

UPDATE

1/93



Shell Offshore Inc.

An affiliate of Shell Oil Company

Exploration and Production
Shell Division

One Shell Square
PO Box 61233
New Orleans LA 70161

November 12, 1992

HAND DELIVERED

United States Department of the Interior
Minerals Management Service
Gulf of Mexico OCS Region
Adjudication Unit MS5421
1201 Elmwood Park Boulevard
New Orleans, LA 70123-2394

Gentlemen:

SUBJECT: SOI ROYALTIES INC. ASSIGNMENT OF OVERRIDING
ROYALTIES TO SHELL FRONTIER OIL & GAS INC.

The following is provided to you pursuant to the terms of a Service Agreement between Shell Offshore Inc. (SOI), SOI Royalties Inc. (SOIRI) and Shell Frontier Oil & Gas Inc. (SFOGI).

Please find attached twenty-three (23) copies of that certain Overriding Royalty Assignment whereby SOIRI assigned certain overriding interests to SFOGI. We ask that you file a copy of said Assignment in each of the below identified leases.

<u>South Pass 62 Field</u>	OCS-G 1294
<u>South Pass 65 Field</u>	OCS-G 1610 OCS-G 1901 OCS-G 1966 OCS-G 1967
<u>Ship Shoal 259 Field</u>	OCS-G 5044 OCS-G 5560
<u>Mississippi Canyon 31 Field</u>	OCS-G 2968
<u>Brazos Block 4 2D Field</u>	OCS-G 3472 OCS-G 3936
<u>Vermilion 221 Field</u>	OCS-G 4424
<u>Green Canyon 65 Field</u>	OCS-G 5389 OCS-G 5506 OCS-G 7005

BEST AVAILABLE COPY
RECEIVED
NOV 12 1992

MINERALS MANAGEMENT SERVICE
LEASING & ENVIRONMENT

BEST AVAILABLE COPY

2

<u>High Island 179 Field</u>	OCS-G 3228 OCS-G 3236
<u>Vermilion Block 320 Field</u>	OCS-G 2088 OCS-G 3138
<u>High Island A-370 Field</u>	OCS-G 2238 OCS-G 2428
<u>Ship Shoal 274 Field</u>	OCS-G 1039 OCS-G 1043
<u>High Island 194 Field</u>	OCS-G 6166

Enclosed please find SOI Draft No. 064664, in the amount of \$575.00, to cover the filing fees associated with this Assignment.

Questions regarding this matter should be directed to D. M. Melesurgo at (504) 588-4812.

Yours very truly,



K. R. Sissell
Attorney-in-Fact

DMM:CBK

Enclosures

005-65044

BEST AVAILABLE COPY

RECEIVED

NOV 12 1992

MINERALS MANAGEMENT SERVICE
LEASING & ENVIRONMENT

OVERRIDING ROYALTY ASSIGNMENT

THIS ASSIGNMENT (herein called "ASSIGNMENT") is made by and between SOI Royalties Inc., a Delaware corporation, having a post office address of P. O. Box 61933, New Orleans, Louisiana 70161, herein called "ASSIGNOR", and Shell Frontier Oil & Gas Inc., a Delaware corporation, having a post office address of P. O. Box 576, Houston, Texas 77001-0576, herein called "ASSIGNEE".

WITNESSETH:

WHEREAS, pursuant to that certain Assignment of Overriding Royalty Interest, dated October 1, 1984, COB 624, Folio 848 of the records of Plaquemines Parish, Louisiana, as amended by that certain Amendment Agreement dated November 29, 1984, COB 624, Folio 860 of the records of Plaquemines Parish, Louisiana, and as further amended by that certain Second Amendment Agreement effective August __, 1992, COB __, Folio __, of the records of Plaquemines Parish, Louisiana, (collectively referred to as the "Original Assignment"), Shell Offshore Inc. assigned to SOI Royalties Inc. a certain overriding royalty interest in and to and affecting the oil, gas and other minerals that may be produced and saved from or allocable to the oil and gas leases described on EXHIBIT "1" attached hereto and made a part hereof (such overriding interest in such lands and all other rights,

properties, interests, privileges and benefits relating thereto acquired by SOI Royalties Inc. pursuant to the Original Assignment being herein collectively referred to as the "Overriding Royalty Interest");

WHEREAS, ASSIGNOR and ASSIGNEE have contemporaneously herewith entered into the Shell Frontier Oil and Gas Inc. Subscription Agreement ("Subscription Agreement"), dated September 1, 1992, by which ASSIGNOR agrees to assign the Overriding Royalty Interest to ASSIGNEE; and

WHEREAS, the parties therefore desire to enter into this ASSIGNMENT;

NOW, THEREFORE, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration to it in hand paid, the receipt and sufficiency of which is hereby acknowledged, SOI Royalties Inc. does hereby GRANT, BARGAIN, ASSIGN AND CONVEY unto ASSIGNEE, the Overriding Royalty Interest, together with any other overriding royalty interest or any other interest of any nature owned by SOI Royalties Inc. in the leases described on EXHIBIT 1, TO HAVE AND TO HOLD the said Overriding Royalty Interest and all rights, titles, interests, estates, options, powers, and privileges appurtenant or incident thereto unto ASSIGNEE, its successors and assigns forever.

THIS ASSIGNMENT shall be subject to the following terms, conditions, reservations or exceptions:

1. This ASSIGNMENT, and any further assignments or alienations of interest acquired hereby, shall at all times be made expressly subject to the terms, conditions, exceptions and reservations contained in the Subscription Agreement. Any terms not defined herein shall have the definition set forth for said term in the Subscription Agreement. Such further assignment shall not relieve or release ASSIGNEE as to ASSIGNOR of any obligations under this Assignment or the Subscription Agreement, unless ASSIGNEE is expressly released or relieved thereof in writing by ASSIGNOR. Furthermore, ASSIGNEE shall ensure and hereby guarantees that its successors and assigns shall exercise any rights derived from ASSIGNOR subject to and in faithful compliance with the Subscription Agreement without prejudice to the rights of ASSIGNOR herein.

2. NOTWITHSTANDING ANY PROVISION IN THIS AGREEMENT TO THE CONTRARY, THE PROPERTY IS CONVEYED "AS IS", "WITH ALL FAULTS", WITHOUT ANY STATUTORY, EXPRESS OR IMPLIED WARRANTY INCLUDING WARRANTY OF MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE, OR ANY OTHER SORT OF WARRANTY, EXCEPT THAT ASSIGNOR SHALL WARRANT TITLE TO THE PROPERTY AGAINST THE CLAIMS AND DEMANDS OF ALL PERSONS LAWFULLY CLAIMING THE SAME BY, THROUGH OR UNDER ASSIGNOR, BUT NOT OTHERWISE. HOWEVER, ASSIGNEE SHALL HAVE THE RIGHT OF FULL SUBSTITUTION AND SUBROGATION IN AND TO ANY AND ALL RIGHTS AND ACTIONS OF WARRANTY WHICH ASSIGNOR MAY HAVE AGAINST ANY AND ALL PRECEDING OWNERS OR VENDORS OF THE PROPERTY. IT IS FURTHER

UNDERSTOOD AND AGREED THAT ASSIGNEE SHALL HAVE INSPECTED, OR SHALL HAVE HAD THE OPPORTUNITY TO INSPECT, THE PROPERTY AND PREMISES FOR ALL PURPOSES, INCLUDING WITHOUT LIMITATION, FOR THE PURPOSE OF DETECTING THE PRESENCE OF NATURALLY OCCURRING RADIOACTIVE MATERIAL (NORM), MAN-MADE MATERIAL FIBERS (MMMF), AND ANY OTHER ACTUAL OR POTENTIAL ENVIRONMENTAL HAZARD OR LIABILITY, AND HAS SATISFIED ITSELF AS TO THE PROPERTY'S PHYSICAL AND ENVIRONMENTAL CONDITION, BOTH SURFACE AND SUBSURFACE, AND THAT ASSIGNEE SHALL ACCEPT ALL OF THE SAME IN ITS "AS IS, WHERE IS" CONDITION. IN ADDITION, ASSIGNOR MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF ANY DATA, INFORMATION OR MATERIALS HERETOFORE OR HEREFTER FURNISHED ASSIGNEE IN CONNECTION WITH THE INTERESTS, OR AS TO THE QUALITY OR QUANTITY OF HYDROCARBON RESERVES (IF ANY) ATTRIBUTABLE TO THE INTERESTS OR THE ABILITY OF THE INTERESTS TO PRODUCE HYDROCARBONS. ANY AND ALL SUCH DATA, INFORMATION AND OTHER MATERIALS FURNISHED BY ASSIGNOR IS PROVIDED ASSIGNEE AS A CONVENIENCE AND ANY RELIANCE ON OR USE OF THE SAME SHALL BE AT ASSIGNEE'S SOLE RISK.

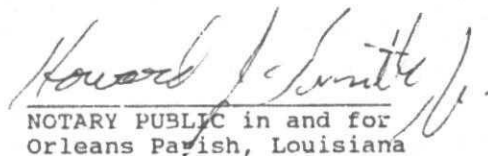
3. By separate Assignment dated effective as of 7:00 a.m., local time, September 1, 1992, Shell Offshore Inc., the owner of the working interests in the oil and gas leases for South Pass 62, South Pass 5 and Ship Shoal 259 Fields from which the Overriding Royalty Interest for these leases derives, described on EXHIBIT "1" attached hereto and made a part hereof, conveyed

STATE OF LOUISIANA

PARISH OF ORLEANS

BEFORE ME, the undersigned Notary Public, on this day personally appeared K. R. SISSELL, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he, being fully authorized to do so, executed and delivered the same as Attorney-in-Fact for SOI ROYALTIES INC., a Delaware corporation, on the day and year therein mentioned and as the act and deed of said corporation, for the purpose and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 2nd day of October, 1992.


NOTARY PUBLIC in and for
Orleans Parish, Louisiana

My Commission is issued for life.

BEST AVAILABLE COPY

BEST AVAILABLE COPY

the ownership of its interest in said oil and gas leases to ASSIGNEE. As such, the Shell Offshore Inc. oil and gas leases and the Overriding Royalty Interest affecting the oil and gas leases constituting South Pass 62, South Pass 65, and Ship Shoal 259 Fields are presently owned by ASSIGNEE. ASSIGNEE expressly declares and agrees that upon the execution of this ASSIGNMENT by ASSIGNEE, that the Overriding Royalty Interest for said three fields will terminate by merger or confusion and will no longer exist as a burden thereon.

EXECUTED AND DELIVERED, in the presence of the undersigned competent witnesses as of the dates set out in the respective acknowledgments.

WITNESSES:

[Signature]
[Signature]

SOI ROYALTIES INC.

By:

[Signature]
K. R. Sissell
Attorney-in-Fact

[Signature]
[Signature]

SHELL FRONTIER OIL & GAS INC.

By:

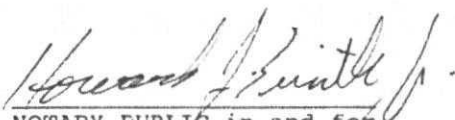
[Signature]
Kent F. Abadie
Attorney-in-Fact

STATE OF LOUISIANA

PARISH OF ORLEANS

BEFORE ME, the undersigned Notary Public, on this day personally appeared KENT F. ABADIE, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he, being fully authorized to do so, executed and delivered the same as Attorney-in-Fact for SHELL FRONTIER OIL & GAS INC., a Delaware corporation, on the day and year therein mentioned and as the act and deed of said corporation, for the purpose and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 2nd day of October, 1992.


NOTARY PUBLIC in and for
ORLEANS PARISH, LOUISIANA

My Commission Expires: at Death.

BEST AVAILABLE COPY

EXHIBIT "1"

TO OVERRIDING ROYALTY ASSIGNMENT BETWEEN
SOI ROYALTIES INC. AND SHELL FRONTIER OIL & GAS INC.

DESCRIPTION OF SOI ROYALTIES INC. PROPERTY BEING ASSIGNED AND CONVEYED

SOUTH PASS 62 FIELD

Oil and Gas Lease:

OCS-G 1294 - Oil and Gas Lease, effective July 1, 1962, by and between the United States of America, as Lessor, and Shell Oil Company, as Lessee, and covering Block 62 South Pass Area, South and East Additions, as shown on Official Leasing Map La. No. 9A, Outer Continental Shelf Leasing Map, Louisiana Offshore Operations.

SOUTH PASS 65 FIELD

Oil and Gas Leases:

OCS-G 1610 - Oil and Gas Lease, effective July 1, 1967, by and between the United States of America, as Lessor, and Shell Oil Company, as Lessee, and covering All Block 65, South Pass Area, South and East Addition, Official Leasing Map, Louisiana Map No. 9A.

OCS-G 1901 - Oil and Gas Lease, effective January 1, 1969, by and between the United States of America, as Lessor, and Shell Oil Company, as Lessee, and covering Block 64, All South Pass Area - South and East Addition, Official Leasing Map, Louisiana Map No. 9A.

OCS-G 1966 - Oil and Gas Lease, effective January 1, 1970, by and between the United States of America, as Lessor, and Shell Oil Company, as Lessee, and covering Block 152, Portion more than 3 geographical miles seaward of the line described in Par. 1 of the Supplemental Decree of the U. S. Supreme Court entered December 13, 1965 in the United States v. Louisiana No. 9 Original (382 US 288), Main Pass Area, Official Leasing Map, Louisiana Map No. 10.

OCS-G 1967 - Oil and Gas Lease, effective January 1, 1970, by and between the United States of America, as Lessor, and Shell Oil Company, as Lessee, and covering All Block 153 Main Pass Area, Official Leasing Map, Louisiana Map No. 10.

SHIP SHOAL 259 FIELD

Oil and Gas Leases:

OCS-G 5044 - Oil and Gas Lease, effective April 1, 1982, by and between the United States of America, as Lessor, and Shell Offshore Inc., Florida Exploration Company, Fluor Oil and Gas Corporation, Crown Central Petroleum Corporation and Apache Corporation, as Lessee, and covering All of Block 259, Ship Shoal Area, South Addition, as shown on OCS Leasing Map, Louisiana Map No. 5A.

OCS-G 5560 - Oil and Gas Lease, effective July 1, 1983, by and between the United States of America, as Lessor, and Shell Offshore Inc., Florida Exploration Company, Fluor Oil and Gas Corporation, Apache Corporation and Crown Central Petroleum Corporation, as Lessee, and covering All of Block 258, Ship Shoal Area, South Addition, OCS Leasing Map, Louisiana Map No. 5A.

MISSISSIPPI CANYON 311 FIELD

Oil and Gas Lease:

OCS-G 2968 - Oil and Gas Lease, effective December 1, 1974, by and between the United States of America, as Lessor, and Shell Oil Company, as Lessee, and covering All of Block N657 E47, Mobile South No. 2, OCS Official Leasing Map NH-16-10, as amended by Amendment to Oil and Gas Lease, effective September 1, 1977, substituting the original lease description and replacing it to cover All of Block 311, Mississippi Canyon Area, as shown on OCS Official Protraction Diagram NH 16-10.

BRAZOS BLOCK A-20 FIELD

Oil and Gas Leases:

OCS-G 3472 - Oil and Gas Lease, effective August 1, 1977, by and between the United States of America, as Lessor, and Shell Oil Company, as Lessee, and covering All of Block A-20, Brazos Area, as shown on OCS Official Leasing Map, Texas Map No. 5.

OCS-G 3936 - Oil and Gas Lease, effective March 1, 1979, by and between the United States of America, as Lessor, and Shell Oil Company, as Lessee, and covering All of Block A-19, Brazos Area, as shown on OCS Official Leasing Map, Texas Map No. 5.

VERMILION 221 FIELD

Oil and Gas Lease:

OCS-G 4424 - Oil and Gas Lease, effective November 1, 1980, by and between the United States of America, as Lessor, and Shell Oil Company, Florida Exploration Company, Fluor Oil and Gas Corporation, Crown Central Petroleum Corporation, MAPCO Inc., Strata Energy Inc. and OCFOGO, Inc., as Lessee, and covering All of Block 221 Vermilion Area, as shown on OCS Leasing Map, Louisiana Map No. 3.

GREEN CANYON 65 FIELD

Oil and Gas Leases:

OCS-G 5889 - Oil and Gas Lease, effective July 1, 1983, by and between the United States of America, as Lessor, and Shell Offshore Inc., as Lessee, and covering All of Block 65, Green Canyon, OCS Official Protraction Diagram, NG 15-3.

OCS-G 5900 - Oil and Gas Lease, effective July 1, 1983, by and between the United States of America, as Lessor, and Shell Offshore Inc., as Lessee, and covering All of Block 109, Green Canyon, OCS Official Protraction Diagram, NG 15-3.

OCS-G 7005 - Oil and Gas Lease, effective June 1, 1984, by and between the United States of America, as Lessor, and Shell Offshore Inc., as Lessee, and covering All of Block 64, Green Canyon, OCS Official Protraction Diagram, NG 15-3.

HIGH ISLAND 179 FIELD

Oil and Gas Leases:

OCS-G 3228 - Oil and Gas Lease, effective September 1, 1975, by and between the United States of America, as Lessor, and Shell Oil Company, as Lessee, and covering All of Block 180, Galveston Area, as shown on OCS Official Leasing Map, Texas Map No. 6.

OCS-G 3236 - Oil and Gas Lease, effective September 1, 1975, by and between the United States of America, as Lessor, and Shell Oil Company, as Lessee, and covering All of Block 179, High Island Area, as shown on OCS Official Leasing Map, Texas Map No. 7.

VERMILION BLOCK 320 FIELD

Oil and Gas Leases:

OCS-G 2088 - Oil and Gas Lease, effective February 1, 1971, by and between the United States of America, as Lessor, and Shell Oil Company, as Lessee, and covering All of Block 321, Vermilion Area, South Addition, Official Leasing Map, Louisiana Map No. 3B.

OCS-G 3138 - Oil and Gas Lease, effective July 1, 1975, by and between the United States of America, as Lessor, and Shell Oil Company, as Lessee, and covering All of Block 302, Vermilion Area, South Addition, as shown on OCS Official Leasing Map, Louisiana Map No. 3B.

HIGH ISLAND A-370 FIELD

Oil and Gas Leases:

OCS-G 2238 - Oil and Gas Lease, effective January 1, 1973, by and between the United States of America, as Lessor, and Shell Oil Company, Transcontinental Production Company and CNG Producing Company, as Lessee, and covering All of Block 633, West Cameron Area, South Addition, Official Leasing Map, Louisiana Map No. 1B.

OCS-G 2428 - Oil and Gas Lease, effective August 1, 1973, by and between the United States of America, as Lessor, and Shell Oil Company, Transcontinental Production Company and CNG Producing Company, as Lessee, and covering All of Block A350, High Island Area, East Addition, South Extension, Official Leasing Map, Texas Map No. 7C.

SHIP SHOAL 274 FIELD

Oil and Gas Leases:

OCS-G 1039 - Oil and Gas Lease, effective June 1, 1962, by and between the United States of America, as Lessor, and Shell Oil Company, as Lessee, and covering Block 274, Ship Shoal Area, South Addition, as shown on Official Leasing Map La. No. 5A, Outer Continental Shelf Leasing Map, Louisiana Offshore Operations.

OCS-G 1043 - Oil and Gas Lease, effective June 1, 1962, by and between the United States of America, as Lessor, and The Superior Oil Company, as Lessee, and covering Block 293, Ship Shoal Area, South Addition, as shown on Official Leasing Map La. No. 5A, Outer Continental Shelf Leasing Map, Louisiana Offshore Operations.

HIGH ISLAND 194 FIELD

Oil and Gas Lease:

OCS-G 6166 - Oil and Gas Lease, effective October 1, 1983, by and between the United States of America, as Lessor, and Atlantic Richfield Company, as Lessee, and covering All of Block 194, High Island Area, OCS Leasing Map, Texas Map No. 7.

**END
UPDATE**