

Houston Energy, L.P.

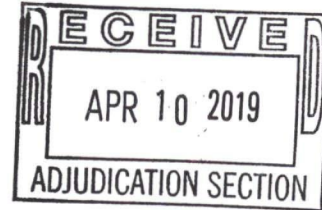
Two Allen Center
1200 Smith, Suite 2400
Houston, Texas 77002
Phone: (713) 586-5746
Fax: (713) 650-8305
salford@houstonenergyinc.com



April 9, 2019

Via FedEx overnight

Bureau of Ocean Energy Management
Department of the Interior
1201 Elmwood Park Boulevard
New Orleans, LA 70123-2394
Attention: Adjudication Unit



RE: Assignment of Overriding Royalty Interest
OCS-G 36363 South Timbalier Area, Block 147
OCS-G 36364 South Timbalier Area, Block 207
Offshore, Louisiana

Ladies and Gentlemen:

Enclosed please find two originals of the following document:

- Title of Document:** Assignment of Overriding Royalty Interest in Oil and Gas Lease
- Identities of Parties to Document:** By and between W & T Offshore, Inc., as Assignor and Houston Energy Holdings, LLC – Assignee
- Lease Affected:** OCS-G 36363, OCS-G 36364
- Category to be Filed:** 5 = Overriding Royalty, Production Payment, Net Profit
- Service Fees:** Pay.Gov receipt enclosed in amount of \$58.00

Once this document has been filed as requested, I would appreciate your stamping and returning a copy to my attention in the postage paid envelope.

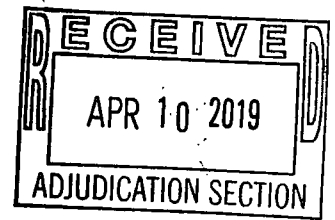
If you should have any questions my direct number 713.586.5746 or email salford@houstonenergyinc.com.

Sincerely,

HOUSTON ENERGY, L.P.


Sue A. Alford
Land Coordinator

Enclosures



**ASSIGNMENT OF OVERRIDING ROYALTY
IN
OIL AND GAS LEASES**

South Timbalier 147/207

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

THAT, **W & T Offshore, Inc.**, a Texas corporation, whose address is Nine Greenway Plaza, Suite 300, Houston, Texas 77046, (hereinafter referred to as an "Assignor") is the owner of an undivided fifty percent (50.00%) in the oil and gas leases ("W & T Interest") described on the attached Exhibit "A" (hereinafter referred to as the "Leases").

WHEREAS, Assignor desires to assign unto **Houston Energy Holdings, LLC**, whose address is Two Allen Center, 1200 Smith, Suite 2400, Houston, Texas, 77002, (hereinafter referred to as "Assignee") a certain overriding royalty interest in the Leases, as described on Exhibit "A".

NOW, THEREFORE, effective as of December 1, 2018, and for and in consideration of the mutual advantages and benefits accruing to the parties hereto and for One Thousand and No/100 Dollars (\$1,000), and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and further in consideration of the mutual covenants and conditions herein contained, Assignor does hereby TRANSFER, CONVEY, SELL and ASSIGN an overriding royalty interest in the Leases equal to three point twenty five percent of eight eighths (3.25% of 8.8ths, proportionately reduced by the interest of Assignor, and hereinafter referred to as the "Overriding Royalty"), unto Assignee, in the Leases.

Such Overriding Royalty shall be due only with respect to oil, gas and other minerals produced, saved and marketed from or attributable to the Leases, it being understood that any oil, gas or other minerals utilized in the drilling, reworking, producing or other operations on the Leases shall be specifically deducted from the gross production prior to calculating the overriding royalty volume. The Overriding Royalty shall be free and clear of any cost of drilling or production, but shall bear its proportionate share of all applicable taxes, including, but not limited to, severance or other similar taxes applicable to production.

The value of such Overriding Royalty shall never be calculated, paid or determined on a basis in excess of the gross 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 Bureau of Ocean Energy Management ("BOEM") successor agency to the Minerals Management Service of the Department of Interior, or any other agency or authority having jurisdiction over the lands covered by a Lease, that provide for, or may provide for, relief, reduction or suspension of the lessor's royalty under a Lease.

Assignor shall have the right to pool, unitize, communitize, form a joint development area, surrender, or permit to expire, the Leases without the necessity or joinder of the Assignee, or any subsequent holder of the Overriding Royalty and Assignor shall not be in any manner obligated to maintain, preserve or continue in effect the Leases in any manner whatsoever, or to drill or rework any well on the Leases or conduct any operation whatsoever thereunder. The Overriding Royalty shall be subject to proportionate reduction (i) on account of the failure of leasehold or mineral title; for a Lease or (ii) in the event the Lease relates to less than the entirety of the minerals or (iii) if Assignor's leasehold interest in a Lease relates to less than the entirety of the leasehold interest in such Leases, then the Overriding Royalty herein conveyed shall be proportionately reduced and shall be payable to Assignee in the proportion that Assignor's interest in a Lease bears to the entire interest of such Lease.

Further. Assignee acknowledges that this Assignment is made subject to all of the terms and conditions contained in the Leases.


Subject to the matters set forth herein, Assignor, to the extent of his 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 sold and conveyed hereby, but only upon execution by all signatories of this Assignment or a counterpart hereof.

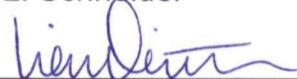
This Assignment shall inure to the benefit of and be binding upon the successors, representatives, and assigns of the parties hereto.

IN WITNESS WHEREOF, this Assignment is executed by the undersigned, duly authorized representatives of the parties hereto, as of the dates set forth in the respective signature blocks below.

WITNESSES:



Lundin L. Schneider



Lien Quinto

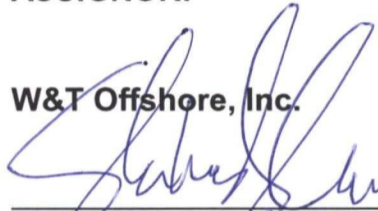


Heath Suire



Mimi Reed McGehee

ASSIGNOR:

W&T Offshore, Inc.


Shahid Ghauri Secretary

Date: 4/1/2019

ASSIGNEE:

Houston Energy Holdings, LLC


P. David Amend
Sr. Executive Vice President

Date: 3/19/2019

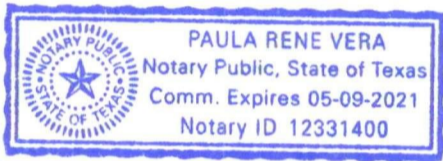
ACKNOWLEDGMENTS

STATE OF TEXAS §

COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared **Shahid Ghauri**, known to me to be the person whose name is subscribed to the foregoing instrument as Secretary of W & T Offshore, Inc., a corporation, and acknowledged to me that he executed the same for and on behalf of said corporation, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN under my hand and seal of office this 1st day of April, 2019.



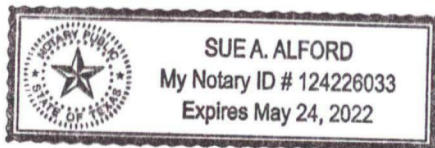
Paula Rene Vera
Notary Public - State of Texas

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 Sewanee Investments, LLC, its General Partner of Houston Energy, L.P., a Texas limited partnership, and as Sr. Executive Vice President of Houston Energy Holdings, LLC, a Texas limited liability company and acknowledged to me that he executed the same for and on behalf of said companies, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN under my hand and seal of office this 19th day of March, 2019.



Sue A. Alford
Notary Public - State of Texas

Exhibit "A"

Attached to and made a part of Assignment of Overriding Royalty Interest in Oil and Gas Leases dated effective December 1, 2018

South Timbalier Area, Block 147

Oil and Gas Lease of Submerged Lands under the Continental Shelf Lands Act bearing serial number OCS-G 36363 effective December 1, 2018, between the United States of America, as Lessor, and Houston Energy, L.P., as Lessee, covering all of Block 147 South Timbalier Area, OCS Leasing Map, Louisiana Map No. 4A.

South Timbalier Area, Block 207

Oil and Gas Lease of Submerged Lands under the Continental Shelf Lands Act bearing serial number OCS-G 36364, effective December 1, 2018, between the United States of America, as Lessor, and Houston Energy, L.P., as Lessee, covering all of Block 207 South Timbalier Area, OCS Leasing Map, Louisiana Map No. 4A.