense, pending or approved operations may be suspended or halted in accordance with 30 CFR part 250. Such a suspension will extend the term of a lease by an amount equal to the length of the suspension. The Bureau of Safety and Environmental Enforcement (BSEE) Gulf of Mexico RD will attempt to minimize such suspensions within the confines of related military requirements. It is recognized that the issuance of a lease conveys the right to the lessee, as provided in section 8(b)(4) of the Outer Continental Shelf Lands Act, 43 U.S.C. § 1337(b)(4), to engage in exploration, development, and production activities conditioned upon other statutory and regulatory requirements.

B. The lessee is encouraged to establish and maintain early contact and coordination with the appropriate command headquarters, in order to avoid or minimize the effects of conflicts with potentially hazardous military operations.

C. If national security interests are likely to be in continuing conflict with an existing Operating Agreement, Exploration Plan, Development and Production Plan, or Development Operations Coordination Document, the BSEE Gulf of Mexico RD, in consultation with BOEM, will direct the lessee to modify any existing operating agreement or to enter into a new operating agreement to implement measures to avoid or minimize the identified potential conflicts, subject to the terms and conditions and obligations of the legal requirements of the lease.

Stipulation No. 4 – Protected Species

A. The Endangered Species Act (16 U.S.C. § 1531 *et seq.*) and the Marine Mammal Protection Act (MMPA) (16 U.S.C. § 1361 *et seq.*) are designed to protect threatened and endangered species and marine mammals and apply to activities on the Outer Continental Shelf (OCS). The Congressional Declaration of Policy included in the OCS Lands Act (43 U.S.C. § 1331 *et seq.*) provides that it is the policy of the United States that the OCS should be made available for expeditious and orderly development subject to environmental safeguards, in a manner which is consistent with the maintenance of competition and other national needs (see 43 U.S.C. § 1332). Both the Bureau of Ocean Energy Management (BOEM) and the Bureau of Safety and Environmental Enforcement (BSEE) comply with these laws on the OCS.

B. The lessee and its operators must:

1) Collect and remove flotsam resulting from activities related to exploration, development, and production of this lease;

2) Post signs in prominent places on all vessels and platforms used as a result of activities related to exploration, development, and production of this lease detailing the reasons (legal and ecological) why release of debris must be eliminated;

3) Observe for marine mammals and sea turtles while on vessels, reduce vessel speed to 10 knots or less when assemblages of cetaceans are observed, and maintain a distance of 91 meters or greater from whales, and a distance of 45 meters or greater from small cetaceans and sea turtles;

4) Employ mitigation measures prescribed by BOEM/BSEE or the National Marine Fisheries Service (NMFS) for all seismic surveys, including the use of an "exclusion zone" based upon the appropriate water depth, ramp-up and shutdown procedures, visual monitoring, and reporting;

5) Identify important habitats, including designated critical habitat, used by listed species (e.g., sea turtle nesting beaches, piping plover critical habitat) in oil spill contingency planning and require the strategic placement of spill cleanup equipment to be used only by personnel trained in less-intrusive cleanup techniques on beaches and bay shores; and

6) Immediately report all sightings and locations of injured or dead protected species (e.g., marine mammals and sea turtles) to the appropriate stranding network. If oil and gas industry activity is responsible for the injured or dead animal (e.g., injury or death was caused by a vessel strike), the responsible parties must remain available to assist the stranding network. If the injury or death was caused by a collision with the lessee's vessel, the lessee must notify BSEE within 24 hours of the strike.

BOEM and BSEE issue Notices to Lessees and Operators (NTLs), which more fully describe measures implemented in support of the above-mentioned implementing statutes and regulations, as well as measures identified by the United States Fish and Wildlife Service and NMFS arising from, among others, conservation recommendations, rulemakings pursuant to the MMPA, or consultation. The lessee and its operators, personnel, and subcontractors, while undertaking

activities authorized under this lease, must implement and comply with the specific mitigation measures outlined in the following NTLs:

- BOEM NTL No. 2016-G01 "Vessel Strike Avoidance and Injured/Dead Protected Species Reporting" (available at: http://www.boem.gov/BOEM-NTL-No-2016-G01);
- BOEM NTL No. 2016-G02 "Implementation of Seismic Survey Mitigation Measures and Protected Species Observer Program" (available at http://www.boem.gov/BOEM-NTL-2016-G02); and
- BSEE NTL No. 2015-G03 "Marine Trash and Debris Awareness and Elimination" (available at https://www.bsee.gov/sites/bsee.gov/files/notices-to-lessees-ntl/alerts/ntl-2015-g03.pdf).

At the lessee's option, the lessee, its operators, personnel, and contractors may comply with the most current measures to protect species in place at the time an activity is undertaken under this lease, including, but not limited to, new or updated versions of the NTLs and/or Biological Opinion. The lessee and its operators, personnel, and subcontractors will be required to comply with the mitigation measures identified in the above referenced NTLs, and additional measures in the conditions of approvals for their plans or permits.

Sec. 13. Suspension or Cancellation.
(a) The Lessor may suspend or cancel this lease pursuant to section 5 of the Act, and compensation shall be paid when provided by the Act.
(b) The Lessor may, upon recommendation of the Secretary of Defense, during a state of war or national emergency declared by Congress or the President of the United States, suspend operations under the lease, as provided in section 12(c) of the Act, and just compensation shall be paid to the Lessee for such suspension.

Sec. 14. Indemnification. The Lessee shall indemnify the Lessor for, and hold it harmless from, any claim, including claims for loss or damage to property or injury to persons caused by or resulting from any operation on the leased area conducted by or on behalf of the Lessee. However, the Lessee shall not be responsible to the Lessor under this section for any loss, damage, or injury caused by or resulting from:
(a) negligence of the Lessor other than the commission or omission of a discretionary function or duty on the part of a Federal Agency whether or not the discretion involved is abused; or
(b) the Lessee's compliance with an order or directive of the Lessor against which an administrative appeal by the Lessee is filed before the cause of action for the claim arises and is pursued diligently thereafter.

Sec. 15. Disposition of Production.
(a) As provided in section 27(a)(2) of the Act, the Lessor shall have the right to purchase not more than 16 2/3 percent by volume of the oil and gas produced pursuant to the lease at the regulated price or, if no regulated price applies, at the fair market value at the wellhead of the oil and gas saved, removed, or sold, except that any oil or gas obtained by the Lessor as royalty or net profit share shall be credited against the amount that may be purchased under this subsection.
(b) Pursuant to section 27(b) and (c) of the Act, the Lessor may offer and sell certain oil and gas obtained or purchased pursuant to a lease. As provided in section 27(d) of the Act, the Lessee shall take any Federal oil or gas for which no acceptable bids are received, as determined by the Lessor, and which is not transferred to a Federal Agency pursuant to section 27(a)(3) of the Act, and shall pay to the Lessor a cash amount equal to the regulated price or, if no regulated price applies, the fair market value of the oil or gas so obtained.
(c) As provided in section 8(b)(7) of the Act, the Lessee shall offer 20 percent of the crude oil, condensate, and natural gas liquids produced on the lease, at the market value and point of delivery as provided by regulations applicable to Federal royalty oil, to small or independent refiners as defined in the Emergency Petroleum Allocation Act of 1973.
(d) In time of war or when the President of the United States shall so prescribe, the Lessor shall have the right of first refusal to purchase at the market price all or any portion of the oil or gas produced from the leased area, as provided in section 12(b) of the Act.

Sec. 16. Unitization, Pooling, and Drilling Agreements. Within such time as the Lessor may prescribe, the Lessee shall subscribe to and operate under a unit, pooling, or drilling agreement embracing all or part of the lands subject to this lease as the Lessor may determine to be appropriate or necessary. Where any provision of a unit, pooling, or drilling agreement, approved by the Lessor, is inconsistent with a provision of this lease, the provision of the agreement shall govern.

Sec. 17. Equal Opportunity Clause. During the performance of this lease, the Lessee shall fully comply with paragraphs (1) through (7) of section 202 of Executive Order 11246, as amended (reprinted in 41 CFR 60-1.4(a)), and the implementing regulations, which are for the purpose of preventing employment discrimination against persons on the basis of race, color, religion, sex, or national origin. Paragraphs (1) through (7) of section 202 of Executive Order 11246, as amended, are incorporated in this lease by reference.

Sec. 18. Certification of Nonsegregated Facilities. By entering into this lease, the Lessee certifies, as specified in 41 CFR 60-1.8, that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments and that it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. As used in this certification, the term "facilities" means, but is not limited to, any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, timeclocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees. Segregated facilities include those that are segregated by explicit directive or those that are in fact segregated on the basis of race, color, religion, sex, or national origin, because of habit, local custom, or otherwise; provided, that separate or single-user restrooms and necessary dressing or sleeping areas shall be provided to assure privacy as appropriate. The Lessee further agrees that it will obtain identical certifications from proposed contractors and subcontractors prior to awarding contracts or subcontracts unless they are exempt under 41 CFR 60-1.5.

Sec. 19. Reservations to Lessor. All rights in the leased area not expressly granted to the Lessee by the Act, the regulations, or this lease are hereby reserved to the Lessor. Without limiting the generality of the foregoing, reserved rights included:
(a) the right to authorize geological and geophysical exploration in the leased area that does not unreasonably interfere with or endanger actual operations under the lease, and the right to grant such easements or rights-of-way upon, through, or in the leased area as may be necessary or appropriate to the working of other lands or to the treatment and shipment of products thereof by or under authority of the Lessor;
(b) the right to grant leases for any minerals other than oil and gas, and to issue leases or grants for renewable energy or alternative uses within the leased area, except that operations under such leases or grants shall not unreasonably interfere with or endanger operations under this lease; and
(c) the right, as provided in section 12(d) of the Act, to restrict operations in the leased area or any part thereof, which may be designated by the Secretary of Defense, with approval of the President, as being within an area needed for national defense and, so long as such designation remains in effect, no operations may be conducted on the surface of the leased area or the part thereof included within the designation except with the concurrence of the Secretary of Defense. If operations or production under this lease within any designated area are suspended pursuant to this paragraph, any payments of rentals and royalty prescribed by this lease likewise shall be suspended. During such period of suspension of operations and production, the term of this lease shall be extended by adding thereto any such suspension period, and the Lessor shall be liable to the Lessee for such compensation as is required to be paid under the Constitution of the United States.

Sec. 20. Assignment of Lease. The Lessee shall file for approval with the appropriate regional BOEM OCS office any instrument of assignment or other transfer of any rights or ownership interest in this lease in accordance with applicable regulations.

Sec. 21. Relinquishment of Lease. The Lessee may relinquish this lease or any officially designated subdivision thereof by filing with the appropriate regional BOEM OCS office a written relinquishment, in triplicate, that shall be effective on the date it is filed. No relinquishment of this lease or of any portion of the leased area shall relieve the Lessee of the continuing obligation to pay all accrued rentals, royalties, and other financial obligations or to plug all wells and remove

all platforms and other facilities on the area to be relinquished in accordance with applicable regulations.

Sec. 22. Decommissioning.
(a) When wells, platforms, pipelines or other facilities are no longer useful for operations, the Lessee shall permanently plug such wells, remove such platforms and other facilities, decommission such pipelines, and clear the seafloor of all associated obstructions created by the lease operations.
(b) The Secretary may determine that a well, platform, pipeline or other facility is no longer useful and require its immediate decommissioning.
(c) All platforms and other facilities shall be removed within 1 year after the lease terminates unless the Lessor grants approval to conduct other activities.
(d) All decommissioning operations shall be conducted in accordance with applicable laws and regulations and in a manner that is safe, does not unreasonably interfere with other uses of the OCS, and does not cause undue or serious harm or damage to the human, marine, or coastal environment.

Sec. 23. Remedies in Case of Default.
(a) Whenever the Lessee fails to comply with any of the provisions of the Act, the regulations issued pursuant to the Act, or the terms of this lease, the lease shall be subject to cancellation in accordance with the provisions of section 5(c) and (d) of the Act and the Lessor may exercise any other remedies that the Lessor may have, including, but not limited to the penalty provisions of section 24 of the Act. Furthermore, pursuant to section 8(o) of the Act, the Lessor may cancel the lease if it is obtained by fraud or misrepresentation.
(b) Nonenforcement by the Lessor of a remedy for any particular violation of the provisions of the Act, the regulations issued pursuant to the Act, or the terms of this lease shall not prevent the cancellation of this lease or the exercise of any other remedies under paragraph (a) of this section for any other violation or for the same violation occurring at any other time.

Sec. 24. Unlawful Interest. No member of, or delegate to, Congress, or Resident Commissioner, after election or appointment, or either before or after they have qualified and during their continuance in office, and no officer, agent, or employee of the Department of the Interior, except as provided in 43 CFR Part 20, shall be admitted to any share or part in this lease or derive any benefit that may arise therefrom, except to the extent that such benefit is obtained by the general public as well. The provisions of Section 3741 of the Revised Statutes, as amended, 41 U.S.C. 22, and the Act of June 25, 1948, 62 Stat. 702, as amended, 18 U.S.C. 431-433, relating to contracts made or entered into, or accepted by or on behalf of the United States, form a part of this lease insofar as they may be applicable.

***

Shell Offshore Inc.	THE UNITED STATES OF AMERICA, Lessor
(Lessee)	
(Signature of Authorized Officer)	(Signature of Authorized Officer)
Kenneth J. Loch	Michael A. Celata
(Name of Signatory)	(Name of Signatory)
Attorney-in-Fact	Regional Director
(Title)	(Title)
MAY 15 2019	MAY 28 2019
(Date)	(Date)
Post Office Box 61933 New Orleans, Louisiana 70161	
(Address of Lessee)	

If this lease is executed by a corporation, it must comply with BOEM's corporate seal requirements at 30 CFR 556.107.

DEPARTMENT OF THE INTERIOR
OFFICE OF NATURAL RESOURCES REVENUE
RECEIPT CONFIRMATION REPORT LIST FOR
LEASE SALE 252

OCS-G#	Qual	COMPANY	TOTAL
36578	00689	Shell Offshore Inc.	680,950.40
36579	00689	Shell Offshore Inc.	648,950.40
36580	00689	Shell Offshore Inc.	680,950.40
36581	00689	Shell Offshore Inc.	648,950.40
36582	00689	Shell Offshore Inc.	680,950.40
36583	00689	Shell Offshore Inc.	648,950.40
36584	00689	Shell Offshore Inc.	680,950.40
36585	00689	Shell Offshore Inc.	648,950.40
36586	00689	Shell Offshore Inc.	680,950.40
36587	00689	Shell Offshore Inc.	680,950.40
36588	00689	Shell Offshore Inc.	648,950.40
36589	00689	Shell Offshore Inc.	648,950.40
36590	00689	Shell Offshore Inc.	680,950.40
36591	00689	Shell Offshore Inc.	680,950.40
36592	00689	Shell Offshore Inc.	648,950.40
36593	00689	Shell Offshore Inc.	648,950.40
36594	00689	Shell Offshore Inc.	680,950.40
36595	00689	Shell Offshore Inc.	648,950.40
36596	00689	Shell Offshore Inc.	680,950.40
36597	00689	Shell Offshore Inc.	680,950.40
36598	00689	Shell Offshore Inc.	648,950.40
36599	00689	Shell Offshore Inc.	680,950.40
36600	00689	Shell Offshore Inc.	648,950.40
36601	00689	Shell Offshore Inc.	680,950.40
36680	00689	Shell Offshore Inc.	648,950.40
36681	00689	Shell Offshore Inc.	648,950.40
36682	00689	Shell Offshore Inc.	648,950.40
36684	00689	Shell Offshore Inc.	680,950.40
36685	00689	Shell Offshore Inc.	648,950.40

OCS-G#	Qual	COMPANY	TOTAL

The above Lease(s) were paid on May 17, 2019 .

TOTAL	19,267,561.60

Shell Offshore Inc.
150 N. Dairy Ashford
EPC Room F-1210B
Houston, TX 77079
Tel +1 832 337 6732
Fax +1 832 337 5646
Email: cynthia.kraus@shell.com

VIA OVERNIGHT MAIL

May 16, 2019

Bureau of Ocean Energy Management
Adjudication Section (MS GM 276A)
1201 Elmwood Park Boulevard
New Orleans, LA 70123

RECEIVED
MAY 21 2019
ADJUDICATION SECTION

Ladies and Gentlemen:

SUBJECT: SUBMITTAL OF EXECUTED LEASE
OCS GULF OF MEXICO LEASE SALE 252
OCS-G 36682, LLOYD RIDGE BLOCK 136

Shell Offshore Inc. (GOM Company No. 00689) hereby submits one (1) OCS Lease, as specified in the subject line, in triplicate, which was awarded as a result of high bids in OCS Gulf of Mexico Lease Sale 252. This lease has been fully executed by Shell Offshore Inc. and is being returned for final execution by the Bureau of Ocean Energy Management.

Also included, in duplicate, is Form BOEM-1123 (Designation of Operator) for the lease referenced above in the subject line.

Thank you for your attention to this matter. Should you have any questions please contact the undersigned at (832) 337-6732 or at cynthia.kraus@shell.com.

Kind regards,

Cynthia B. Kraus

Cynthia B. Kraus
Land Technician

Enclosures

Regional Director, DOI
Bureau of Ocean Energy Management
Gulf of Mexico OCS Region
1201 Elmwood Park Boulevard
New Orleans, Louisiana 70123-2394

Oil and Gas Lease Sale: 252
Date of Lease Sale: March 20, 2019
Company Submitting Bid: Shell Offshore Inc.
GOM Company Number: 689

Oil and Gas Lease Bid

It is understood that this bid legally binds the bidder(s) to comply with all applicable regulations, including paying the 1/5th bonus on all high bids, as provided in the Final Notice of Sale.

The following bid is submitted for an oil and gas lease on the area and block of the Outer Continental Shelf specified below:

Map Name	Map Number	Block Number	Amount Bid
Lloyd Ridge	NG16-02	136	$731,988

GOM Company Number	Percent Interest	Company Name(s), Address(es), and Signature(s)
689	100.00	Shell Offshore Inc. Post Office Box 61933 New Orleans, Louisiana 70161 By: _____ S. M. Ham Attorney-in-Fact
TOTAL:	100.00	