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OFFICE:
Houston, TX
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April 17, 2019

HAND DELIVERED

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

Re: Required/Non-Required Filings
Mortgages and Partial Releases
OCS-G35385, Green Canyon Block 21
1107.02 – EnVen Energy Ventures, LLC

Dear Adjudication:

Enclosed, please find one original and one copy of each of the following documents listed below, and the appropriate pay.gov receipt of each, for filing in the lease file for Green Canyon Block 21, OCS-G35385. Please file these documents as the applicable category of document indicated beside same and file stamp the duplicate copy for our records.

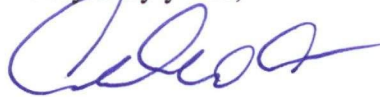
1. Mortgage, Deed of Trust, Assignment of As-Extracted Collateral, Security Agreement, Fixture Filing and Financing Statement from EnVen Energy Ventures, LLC to Bank of Montreal, as Administrative Agent, covering the referenced leases. Please file this document as a **Category 1** in the lease file for **OCS-G35385**.
2. First Amendment and Supplement to Mortgage, Deed of Trust, Assignment of As-Extracted Collateral, Security Agreement, Fixture Filing and Financing Statement from EnVen Energy Ventures, LLC to Bank of Montreal, as Administrative Agent, covering the referenced leases. Please file this document as a **Category 1** in the lease file for **OCS-G35385**.
3. Fifth Amendment and Supplement to Mortgage, Deed of Trust, Assignment of As-Extracted Collateral, Security Agreement, Fixture Filing and Financing Statement from

EnVen Energy Ventures, LLC to Bank of Montreal, as Administrative Agent, amending the collateral description to include OCS-G35385. Please file this document as a **Category 1** in the lease file for **OCS-G35385**.

4. Request for Partial Cancellation of Mortgage or Privilege and Partial Release by Licensed Financial Institution Pursuant to R.S. 9:5172, by Bank of Montreal, as Administrative Agent, partially releasing the mortgage as it relates to a portion of OCS-G35385. Please file this document as a **Category 2** in the lease file for **OCS-G35385**.
5. Request for Partial Cancellation of Mortgage or Privilege and Partial Release by Licensed Financial Institution Pursuant to R.S. 9:5172, by Wilmington Trust, National Association, as Collateral Agent, partially releasing the mortgage as it relates to a portion of OCS-G35385. Please file this document as a **Category 2** in the lease file for **OCS-G35385**.

Please feel free to contact the undersigned should you have any questions regarding this matter.

Very truly yours,

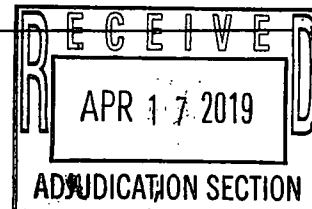


Addie L. Danos

Enclosures

Terrebonne Parish Recording Page

Theresa A. Robichaux
Clerk Of Court
P.O. Box 1569
Houma, La 70361-1569
(985) 868-5660

**Received From :**

Attn: LINDA DAUGHERTY
SIMPSON, THACHER & BARTLETT LLP
909 FANNIN ST
SUITE 1475
HOUSTON, TX 77010

First MORTGAGOR

ENVEN ENERGY VENTURES L L C

First MORTGAGEE

BANK OF MONTREAL

Index Type : Mortgages

File # : 1460558

Type of Document : Mortgage, Etc.

Book : 2676

Page : 448

Recording Pages : 41

Recorded Information

I hereby certify that the attached document was filed for registry and recorded in the Clerk of Court's office for
Terrebonne Parish, Louisiana

Theresa A. Robichaux
Clerk of Court



On (Recorded Date) : 08/12/2014

At (Recorded Time) : 11:46:33AM



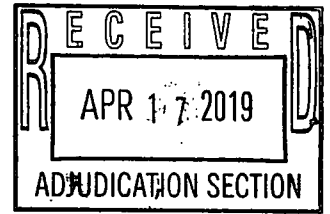
Doc ID - 012654310041

Return To :

SIMPSON, THACHER & BARTLETT LLP
909 FANNIN ST
SUITE 1475
HOUSTON, TX 77010

ACKNOWLEDGEMENT COPY

WHEN RECORDED OR FILED,
PLEASE RETURN TO:
SIMPSON THACHER & BARTLETT LLP
909 Fannin, Suite 1475
Houston, Texas 77010-1014
Attention: Linda Daugherty



Space above for County/Parish Recorder's Use

**MORTGAGE, DEED OF TRUST, ASSIGNMENT OF AS-EXTRACTED
COLLATERAL, SECURITY AGREEMENT, FIXTURE FILING AND FINANCING
STATEMENT**

Terrebonne

FROM

ENVEN ENERGY VENTURES, LLC

TO

GUMARO TIJERINA, AS TRUSTEE

FOR THE BENEFIT OF

**BANK OF MONTREAL,
as Administrative Agent**

and the Other Secured Persons

**A CARBON, PHOTOGRAPHIC, OR OTHER REPRODUCTION OF THIS INSTRUMENT IS
SUFFICIENT AS A FINANCING STATEMENT.**

A POWER OF SALE HAS BEEN GRANTED IN THIS INSTRUMENT. IN CERTAIN STATES, A POWER OF SALE MAY ALLOW THE TRUSTEE OR THE MORTGAGEE TO TAKE THE MORTGAGED PROPERTY AND SELL IT WITHOUT GOING TO COURT IN A FORECLOSURE ACTION UPON DEFAULT BY THE MORTGAGOR UNDER THIS INSTRUMENT.

THIS INSTRUMENT CONTAINS AFTER-ACQUIRED PROPERTY PROVISIONS.

THIS INSTRUMENT SECURES PAYMENT OF FUTURE ADVANCES.

THIS INSTRUMENT COVERS PROCEEDS OF MORTGAGED PROPERTY.

THIS INSTRUMENT COVERS MINERALS AND OTHER SUBSTANCES OF VALUE WHICH MAY BE EXTRACTED FROM THE EARTH (INCLUDING WITHOUT LIMITATION OIL AND GAS) AND THE ACCOUNTS RELATED THERETO, WHICH WILL BE FINANCED AT THE WELLHEADS OF THE WELL OR WELLS LOCATED ON THE PROPERTIES DESCRIBED IN THE EXHIBIT HERETO. THIS FINANCING STATEMENT IS TO BE FILED OR FILED FOR RECORD, AMONG OTHER PLACES, IN THE REAL ESTATE RECORDS OR SIMILAR RECORDS OF THE RECORDERS OF THE COUNTIES LISTED ON THE EXHIBIT HERETO AND WITH A CLERK OF COURT (OR, AS TO ORLEANS PARISH, THE RECORDER OF MORTGAGES) IN ANY PARISH IN THE STATE OF LOUISIANA. THE MORTGAGOR HAS AN INTEREST OF RECORD IN THE REAL ESTATE AND IMMOVABLE PROPERTY CONCERNED, WHICH INTEREST IS DESCRIBED IN THE EXHIBIT ATTACHED HERETO.

PORTIONS OF THE MORTGAGED PROPERTY ARE GOODS WHICH ARE OR ARE TO BECOME AFFIXED TO OR FIXTURES ON THE LAND DESCRIBED IN OR REFERRED TO IN THE EXHIBIT HERETO. THIS FINANCING STATEMENT IS TO BE FILED FOR RECORD OR RECORDED, AMONG OTHER PLACES, IN THE REAL ESTATE RECORDS OR SIMILAR RECORDS OF EACH COUNTY IN WHICH SAID LAND OR ANY PORTION THEREOF IS LOCATED AND WITH A CLERK OF COURT (OR, AS TO ORLEANS PARISH, THE RECORDER OF MORTGAGES) IN ANY PARISH IN THE STATE OF LOUISIANA. THE MORTGAGOR IS THE OWNER OF RECORD INTEREST IN THE REAL ESTATE CONCERNED. THIS INSTRUMENT IS ALSO TO BE INDEXED IN THE INDEX OF FINANCING STATEMENTS OR THE UCC RECORDS.

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Exhibit A Oil and Gas Properties

THIS MORTGAGE, DEED OF TRUST, ASSIGNMENT OF AS-EXTRACTED COLLATERAL, SECURITY AGREEMENT, FIXTURE FILING AND FINANCING STATEMENT (this "Mortgage") is entered into as of July 29, 2014 (the "Effective Date") by **ENVEN ENERGY VENTURES, LLC**, a Louisiana limited liability company (the "Mortgagor"), in favor of (i) Gumaro Tijerina, as Trustee for the benefit of **BANK OF MONTREAL**, as Administrative Agent (together with its successors and assigns, the "Mortgagee"), and the Other Secured Persons with respect to all Mortgaged Properties located in or adjacent to each Deed of Trust State and (ii) the Mortgagee for its benefit and the benefit of the Other Secured Parties with respect to all Mortgaged Properties located in or adjacent to each Mortgage State and with respect to all UCC Collateral.

RECITALS

A. On July 29, 2014, Energy Ventures GoM LLC, as Borrower ("Borrower"), Energy Ventures GoM Holdings LLC, a Delaware limited liability company, as the parent company of Borrower, the Lenders, the Mortgagee, as administrative agent for the Lenders and others, executed a Credit Agreement (such agreement, as may from time to time be amended or supplemented, the "Credit Agreement") pursuant to such, upon the terms and conditions stated therein, the Lenders agreed to make loans and other extensions of credit to the Borrower.

B. The Mortgagor and certain Lenders or Affiliates of Lenders have or may enter into certain Swap Agreements.

C. The Mortgagor and certain Lenders or Affiliates of Lenders have or may enter into certain Cash Management Agreements.

D. On July 29, 2014, the Mortgagor, each of the other signatories thereto other than the Mortgagee (the "Guarantors") and the Mortgagee executed a Guarantee and Collateral Agreement (such agreement, as may from time to time be amended or supplemented, the "Guarantee") pursuant to which, upon the terms and conditions stated therein, the Guarantors have agreed to grant a security interest to the Mortgagee in certain assets specified therein and the Guarantors have agreed to guarantee the obligations of the Mortgagor under the Credit Agreement, the Swap Agreements and the Cash Management Agreements (the Credit Agreement, the Swap Agreements, the Cash Management Agreements and the Guarantee collectively being the "Secured Transaction Documents").

E. The Mortgagee and the Other Secured Persons have conditioned their obligations under the Secured Transaction Documents upon the execution and delivery by the Mortgagor of this Mortgage, and the Mortgagor has agreed to enter into this Mortgage to secure all obligations owing to the Mortgagee and the Other Secured Persons under the Secured Transaction Documents.

F. Therefore, in order to comply with the terms and conditions of the Secured Transaction Documents and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Mortgagor hereby agrees as follows:

ARTICLE I DEFINITIONS

Section 1.01. Terms Defined Above. As used in this Mortgage, each term defined above has the meaning indicated above.

Section 1.02. UCC and Other Defined Terms. Unless otherwise defined in the Applicable UCC, each capitalized term used in this Mortgage and not defined in this Mortgage shall have the meaning ascribed to such term in the Credit Agreement. Any capitalized term not defined in either this Mortgage or the Credit Agreement shall have the meaning ascribed to such term in the Applicable UCC.

Section 1.03. Definitions.

“Applicable UCC” means the provisions of the Uniform Commercial Code presently in effect in the jurisdiction in which the relevant UCC Collateral is situated or which otherwise is applicable to the creation or perfection of the Liens described herein or the rights and remedies of Mortgagee under this Mortgage.

“Collateral” means collectively all the Mortgaged Property and all the UCC Collateral.

“Deed of Trust State” has the meaning ascribed such term in Section 2.01.

“Encumbered Equipment” has the meaning ascribed such term in Section 2.06.

“Event of Default” has the meaning ascribed to such term in Section 5.01.

“Future Advances” means future obligations and future advances that the Mortgagee or any Other Secured Person may make pursuant to any Secured Transaction Document.

“Hydrocarbon Interests” means all rights, titles, interests and estates and the lands and premises covered or affected thereby now or hereafter acquired by the Mortgagor in and to oil and gas leases, oil, gas and mineral leases, or other liquid or gaseous hydrocarbon leases, fee interests, surface interests, mineral fee interests, overriding royalty and royalty interests, net profit interests and production payment interests, including any reserved or residual interests of whatever nature, in each case, which are described on Exhibit A; provided that, it is the intent of the Mortgagor all of its interests be subject to the Lien of this Mortgage even if (i) its interests on Exhibit A shall be incorrectly described or a description of a part or all of such property or the Mortgagor’s interests therein be omitted limited to particular lands, specified depths or particular types of property interests or (ii) such properties or interests may be hereafter acquired.

“Hydrocarbons” means all oil, gas, casinghead gas, drip gasoline, natural gasoline, condensate, distillate, liquid hydrocarbons, gaseous hydrocarbons and all products refined or separated therefrom and all other minerals which may be produced and saved from or attributable to the Oil and Gas Properties of the Mortgagor, including all oil in tanks, and all rents, issues, profits, proceeds, products, revenues and other incomes from or attributable to the Hydrocarbon Interests or other properties constituting Oil and Gas Properties.

“Indemnified Parties” means the Trustee, the Mortgagee, each Other Secured Person and their officers, directors, employees, representatives, agents, attorneys, accountants and experts.

“Lien” means any interest in property securing an obligation owed to, or a claim by, a Person other than the owner of the property, whether such interest is based on the common law, statute or contract, and whether such obligation or claim is fixed or contingent, and including but not limited to (a) the lien or security interest arising from a mortgage, encumbrance, pledge, security agreement, conditional sale or trust receipt or a lease, consignment or bailment for security purposes or (b) production payments and the like payable out of Oil and Gas Properties.

“Mortgaged Property” means the Oil and Gas Properties and other properties and assets described in Section 2.01(a) through Section 2.01(e).

“Mortgage State” has the meaning ascribed such term in Section 2.01.

“Oil and Gas Properties” means (a) Hydrocarbon Interests; (b) the properties now or hereafter pooled or unitized with Hydrocarbon Interests; (c) all presently existing or future unitization, communitization, pooling agreements and declarations of pooled units and the units created thereby (including without limitation all units created under orders, regulations and rules of any Governmental Authority) which may affect all or any portion of the Hydrocarbon Interests; (d) all operating agreements, production sales or other contracts, farmout agreements, farm-in agreements, area of mutual interest agreements, equipment leases and other agreements which relate to any of the Hydrocarbon Interests or any interests therein or to the production, sale, purchase, exchange, processing, handling, storage, transporting or marketing of the Hydrocarbons from or attributable to such Oil and Gas Properties; (e) all Hydrocarbons; (f) all tenements, hereditaments, appurtenances and properties in any manner appertaining, belonging, affixed or incidental to the Hydrocarbon Interests, including all compressor sites, settling ponds and equipment or pipe yards; and (g) all properties, rights, titles, interests and estates described or referred to above whether now owned or hereinafter acquired, including any and all property, real or personal, immoveable or moveable, situated upon, used, held for use or useful in connection with the operating, working or development of any of such Hydrocarbon Interests or property (excluding drilling rigs, automotive equipment, rental equipment or other personal property which may be on such premises for the purpose of drilling a well or for other similar temporary uses) and including any and all oil wells, gas wells, injection wells or other wells, structures, fuel separators, liquid extraction plants, plant compressors, pumps, pumping units, pipelines, sales and flow lines, gathering systems, field gathering systems, salt water disposal facilities, tanks and tank batteries, fixtures, valves, fittings, machinery and parts, engines, boilers, steam generation facilities, meters, apparatus, equipment, appliances, tools, implements, cables, wires, towers, casing, tubing and rods, surface leases, rights-of-way, easements, servitudes licenses and other surface and subsurface rights, together with all additions, substitutions, replacements, accessions and attachments to any and all of the foregoing.

“Other Secured Persons” means each Lender, each Agent under the Credit Agreement, each Issuing Bank under the Credit Agreement, each Lender or Affiliate of a Lender which is party to the Credit Agreement, each Lender or Affiliate of a Lender which is party to any Cash Management Agreement, each Indemnified Party and any legal owner, holder, assignee or pledgee of any of the Secured Obligations.

"Paid In Full In Cash" means the occurrence of each the following: (i) the Secured Obligations (other than (A) indemnity obligations not yet due and payable of which the Mortgagor has not received a notice of potential claim, (B) obligations arising under a Secured Swap Agreement and (C) obligations under Secured Cash Management Agreements (as defined in the Guarantee) not yet due and payable) are paid in full in cash (including interest accruing during the pendency of an insolvency or liquidation proceeding, regardless of whether allowed or allowable in such insolvency or liquidation proceeding) and premium, if any, on all Loans outstanding under the Credit Agreement, (ii) no Letter of Credit shall be outstanding (other than Letters of Credit as to which other arrangements satisfactory to the Administrative Agent and the Issuing Bank have been made), (iii) the Credit Agreement and the Commitments are terminated and (iv) all Secured Swap Agreements secured hereby are either novated, terminated and paid in full or the Grantor party thereto has collateralized its obligations under such Secured Swap Agreement to the satisfaction of the counterparty to such Secured Swap Agreement.

"Permitted Encumbrances" means all Liens permitted to be placed on the Mortgaged Properties under Section 9.03 of the Credit Agreement.

"Post-Default Rate" means the post-default rate per annum set forth in Section 3.02(c) of the Credit Agreement applicable to past due payments, but in no event to exceed the Highest Lawful Rate.

"Secured Obligations" has the meaning assigned to such term in Section 2.03.

"Trustee" means Gumaro Tijerina of Bank of Montreal, whose address for notice hereunder is 700 Louisiana Street, Suite 2100, Houston, Texas 77002 and any successors and substitutes in trust hereunder.

"UCC Collateral" means the property and other assets described in Section 2.02.

ARTICLE II GRANT OF LIEN AND SECURED OBLIGATIONS

Section 2.01. **Grant of Liens.** To secure payment of the Secured Obligations, the Mortgagor does by these presents hereby:

(i) GRANT, BARGAIN, SELL, ASSIGN, MORTGAGE, TRANSFER and CONVEY to the Trustee, for the use and benefit of the Mortgagee and the Other Secured Persons, all of the following properties, rights and interests which are located in (or cover or relate to such Oil and Gas Properties located in) the State of Texas (the "**Deed of Trust State**"), or which are located within (or cover or relate to properties located within) the Outer Continental Shelf or other offshore area adjacent to such Deed of Trust State over which the United States of America asserts jurisdiction and to which the laws of such Deed of Trust State are applicable with respect to this Mortgage and/or the Liens created hereby, TO HAVE AND TO HOLD unto the Trustee forever to secure the Secured Obligations; and

(ii) GRANT, BARGAIN, SELL, WARRANT, MORTGAGE, ASSIGN, TRANSFER, PLEDGE, HYPOTHECATE and CONVEY AND, to the extent permitted by applicable law, GRANT A POWER OF SALE to the Mortgagee, for its benefit and the benefit of

the Other Secured Persons, with mortgage covenants, and upon the statutory mortgage condition for the breach of which this Mortgage may be subject to foreclosure as provided by applicable law, all of the following properties, rights and interests which are located in (or cover or relate to properties located in) the State of Louisiana (the "Mortgage State"), or which are located within (or cover or relate to properties located within) the Outer Continental Shelf or other offshore area adjacent to such Mortgage State over which the United States of America asserts jurisdiction and to which the laws of such Mortgage State are applicable with respect to this Mortgage and/or the Liens created hereby:

(a) All rights, titles, interests and estates now owned or hereafter acquired by the Mortgagor in and to the Oil and Gas Properties described on Exhibit A.

(b) All rights, titles, interests and estates now owned or hereafter acquired by the Mortgagor in and to all geological, geophysical, engineering, accounting, title, legal and other technical or business data concerning the Oil and Gas Properties, the Hydrocarbons or any other item of property which are in the possession of the Mortgagor, and all books, files, records, magnetic media, computer records and other forms of recording or obtaining access to such data.

(c) All rights, titles, interests and estates now owned or hereafter acquired by the Mortgagor in and to all Hydrocarbons.

(d) Any property that may from time to time hereafter, by delivery or by writing of any kind, be subjected to the Liens hereof by the Mortgagor or by anyone on the Mortgagor's behalf; and the Trustee and/or the Mortgagee are hereby authorized to receive the same at any time as additional security hereunder.

(e) All of the rights, titles and interests of every nature whatsoever now owned or hereafter acquired by the Mortgagor in and to the Oil and Gas Properties described in Exhibit A and all other rights, titles, interests and estates and every part and parcel thereof, including, without limitation, any rights, titles, interests and estates as the same may be enlarged by the discharge of any payments out of production or by the removal of any charges or Permitted Encumbrances to which any of such Oil and Gas Properties or other rights, titles, interests or estates are subject or otherwise; all rights of the Mortgagor to Liens securing payment of proceeds from the sale of production from any of such Oil and Gas Properties, together with any and all renewals and extensions of any of such related rights, titles, interests or estates; all contracts and agreements supplemental to or amendatory of or in substitution for the contracts and agreements described or mentioned above; and any and all additional interests of any kind hereafter acquired by the Mortgagor in and to the such related rights, titles, interests or estates.

Notwithstanding any provision in this Mortgage to the contrary, in no event (a) is any Building (as defined in the applicable Flood Insurance Regulation) or Manufactured (Mobile) Home (as defined in the applicable Flood Insurance Regulation) included in the definition of "Mortgaged Property" and no Building or Manufactured (Mobile) Home is hereby encumbered by this Mortgage, or (b) is any Excluded Property included in the definition of Mortgaged Property or UCC Collateral and no Excluded Property is encumbered by this Mortgage. As used herein, "Flood Insurance Regulations" shall mean (i) the National Flood Insurance Act of 1968 as now or hereafter in effect or any successor statute thereto, (ii) the Flood Disaster Protection

Act of 1973 as now or hereafter in effect or any successor statute thereto, (iii) the National Flood Insurance Reform Act of 1994 (amending 42 USC 4001, et. seq.), as the same may be amended or recodified from time to time, and (iv) the Flood Insurance Reform Act of 2004 and any regulations promulgated thereunder.

Any fractions or percentages specified on Exhibit A in referring to the Mortgagor's interests are solely for purposes of the warranties made by the Mortgagor pursuant to Section 4.01 and Section 4.05 and shall in no manner limit the quantum of interest affected by this Section 2.01 with respect to any Oil and Gas Property or with respect to any unit or well identified on Exhibit A.

Section 2.02. Grant of Security Interest. To further secure the Secured Obligations, the Mortgagor hereby grants to the Mortgagee, for its benefit and the benefit of the Other Secured Persons, a security interest in and to all of the following (whether now or hereafter acquired by operation of law or otherwise):

- (a) all Accounts;
- (b) all Deposit Accounts (other than payroll, withholding tax and other fiduciary Deposit Accounts), all Commodities Accounts and all Securities Accounts;
- (c) all Documents;
- (d) all General Intangibles (including, without limitation, rights in and under any Payment Intangible, Swap Agreement or any Commodity Contract) and all rights under insurance contracts and rights to insurance proceeds;
- (e) all Instruments;
- (f) all Goods (including, without limitation, all Inventory, all Equipment and all Fixtures whether or not relating to the Mortgaged Property);
- (g) all Letter-of-Credit Rights (whether or not the letter of credit is evidenced by a writing);
- (h) all As-Extracted Collateral from or attributable to the Oil and Gas Properties;
- (i) all books and records pertaining to the Oil and Gas Properties;
- (j) all Fixtures;
- (k) all Hydrocarbons;
- (l) to the extent not otherwise included, any other property insofar as it consists of personal property of any kind or character defined in and subject to the Applicable UCC; and

(m) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing and all collateral security, guarantees and other Supporting Obligations given with respect to any of the foregoing.

Section 2.03. Secured Obligations. This Mortgage is executed and delivered by the Mortgagor to secure and enforce the following (the "Secured Obligations"):

(a) Payment of and performance of any and all indebtedness, fees, interest, indemnities, reimbursements, obligations and liabilities of the Mortgagor or any Guarantor (including interest accruing during the pendency of an insolvency or liquidation proceeding, regardless of whether allowed or allowable in such insolvency or liquidation proceeding) pursuant to the Credit Agreement, the Guarantee, this Mortgage or any other Loan Document, whether now existing or hereafter arising and being in the original aggregate principal amount of TWO HUNDRED FIFTY MILLION United States Dollars (US \$250,000,000), including performance of all Letter of Credit Agreements executed from time to time by the Mortgagor or any Guarantor under or pursuant to the Credit Agreement and all reimbursement obligations for drawn or undrawn portions under any Letter of Credit now outstanding or hereafter issued under or pursuant to the Credit Agreement.

(b) Any sums which may be advanced or paid by the Trustee or the Mortgagee or any Other Secured Person under the terms hereof or of the Credit Agreement or any Secured Transaction Document on account of the failure of the Mortgagor or any of the Guarantors to comply with the covenants of the Mortgagor contained herein, in the Credit Agreement or any other Secured Transaction Document whether pursuant to Section 4.09 or otherwise and all other obligations, liabilities and indebtedness of the Mortgagor or any Guarantor arising pursuant to the provisions of this Mortgage or any Secured Transaction Document.

(c) Any additional loans made by the Mortgagee or any Lender to the Mortgagor or any Guarantor. It is contemplated that the Mortgagee and the Lenders may lend additional sums to the Mortgagor from time to time, but shall not be obligated to do so, and the Mortgagor agrees that any such additional loans shall be secured by this Mortgage.

(d) Payment of and performance of any and all present or future obligations of Mortgagor or any Guarantor according to the terms of any Secured Swap Agreement.

(e) Payment of and performance of any and all present or future obligations, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired, of the Mortgagor and any Guarantor under any Cash Management Agreements.

(f) Any and all renewals, modifications, substitutions, rearrangements or extensions of any of the foregoing, whether in whole or in part.

Section 2.04. Fixture Filing, Etc. Without in any manner limiting the generality of any of the other provisions of this Mortgage: (i) some portions of the goods described or to which reference is made herein are or are to become Fixtures on the land described or to which reference is made herein or on Exhibit A; (ii) the security interests created hereby under applicable provisions of the Applicable UCC will attach to all As-Extracted Collateral (all minerals including oil and gas and the Accounts resulting from the sale thereof at the wellhead or

minehead located on the Oil and Gas Properties described or to which reference is made herein or on Exhibit A) and all other Hydrocarbons; (iii) this Mortgage is to be filed of record in the real estate records or other appropriate records as a financing statement; and (iv) the Mortgagor is the record owner of the real estate or interests in the real estate or immoveable property comprised of the Mortgaged Property.

Section 2.05. Pro Rata Benefit. This Mortgage is executed and granted for the pro rata benefit and security of the Mortgagee and the Other Secured Persons to secure the Secured Obligations for so long as same remains unpaid and thereafter until the Secured Obligations have been Paid In Full In Cash.

Section 2.06. Excluded Properties. Notwithstanding anything herein to the contrary, in no event shall the Mortgaged Property include, and the Mortgagor shall not be deemed to have granted a Lien in, any of the Mortgagor's right, title or interest to (a) any Equipment subject to a purchase money security interest or equipment or capital lease ("Encumbered Equipment") if and to the extent that the creation of a security interest in the right, title or interest of Mortgagor in the Encumbered Equipment would cause or result in a default under any contractual provision or other restriction; (b) any rights or interest in any contract, license, permit or franchise covering real or personal property of Mortgagor if, under the terms of the contract, license, permit or franchise or applicable law, the grant of a security interest or other Lien therein is prohibited as a matter of Law, or under the terms of the contract, license, permit or franchise and that prohibition has not been effectively waived or the consent of the other party(ies) to such contract, license, permit or franchise has not been obtained, but the foregoing exclusions in no way will be construed (i) to apply to the extent that any described prohibition is unenforceable under Section 9-406, 9-407, 9-408, or 9-409 of the Applicable UCC (as same may be limited by other applicable Law) or other applicable Law, or (ii) to limit, impair or otherwise affect the continuing security interests of the Persons owed Secured Obligations in and Liens upon any rights or interests of Mortgagor in or to (A) monies due or to become due under any described contract, license, permit or franchise (including any Accounts), or (B) any proceeds from the sale, license, lease, or other dispositions of any such contract or license; (c) assets subject to certificates of title; (d) "intent to use" trademark applications; and (e) assets as to which the Mortgagee reasonably agrees that the cost of obtaining a security interest or perfection thereof is excessive in relation to the benefit to the Lenders of the security afforded thereby.

ARTICLE III

ASSIGNMENT OF AS-EXTRACTED COLLATERAL

Section 3.01. Assignment.

(a) The Mortgagor has absolutely and unconditionally assigned, transferred, conveyed and granted a security interest, and does hereby absolutely and unconditionally assign, transfer, convey and grant a security interest unto the Mortgagee in and to:

(i) all of its As-Extracted Collateral located in or relating to the Mortgaged Properties located in the county/parish where this Mortgage is filed, including without limitation, all As-Extracted Collateral relating to the Hydrocarbon Interests, the Hydrocarbons and all products obtained or processed therefrom;

(ii) the revenues and proceeds now and hereafter attributable to such Mortgaged Properties, including the Hydrocarbons, and said products and all payments in lieu, such as "take or pay" payments or settlements; and

(iii) all amounts and proceeds hereafter payable to or to become payable to the Mortgagor or now or hereafter relating to any part of such Mortgaged Properties and all amounts, sums, monies, revenues and income which become payable to the Mortgagor from, or with respect to, any of the Mortgaged Properties, present or future, now or hereafter constituting a part of the Hydrocarbon Interests.

(b) The Hydrocarbons and products are to be delivered into pipe lines connected with the Mortgaged Property, or to the purchaser thereof, to the credit of the Mortgagee, for its benefit and the benefit of the Other Secured Persons, free and clear of all taxes, charges, costs and expenses; and all such revenues and proceeds shall be paid directly to the Mortgagee, at its offices in Houston, Texas, with no duty or obligation of any party paying the same to inquire into the rights of the Mortgagee to receive the same, what application is made thereof, or as to any other matter.

(c) The Mortgagor agrees to perform all such acts, and to execute all such further assignments, transfers and division orders and other instruments as may be required or desired by the Mortgagee or any party in order to have said proceeds and revenues so paid to the Mortgagee. In addition to any and all rights of a secured party under Sections 9-607 and 9-609 of the Applicable UCC, the Mortgagee is fully authorized to receive and receipt for said revenues and proceeds; to endorse and cash any and all checks and drafts payable to the order of the Mortgagor or the Mortgagee for the account of the Mortgagor received from or in connection with said revenues or proceeds and to hold the proceeds thereof in a Deposit Account with the Mortgagee, a Lender or other acceptable commercial bank as additional collateral securing the Secured Obligations; and to execute transfer and division orders in the name of the Mortgagor, or otherwise, with warranties binding the Mortgagor. All proceeds received by the Mortgagee pursuant to this grant and assignment shall be applied as provided in Section 5.14.

(d) The Mortgagee shall not be liable for any delay, neglect or failure to effect collection of any proceeds or to take any other action in connection therewith or hereunder; but the Mortgagee shall have the right, at its election, in the name of the Mortgagor or otherwise, to prosecute and defend any and all actions or legal proceedings deemed advisable by the Mortgagee in order to collect such funds and to protect the interests of the Mortgagee and/or the Mortgagor, with all costs, expenses and attorneys' fees incurred in connection therewith being paid by the Mortgagor.

(e) The Mortgagor hereby appoints the Mortgagee as its attorney-in-fact to pursue any and all rights of the Mortgagor to Liens in the Hydrocarbons securing payment of proceeds of runs attributable to the Hydrocarbons. In addition to the Liens granted to the Trustee and/or the Mortgagee in Section 2.01(e), the Mortgagor hereby further transfers and assigns to the Mortgagee any and all such Liens, security interests, financing statements or similar interests of the Mortgagor attributable to its interest in the As-Extracted Collateral, any other Hydrocarbons and proceeds of runs therefrom arising under or created by said statutory provision, judicial decision or otherwise. The power of attorney granted to the Mortgagee in this Section 3.01,

being coupled with an interest, shall be irrevocable until the Secured Obligations have been Paid In Full In Cash.

Section 3.02. No Modification of Payment Obligations. Nothing herein contained shall modify or otherwise alter the obligation of the Mortgagor to make prompt payment of all amounts constituting Secured Obligations when and as the same become due regardless of whether the proceeds of the As-Extracted Collateral and Hydrocarbons are sufficient to pay the same and the rights provided in accordance with the foregoing assignment provision shall be cumulative of all other security of any and every character now or hereafter existing to secure payment of the Secured Obligations. Nothing in this Article III is intended to be an acceptance of collateral in satisfaction of the Secured Obligations.

Section 3.03. Rights and Title of Consignee. In addition to the rights, titles and interests hereby conveyed pursuant to Section 2.01 of this Mortgage, the Mortgagor hereby grants to the Mortgagee those Liens given to purchasers of Hydrocarbons to secure their sale at the wellhead, including those rights provided in Tex. Bus. & Com. Code Ann. §9.343 (Vernon Supp. 1989) ("Tex. UCC"), as amended from time to time.

ARTICLE IV REPRESENTATIONS, WARRANTIES AND COVENANTS

The Mortgagor hereby represents, warrants and covenants as follows:

Section 4.01. Title. To the extent of the undivided interests specified on Exhibit A, the Mortgagor has good and defensible title to and is possessed of the Hydrocarbon Interests and has good title to the UCC Collateral. The Collateral is free of all Liens except Permitted Encumbrances.

Section 4.02. Defend Title. This Mortgage is, and always will be kept, a direct first priority Lien upon the Collateral; provided that Permitted Encumbrances may exist, but no intent to subordinate the priority of the Liens created hereby is intended or inferred by such existence. The Mortgagor will not create or suffer to be created or permit to exist any Lien, security interest or charge prior or junior to or on a parity with the Lien of this Mortgage upon the Collateral or any part thereof other than such Permitted Encumbrances. The Mortgagor will warrant and defend the title to the Collateral against the claims and demands of all other Persons whomsoever and will maintain and preserve the Lien created hereby (and its priority) until the Secured Obligations shall be Paid In Full In Cash. If (i) an adverse claim be made against or a cloud develop upon the title to any part of the Collateral other than a Permitted Encumbrance or (ii) any Person, including the holder of a Permitted Encumbrance, shall challenge the priority or validity of the Liens created by this Mortgage, then the Mortgagor agrees to immediately defend against such adverse claim, take appropriate action to remove such cloud or subordinate such Permitted Encumbrance, in each case, at the Mortgagor's sole cost and expense. The Mortgagor further agrees that the Trustee and/or the Mortgagee may take such other action as they deem advisable to protect and preserve their interests in the Collateral, and in such event the Mortgagor will indemnify the Trustee and/or the Mortgagee against any and all cost, attorneys' fees and other expenses which they may incur in defending against any such adverse claim or taking action to remove any such cloud.

Section 4.03. Not a Foreign Person. The Mortgagor is not a “foreign person” within the meaning of the Code, Sections 1445 and 7701 (i.e. the Mortgagor is not a non-resident alien, foreign corporation, foreign partnership, foreign trust or foreign estate as those terms are defined in the Code and any regulations promulgated thereunder).

Section 4.04. Power to Create Lien and Security. The Mortgagor has full power and lawful authority to grant, bargain, sell, assign, transfer, mortgage and convey a security interest in all of the Collateral in the manner and form herein provided. No authorization, approval, consent or waiver of any lessor, sublessor, Governmental Authority or other party or parties whomsoever is required in connection with the execution and delivery by the Mortgagor of this Mortgage.

Section 4.05. Revenue and Cost Bearing Interest. The Mortgagor’s ownership of the Hydrocarbon Interests and the undivided interests therein as specified on Exhibit A will, after giving full effect to all Permitted Encumbrances, afford the Mortgagor not less than those net interests (expressed as a fraction, percentage or decimal) in the production from or which is allocated to such Hydrocarbon Interest specified as Net Revenue Interest (as specified on Exhibit A) on attached Exhibit A and will cause the Mortgagor to bear not more than that portion (expressed as a fraction, percentage or decimal), specified as Working Interest on Exhibit A, of the costs of drilling, developing and operating the wells identified on Exhibit A except to the extent of any proportionate corresponding increase in the Net Revenue Interest.

Section 4.06. Rentals Paid; Leases in Effect. All rentals and royalties due and payable in accordance with the terms of any leases or subleases comprising a part of the Mortgaged Property have been duly paid or provided for, and all leases or subleases comprising a part of the Oil and Gas Property are in full force and effect.

Section 4.07. Operation By Third Parties. If any portion of the Mortgaged Property is comprised of interests which are not working interests or which are not operated by the Mortgagor or one of its Affiliates, then with respect to such interests and properties, the Mortgagor’s covenants as expressed in this Article IV are modified to require that the Mortgagor use reasonable commercial efforts to obtain compliance with such covenants by the working interest owners or the operator or operators of such Mortgaged Properties.

Section 4.08. Abandon, Sales. The Mortgagor will not sell, lease, assign, transfer or otherwise dispose or abandon any of the Collateral except as permitted by the Credit Agreement.

Section 4.09. Failure to Perform. The Mortgagor agrees that if it fails to perform any act or to take any action which it is required to perform or take hereunder or pay any money which the Mortgagor is required to pay hereunder, each of the Mortgagee and the Trustee, in the Mortgagor’s name or its or their own name, may, but shall not be obligated to, perform or cause to perform such act or take such action or pay such money, and any expenses so incurred by either of them and any money so paid by either of them shall be a demand obligation owing by the Mortgagor to the Mortgagee or the Trustee, as the case may be, and each of the Mortgagee and the Trustee, upon making such payment, shall be subrogated to all of the rights of the Person receiving such payment. Each amount due and owing by the Mortgagor to each of the

Mortgagee and the Trustee pursuant to this Mortgage shall bear interest from the date of such expenditure or payment to such Person until paid at the Post-Default Rate.

ARTICLE V RIGHTS AND REMEDIES

The rights and remedies provided in this Article are granted to the extent permitted by applicable law.

Section 5.01. Event of Default. An Event of Default under the Credit Agreement shall be an "Event of Default" under this Mortgage. The grants of all rights and remedies provided herein, including but not limited to those provided in Section 8.02, are limited to those which may be granted pursuant to the provisions of applicable law.

Section 5.02. Foreclosure and Sale.

(a) If an Event of Default shall occur and be continuing, to the extent provided by applicable law, the Mortgagee shall have the right and option to proceed with foreclosure by: (i) with respect to that portion of the Mortgaged Property located in or adjacent to any Deed of Trust State directing the Trustee to proceed, and (ii) with respect to that portion of the Mortgaged Property located in or adjacent to any Mortgage State proceeding, with foreclosure and to sell all or any portion of such Mortgaged Property at one or more sales, as an entirety or in parcels, at such place or places in otherwise such manner and upon such notice as may be required by law, or, in the absence of any such requirement, as the Mortgagee may deem appropriate, and to make conveyance to the purchaser or purchasers. Where the Mortgaged Property is situated in more than one jurisdiction, notice as above provided shall be posted and filed in all such jurisdictions (if such notices are required by law), and all such Mortgaged Property may be sold in any such jurisdiction and any such notice shall designate the jurisdiction where such Mortgaged Property is to be sold. Nothing contained in this Section 5.02 shall be construed so as to limit in any way any rights to sell the Mortgaged Property or any portion thereof by private sale if and to the extent that such private sale is permitted under the laws of the applicable jurisdiction or by public or private sale after entry of a judgment by any court of competent jurisdiction so ordering. The Mortgagor hereby irrevocably appoints the Trustee and the Mortgagee, with full power of substitution, to be the attorneys-in-fact of the Mortgagor and in the name and on behalf of the Mortgagor to execute and deliver any deeds, transfers, conveyances, assignments, assurances and notices which the Mortgagor ought to execute and deliver and do and perform any and all such acts and things which the Mortgagor ought to do and perform under the covenants herein contained and generally, to use the name of the Mortgagor in the exercise of all or any of the powers hereby conferred on the Trustee and/or the Mortgagee. At any such sale: (i) whether made under the power herein contained or any other legal enactment, or by virtue of any judicial proceedings or any other legal right, remedy or recourse, it shall not be necessary for the Trustee or the Mortgagee, as appropriate, to have physically present, or to have constructive possession of, the Mortgaged Property (the Mortgagor hereby covenanting and agreeing to deliver any portion of the Mortgaged Property not actually or constructively possessed by the Trustee or the Mortgagee immediately upon his or its demand) and the title to and right of possession of any such property shall pass to the purchaser thereof as completely as if the same had been actually present and delivered to purchaser at such sale, (ii) each instrument of conveyance executed by

the Trustee or the Mortgagee shall contain a general warranty of title, binding upon the Mortgagor and its successors and assigns, (iii) each and every recital contained in any instrument of conveyance made by the Trustee or the Mortgagee shall conclusively establish the truth and accuracy of the matters recited therein, including, without limitation, nonpayment of the Secured Obligations, advertisement and conduct of such sale in the manner provided herein and otherwise by law and appointment of any successor trustee hereunder, (iv) any and all prerequisites to the validity thereof shall be conclusively presumed to have been performed, (v) the receipt of the Trustee, the Mortgagee or of such other party or officer making the sale shall be a sufficient discharge to the purchaser or purchasers for its purchase money and no such purchaser or purchasers, or its assigns or personal representatives, shall thereafter be obligated to see to the application of such purchase money, or be in any way answerable for any loss, misapplication or nonapplication thereof, (vi) to the fullest extent permitted by law, the Mortgagor shall be completely and irrevocably divested of all of its right, title, interest, claim and demand whatsoever, either at law or in equity, in and to the property sold and such sale shall be a perpetual bar both at law and in equity against the Mortgagor, and against any and all other persons claiming or to claim the property sold or any part thereof, by, through or under the Mortgagor, and (vii) to the extent and under such circumstances as are permitted by law, the Mortgagee may be a purchaser at any such sale, and shall have the right, after paying or accounting for all costs of said sale or sales, to credit the amount of the bid upon the amount of the Secured Obligations (in the order of priority set forth in Section 5.14) in lieu of cash payment.

(b) If an Event of Default shall occur and be continuing, then (i) the Mortgagee shall be entitled to all of the rights, powers and remedies afforded a secured party by the Applicable UCC with reference to the UCC Collateral or (ii) the Trustee or the Mortgagee may proceed as to any Collateral in accordance with the rights and remedies granted under this Mortgage or applicable law in respect of the Collateral. Such rights, powers and remedies shall be cumulative and in addition to those granted to the Trustee or the Mortgagee under any other provision of this Mortgage or under any other Loan Document or any Secured Transaction Document. Written notice mailed to the Mortgagor as provided herein at least ten (10) days prior to the date of public sale of any part of the Collateral which is personal property subject to the provisions of the Applicable UCC, or prior to the date after which private sale of any such part of the Collateral will be made, shall constitute reasonable notice.

Section 5.03. Substitute Trustees and Agents. The Trustee or Mortgagee may appoint or delegate any one or more persons as agent to perform any act or acts necessary or incident to any sale held by the Trustee or Mortgagee, including the posting of notices and the conduct of sale, but in the name and on behalf of the Trustee or Mortgagee. If the Trustee or Mortgagee shall have given notice of sale hereunder, any successor or substitute trustee or mortgagee agent thereafter appointed may complete the sale and the conveyance of the property pursuant thereto as if such notice had been given by the successor or substitute trustee or mortgagee agent conducting the sale.

Section 5.04. Judicial Foreclosure; Receivership. If any of the Secured Obligations shall become due and payable and shall not be promptly paid, the Trustee or the Mortgagee shall have the right and power to proceed by a suit or suits in equity or at law, whether for the specific performance of any covenant or agreement herein contained or in aid of the execution of any

power herein granted, or for any foreclosure hereunder or for the sale of the Collateral under the judgment or decree of any court or courts of competent jurisdiction, or for the appointment of a receiver pending any foreclosure hereunder or the sale of the Collateral under the order of a court or courts of competent jurisdiction or under executory or other legal process, or for the enforcement of any other appropriate legal or equitable remedy. Any money advanced by the Trustee and/or the Mortgagee in connection with any such receivership shall be a demand obligation (which obligation the Mortgagor hereby expressly promises to pay) owing by the Mortgagor to the Trustee and/or the Mortgagee and shall bear interest from the date of making such advance by the Trustee and/or the Mortgagee until paid at the Post-Default Rate.

Section 5.05. Foreclosure for Installments. The Mortgagee shall also have the option to proceed with foreclosure in satisfaction of any installments of the Secured Obligations which have not been paid when due either through the courts or by directing the Trustee to proceed with foreclosure in satisfaction of the matured but unpaid portion of the Secured Obligations as if under a full foreclosure, conducting the sale as herein provided and without declaring the entire principal balance and accrued interest and other Secured Obligations then due; such sale may be made subject to the unmatured portion of the Secured Obligations, and any such sale shall not in any manner affect the unmatured portion of the Secured Obligations, but as to such unmatured portion of the Secured Obligations this Mortgage shall remain in full force and effect just as though no sale had been made hereunder. It is further agreed that several sales may be made hereunder without exhausting the right of sale for any unmatured part of the Secured Obligations, it being the purpose hereof to provide for a foreclosure and sale of the security for any matured portion of the Secured Obligations without exhausting the power to foreclose and sell the Mortgaged Property for any subsequently maturing portion of the Secured Obligations.

Section 5.06. Separate Sales. The Collateral may be sold in one or more parcels and to the extent permitted by applicable law in such manner and order as the Mortgagee, in its sole discretion, may elect, it being expressly understood and agreed that the right of sale arising out of any Event of Default shall not be exhausted by any one or more sales.

Section 5.07. Possession of Mortgaged Property. If an Event of Default shall have occurred and be continuing, then, to the extent permitted by applicable law, the Trustee or the Mortgagee shall have the right and power to enter into and upon and take possession of all or any part of the Collateral in the possession of the Mortgagor, its successors or assigns, or its or their agents or servants, and may exclude the Mortgagor, its successors or assigns, and all persons claiming under the Mortgagor, and its or their agents or servants wholly or partly therefrom; and, holding the same, the Mortgagee may use, administer, manage, operate and control the Collateral and conduct the business thereof to the same extent as the Mortgagor, its successors or assigns, might at the time do and may exercise all rights and powers of the Mortgagor, in the name, place and stead of the Mortgagor, or otherwise as the Mortgagee shall deem best. All costs, expenses and liabilities of every character incurred by the Trustee and/or the Mortgagee in administering, managing, operating, and controlling the Mortgaged Property shall constitute a demand obligation (which obligation the Mortgagor hereby expressly promises to pay) owing by the Mortgagor to the Trustee and/or the Mortgagee and shall bear interest from date of expenditure until paid at the Post-Default Rate.

Section 5.08. Occupancy After Foreclosure. In the event there is a foreclosure sale hereunder and at the time of such sale the Mortgagor or the Mortgagor's heirs, devisees, representatives, successors or assigns or any other person claiming any interest in the Collateral by, through or under the Mortgagor, are occupying or using the Mortgaged Property or any part thereof, each and all shall immediately become the tenant of the purchaser at such sale, which tenancy shall be a tenancy from day to day, terminable at the will of either the landlord or tenant, or at a reasonable rental per day based upon the value of the property occupied, such rental to be due daily to the purchaser; to the extent permitted by applicable law, the purchaser at such sale shall, notwithstanding any language herein apparently to the contrary, have the sole option to demand immediate possession following the sale or to permit the occupants to remain as tenants at will. In the event the tenant fails to surrender possession of said property upon demand, the purchaser shall be entitled to institute and maintain a summary action for possession of the Mortgaged Property (such as an action for forcible entry and detainer) in any court having jurisdiction.

Section 5.09. Remedies Cumulative, Concurrent and Nonexclusive. Every right, power, privilege and remedy herein given to the Trustee or the Mortgagee shall be cumulative and in addition to every other right, power and remedy herein specifically given or now or hereafter existing in equity, at law or by statute (including specifically those granted by the Applicable UCC in effect and applicable to the Collateral or any portion thereof). Each and every right, power, privilege and remedy whether specifically herein given or otherwise existing may be exercised from time to time and so often and in such order as may be deemed expedient by the Trustee or the Mortgagee, and the exercise, or the beginning of the exercise, or the abandonment, of any such right, power, privilege or remedy shall not be deemed a waiver of the right to exercise, at the same time or thereafter any other right, power, privilege or remedy. No delay or omission by the Trustee or the Mortgagee or any Other Secured Person in the exercise of any right, power or remedy shall impair any such right, power, privilege or remedy or operate as a waiver thereof or of any other right, power, privilege or remedy then or thereafter existing.

Section 5.10. Discontinuance of Proceedings. If the Trustee or the Mortgagee shall have proceeded to invoke any right, remedy or recourse permitted hereunder or under any Secured Transaction Document or available at law and shall thereafter elect to discontinue or abandon same for any reason, then it shall have the unqualified right so to do and, in such an event, the parties shall be restored to their former positions with respect to the Secured Obligations, this Mortgage, the Credit Agreement, the Collateral and otherwise, and the rights, remedies, recourses and powers of the Trustee and the Mortgagee, as applicable, shall continue as if same had never been invoked.

Section 5.11. No Release of Obligations. Neither the Mortgagor, any Guarantor nor any other person hereafter obligated for payment of all or any part of the Secured Obligations shall be relieved of such obligation by reason of: (a) the failure of the Trustee or Mortgagee to comply with any request of the Mortgagor, or any Guarantor or any other Person so obligated to foreclose the Lien of this Mortgage or to enforce any provision hereunder or under the Credit Agreement; (b) the release, regardless of consideration, of the Mortgaged Property or any portion thereof or interest therein or the addition of any other property to the Mortgaged Property; (c) any agreement or stipulation between any subsequent owner of the Mortgaged Property and the Mortgagee extending, renewing, rearranging or in any other way modifying the terms of this

Mortgage without first having obtained the consent of, given notice to or paid any consideration to the Mortgagor, any Guarantor or such other Person, and in such event the Mortgagor, Guarantor and all such other person s shall continue to be liable to make payment according to the terms of any such extension or modification agreement unless expressly released and discharged in writing by the Mortgagee; or (d) by any other act or occurrence save and except if the Secured Obligations are Paid In Full In Cash and any other obligations hereunder or under the Credit Agreement are completely fulfilled.

Section 5.12. Release of and Resort to Collateral. The Mortgagee may release, regardless of consideration, any part of the Collateral without, as to the remainder, in any way impairing, affecting, subordinating or releasing the Lien created in or evidenced by this Mortgage or its stature as a first and prior Lien in and to the Collateral, and without in any way releasing or diminishing the liability of any Person liable for the repayment of the Secured Obligations. For payment of the Secured Obligations, the Mortgagee may resort to any other security therefor held by the Mortgagee or the Trustee in such order and manner as the Mortgagee may elect.

Section 5.13. Waiver of Redemption, Notice and Marshalling of Assets, Etc. To the fullest extent permitted by law, the Mortgagor hereby irrevocably and unconditionally waives and releases (a) all benefits that might accrue to the Mortgagor by virtue of any present or future moratorium law or other law exempting the Collateral from attachment, levy or sale on execution or providing for any appraisalment, valuation, stay of execution, exemption from civil process, redemption or extension of time for payment; (b) all notices of any Event of Default or of the Mortgagee's or any other secured Person's intention to accelerate maturity of the Secured Obligations or of any election to exercise or any actual exercise of any right, remedy or recourse provided for hereunder or under any Secured Transaction Document or available at law; and (c) any right to a marshalling of assets or a sale in inverse order of alienation. If any law referred to in this Mortgage and now in force, of which the Mortgagor or its successor or successors might take advantage despite the provisions hereof, shall hereafter be repealed or cease to be in force, such law shall thereafter be deemed not to constitute any part of the contract herein contained or to preclude the operation or application of the provisions hereof. If the laws of any state which provides for a redemption period do not permit the redemption period to be waived, the redemption period shall be specifically reduced to the minimum amount of time allowable by statute.

Section 5.14. Application of Proceeds. The proceeds of any sale of the Mortgaged Property or any part thereof and all other monies received in any proceedings for the enforcement hereof or otherwise, whose application has not elsewhere herein been specifically provided for, shall be applied:

(a) First, to the payment of all reasonable expenses incurred by the Trustee or the Mortgagee incident to the enforcement of this Mortgage, the Credit Agreement or any Secured Transaction Document to collect any portion of the Secured Obligations (including, without limiting the generality of the foregoing, expenses of any entry or taking of possession, of any sale, of advertisement thereof, and of conveyances, and court costs, compensation of agents and employees, legal fees and a reasonable commission to the Trustee or the Mortgagee acting, if applicable), and to the payment of all other reasonable charges, expenses, liabilities and advances

incurred or made by the Trustee or the Mortgagee under this Mortgage or in executing any trust or power hereunder; and

(b) Second, as set forth in Section 10.02(c) of the Credit Agreement.

Section 5.15. Resignation of Operator. In addition to all rights and remedies under this Mortgage, at law and in equity, if any Event of Default shall occur and the Trustee or the Mortgagee shall exercise any remedies under this Mortgage with respect to any portion of the Mortgaged Property (or the Mortgagor shall transfer any Mortgaged Property "in lieu of" foreclosure) whereupon the Mortgagor is divested of its title to any of the Collateral, the Mortgagee shall have the right to request that any operator of any Mortgaged Property which is either the Mortgagor or any Affiliate of the Mortgagor to resign as operator under the joint operating agreement applicable thereto, and no later than 60 days after receipt by the Mortgagor of any such request, the Mortgagor shall resign (or cause such other Person to resign) as operator of such Collateral.

Section 5.16. Indemnity. THE INDEMNIFIED PARTIES SHALL NOT BE LIABLE, IN CONNECTION WITH ANY ACTION TAKEN, FOR ANY LOSS SUSTAINED BY THE MORTGAGOR RESULTING FROM AN ASSERTION THAT THE MORTGAGEE HAS RECEIVED FUNDS FROM THE PRODUCTION OF HYDROCARBONS CLAIMED BY THIRD PERSONS OR ANY ACT OR OMISSION OF ANY INDEMNIFIED PARTY IN ADMINISTERING, MANAGING, OPERATING OR CONTROLLING THE MORTGAGED PROPERTY INCLUDING SUCH LOSS WHICH MAY RESULT FROM THE ORDINARY NEGLIGENCE OF AN INDEMNIFIED PARTY UNLESS SUCH LOSS IS CAUSED BY THE WILLFUL MISCONDUCT, BAD FAITH OR GROSS NEGLIGENCE OF THE INDEMNIFIED PARTY SEEKING INDEMNITY. NO INDEMNIFIED PARTY SHALL BE OBLIGATED TO PERFORM OR DISCHARGE ANY OBLIGATION, DUTY OR LIABILITY OF THE MORTGAGOR. THE MORTGAGOR SHALL AND DOES HEREBY AGREE TO INDEMNIFY EACH INDEMNIFIED PARTY FOR, AND TO HOLD EACH INDEMNIFIED PARTY HARMLESS FROM, ANY AND ALL LIABILITY, LOSS OR DAMAGE WHICH MAY OR MIGHT BE INCURRED BY ANY INDEMNIFIED PARTY BY REASON OF THIS MORTGAGE OR THE EXERCISE OF RIGHTS OR REMEDIES HEREUNDER. IF ANY INDEMNIFIED PARTY SHALL MAKE ANY EXPENDITURE ON ACCOUNT OF ANY SUCH LIABILITY, LOSS OR DAMAGE, THE AMOUNT THEREOF, INCLUDING COSTS, EXPENSES AND REASONABLE ATTORNEYS' FEES, SHALL BE A DEMAND OBLIGATION (WHICH OBLIGATION THE MORTGAGOR HEREBY EXPRESSLY PROMISES TO PAY) OWING BY THE MORTGAGOR TO SUCH INDEMNIFIED PARTY AND SHALL BEAR INTEREST FROM THE DATE EXPENDED UNTIL PAID AT THE POST-DEFAULT RATE. THE MORTGAGOR HEREBY ASSENTS TO, RATIFIES AND CONFIRMS ANY AND ALL ACTIONS OF EACH INDEMNIFIED PARTY WITH RESPECT TO THE MORTGAGED PROPERTY TAKEN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS MORTGAGE. THE LIABILITIES OF THE MORTGAGOR AS SET FORTH IN THIS SECTION 5.16 SHALL SURVIVE THE TERMINATION OF THIS MORTGAGE.

ARTICLE VI THE TRUSTEE

Section 6.01. Duties, Rights, and Powers of Trustee. The Trustee shall have no duty to see to any recording, filing or registration of this Mortgage or any other instrument in addition or supplemental thereto, or to give any notice thereof, or to see to the payment of or be under any duty in respect of any tax or assessment or other governmental charge which may be levied or assessed on the Mortgaged Property, or any part thereof, or against the Mortgagor, or to see to the performance or observance by the Mortgagor of any of the covenants and agreements contained herein. The Trustee shall not be responsible for the execution, acknowledgment or validity of this Mortgage or of any instrument in addition or supplemental hereto or for the sufficiency of the security purported to be created hereby, and makes no representation in respect thereof or in respect of the rights of the Mortgagee. The Trustee shall have the right to advise with counsel upon any matters arising hereunder and shall be fully protected in relying as to legal matters on the advice of counsel. The Trustee shall not incur any personal liability hereunder except for the Trustee's own gross negligence, bad faith or willful misconduct; and the Trustee shall have the right to rely on any instrument, document or signature authorizing or supporting any action taken or proposed to be taken by him hereunder, believed by him in good faith to be genuine.

Section 6.02. Successor Trustee. The Trustee may resign by written notice addressed to the Mortgagee or be removed at any time with or without cause by an instrument in writing duly executed on behalf of the Mortgagee. In case of the death, resignation or removal of the Trustee, a successor may be appointed by the Mortgagee by instrument of substitution complying with any applicable Governmental Requirements, or, in the absence of any such requirement, without formality other than appointment and designation in writing. Written notice of such appointment and designation shall be given by the Mortgagee to the Mortgagor, but the validity of any such appointment shall not be impaired or affected by failure to give such notice or by any defect therein. Such appointment and designation shall be full evidence of the right and authority to make the same and of all the facts therein recited. Upon the making of any such appointment and designation, this Mortgage shall vest in the successor all the estate and title in and to all of the Mortgaged Property in or adjacent to any Deed of Trust State, and the successor shall thereupon succeed to all of the rights, powers, privileges, immunities and duties hereby conferred upon the Trustee named herein, and one such appointment and designation shall not exhaust the right to appoint and designate an additional successor but such right may be exercised repeatedly until the Secured Obligations are Paid In Full In Cash. To facilitate the administration of the duties hereunder, the Mortgagee may appoint multiple trustees to serve in such capacity or in such jurisdictions as the Mortgagee may designate.

Section 6.03. Retention of Moneys. All moneys received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other moneys (except to the extent required by law) and the Trustee shall be under no liability for interest on any moneys received by him hereunder.

ARTICLE VII MISCELLANEOUS

Section 7.01. Instrument Construed as Mortgage, Etc. With respect to any portions of the Mortgaged Property located in or adjacent to any State or other jurisdiction the laws of which do not provide for the use or enforcement of a deed of trust or the office, rights and authority of the Trustee as herein provided, the general language of conveyance hereof to the Trustee is intended and the same shall be construed as words of mortgage unto and in favor of the Mortgagee and the rights and authority granted to the Trustee herein may be enforced and asserted by the Mortgagee in accordance with the laws of the jurisdiction in which such portion of the Mortgaged Property is located and the same may be foreclosed at the option of the Mortgagee as to any or all such portions of the Mortgaged Property in any manner permitted by the laws of the jurisdiction in which such portions of the Mortgaged Property is situated

. This Mortgage may be construed as a mortgage, deed of trust, conveyance, assignment, security agreement, fixture filing, pledge, financing statement, hypothecation or contract, or any one or more of them, in order fully to effectuate the Lien hereof and the purposes and agreements herein set forth.

Section 7.02. Releases.

(a) Full Release. If all Secured Obligations shall be Paid In Full In Cash, the Mortgagee shall forthwith cause satisfaction and discharge of this Mortgage to be entered upon the record at the expense of the Mortgagor and shall execute and deliver or cause to be executed and delivered such instruments of satisfaction and reassignment as may be appropriate. Otherwise, this Mortgage shall remain and continue in full force and effect.

(b) Partial Release. If any of the Mortgaged Property shall be sold, transferred or otherwise disposed of by the Mortgagor in a transaction permitted by the Credit Agreement, then the Mortgagee, at the request and sole expense of the Mortgagor, shall promptly execute and deliver to the Mortgagor all releases, re-conveyances or other documents reasonably necessary or desirable for the release of the Liens created hereby on the Mortgaged Property.

(c) Possession of Notes. The Mortgagor acknowledges and agrees that possession of any Note (or any replacements of any said Note or other instrument evidencing any part of the Secured Obligations) at any time by the Mortgagor or any Guarantor shall not in any manner extinguish the Secured Obligations or this Mortgage, and the Mortgagor shall have the right to issue and reissue any of the Notes from time to time as its interest or as convenience may require, without in any manner extinguishing or affecting the Secured Obligations or the Lien of this Mortgage.

Section 7.03. Severability. If any provision hereof is invalid or unenforceable in any jurisdiction, the other provisions hereof shall remain in full force and effect in such jurisdiction and the remaining provisions hereof shall be liberally construed in favor of the Trustee, the Mortgagee and the Other Secured Persons in order to effectuate the provisions hereof. The invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of any such provision in any other jurisdiction.

Section 7.04. Successors and Assigns. The terms used to designate any party or group of persons shall be deemed to include the respective heirs, legal representatives, successors and assigns of such Persons.

Section 7.05. Satisfaction of Prior Encumbrance. To the extent that proceeds of the Credit Agreement are used to pay indebtedness by any outstanding Lien against the Mortgaged Property then the parties agree that: (a) such proceeds have been advanced at the Mortgagor's request, and (b) the Mortgagee and the Lenders shall be subrogated to any and all rights and Liens owned by any owner or holder of such outstanding Liens, irrespective of whether said Liens are or have been released. It is expressly understood that, in consideration of the payment of such other indebtedness and to the extent permitted by applicable law, the Mortgagor hereby waives and releases all demands and causes of action for offsets and payments to, upon and in connection with the said indebtedness. This Mortgage is made with full substitution and subrogation of the Trustee and the Mortgagee and his successors in this trust and his and their assigns in and to all covenants and warranties by others heretofore given or made in respect of the Mortgaged Property or any part thereof.

Section 7.06. Application of Payments to Certain Obligations. If any part of the Secured Obligations cannot be lawfully secured by this Mortgage or if any part of the Mortgaged Property cannot be lawfully subject to the Lien hereof to the full extent of the Secured Obligations, then all payments made shall be applied on said Secured Obligations first in discharge of that portion thereof which is not secured by this Mortgage.

Section 7.07. Nature of Covenants. The covenants and agreements herein contained shall constitute covenants running with the land and interests covered or affected hereby and shall be binding upon the heirs, legal representatives, successors and assigns of the parties hereto.

Section 7.08. Notices. All notices, requests, consents, demands and other communications required or permitted hereunder shall be in writing and shall be deemed sufficiently given or furnished if delivered by registered or certified United States mail, postage prepaid, or by personal service (including express or courier service) at the addresses specified in Section 7.12 (unless changed by similar notice in writing given by the particular party whose address is to be changed). Any such notice or communication shall be deemed to have been given either at the time of personal delivery or, in the case of delivery at the address and in the manner provided herein, upon receipt; provided that, service of notice as required by the laws of any state in which portions of the Mortgaged Property may be situated shall for all purposes be deemed appropriate and sufficient with the giving of such notice.

Section 7.09. Counterparts. This Mortgage is being executed in several counterparts, all of which are identical, except that to facilitate recordation, if the Mortgaged Property is situated in or on the OCS adjacent to more than one county or parish, descriptions of only those portions of the Mortgaged Property located in or on the OCS adjacent to the county or parish in which a particular counterpart is recorded shall be attached as Exhibit A to such counterpart. Each of such counterparts shall for all purposes be deemed to be an original and all such counterparts shall together constitute but one and the same instrument. Complete copies of this Mortgage containing the entire Exhibit A have been retained by the Mortgagee.

Section 7.10. Governing Law. Insofar as permitted by otherwise applicable law, this Mortgage shall be construed under and governed by the laws of the State of New York; provided, however, that, with respect to any portion of the Mortgaged Property located outside of the State of New York, the laws of the place in which such property is located in, or offshore area adjacent to (and State law made applicable as a matter of Federal law), shall apply to the extent of procedural and substantive matters relating only to the creation, perfection, foreclosure of Liens and enforcement of rights and remedies against the Mortgaged Property.

Section 7.11. Financing Statement; Fixture Filing. This Mortgage shall be effective as a financing statement filed as a fixture filing with respect to all Fixtures included within the Mortgaged Property and is to be filed or filed for record in the real estate records, mortgage records or other appropriate records of each jurisdiction where any part of the Mortgaged Property (including said fixtures) are situated. This Mortgage shall also be effective as a financing statement covering As-Extracted Collateral (including oil and gas and all other substances of value which may be extracted from the ground) and accounts financed at the wellhead or minehead of wells or mines located on the properties subject to the Applicable UCC and is to be filed for record in the real estate records, UCC records or other appropriate records of each jurisdiction where any part of the Mortgaged Property is situated.

Section 7.12. Execution of Financing Statements. Pursuant to the Applicable UCC, the Mortgagor authorizes the Mortgagee, its counsel or its representative, at any time and from time to time, to file or record financing statements, continuation statements, amendments thereto and other filing or recording documents or instruments with respect to the Mortgaged Property without the signature of the Mortgagee in such form and in such offices as the Mortgagee reasonably determines appropriate to perfect the security interests of the Mortgagee under this Agreement. Contemporaneously with such filing, Mortgagee shall provide Mortgagor with a copy of any such instrument. The Mortgagor also authorizes the Mortgagee, its counsel or its representative, at any time and from time to time, to file or record such financing statements that describe the collateral covered thereby as "all assets of the Mortgagee", "all personal property of the Mortgagee" or words of similar effect. The Mortgagor shall pay all costs associated with the filing of such instruments.

In that regard, the following information is provided:

Name of Debtor:	EnVen Energy Ventures, LLC
Address of Debtor	333 Clay Street, Suite 3500, Houston, Texas 77002
State of Formation/Location	Louisiana
File Number	Louisiana Charter No. 36670510K
Facsimile:	713.335.7503
Telephone:	713.335.7003

Principal Place of Business of Debtor:	333 Clay Street, Suite 3500, Houston, Texas 77002
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Name of Secured Party:	Bank of Montreal as Administrative Agent
Address of Secured	700 Louisiana Street, Suite 2100

Party: Houston, TX 77002
Facsimile: 713.223.4007
Telephone: 713.546.9744

Owner of Record of
Real Property: EnVen Energy Ventures, LLC

Section 7.13. Exculpation Provisions. EACH OF THE PARTIES HERETO SPECIFICALLY AGREES THAT IT HAS A DUTY TO READ THIS MORTGAGE; AND AGREES THAT IT IS CHARGED WITH NOTICE AND KNOWLEDGE OF THE TERMS OF THIS MORTGAGE; THAT IT HAS IN FACT READ THIS MORTGAGE AND IS FULLY INFORMED AND HAS FULL NOTICE AND KNOWLEDGE OF THE TERMS, CONDITIONS AND EFFECTS OF THIS MORTGAGE; THAT IT HAS BEEN REPRESENTED BY INDEPENDENT LEGAL COUNSEL OF ITS CHOICE THROUGHOUT THE NEGOTIATIONS PRECEDING ITS EXECUTION OF THIS MORTGAGE; AND HAS RECEIVED THE ADVICE OF ITS ATTORNEY IN ENTERING INTO THIS MORTGAGE; AND THAT IT RECOGNIZES THAT CERTAIN OF THE TERMS OF THIS MORTGAGE RESULT IN ONE PARTY ASSUMING THE LIABILITY INHERENT IN SOME ASPECTS OF THE TRANSACTION AND RELIEVING THE OTHER PARTY OF ITS RESPONSIBILITY FOR SUCH LIABILITY. EACH PARTY HERETO AGREES AND COVENANTS THAT IT WILL NOT CONTEST THE VALIDITY OR ENFORCEABILITY OF ANY EXCULPATORY PROVISION OF THIS MORTGAGE ON THE BASIS THAT THE PARTY HAD NO NOTICE OR KNOWLEDGE OF SUCH PROVISION OR THAT THE PROVISION IS NOT "CONSPICUOUS."

Section 7.14. References. The words "herein," "hereof," "hereunder" and other words of similar import when used in this Mortgage refer to this Mortgage as a whole, and not to any particular article, section or subsection. Any reference herein to a Section shall be deemed to refer to the applicable Section of this Mortgage unless otherwise stated herein. Any reference herein to an exhibit or schedule shall be deemed to refer to the applicable exhibit or schedule attached hereto unless otherwise stated herein.

Section 7.15. Swap Agreements.

(a) **Only Approved Counterparties Secured.** Subject to Section 7.15(b), the benefit of the provisions of this Mortgage relating to collateral securing Indebtedness attributable to Swap Agreements shall extend to the benefit of any Secured Swap Party.

(b) **Lien Not Extinguished by Termination.** If Swap Agreements remain outstanding among the Mortgagor or any Guarantor and any Lender or Affiliate when the Indebtedness under the Credit Agreement have been Paid In Full In Cash then the Liens created by this Mortgage shall not be terminated, such Lender or Affiliate being entitled to all of the benefits of this Mortgage until all Swap Agreements between the Mortgage and such Lender are Paid In Full In Cash.

ARTICLE VIII STATE SPECIFIC PROVISIONS

The rights and remedies provided in this Article are granted to the extent permitted by applicable law.

Section 8.01. State Specific Provisions Generally. The state specific provisions detailed in this Article VIII apply to (1) Mortgaged Property located in that state or commonwealth and (2) UCC Collateral subject to the applicable law of that state or commonwealth.

Section 8.02. Special Louisiana Provisions.

(a) Maximum Amount. Notwithstanding any provision hereof to the contrary, the maximum principal amount of the indebtedness that may be outstanding at any time and from time to time that this Mortgage secures is fixed at Five Hundred Million and 00/100 United States Dollars (US \$500,000,000).

(b) Multiple Indebtedness Mortgage. This Mortgage secures the prompt payment and performance of the Secured Obligations whether presently existing, now arising or incurred hereafter by the Mortgagor or the Guarantors, and Mortgagor acknowledges and agrees that this Mortgage may secure Secured Obligations that have been or will be borrowed, repaid and re-borrowed from time to time, one or more times, and that this Mortgage will be effective as to all future advances as of the date of execution and recordation hereof, it being intended that this Mortgage be a mortgage to secure present and future obligations to the fullest extent permitted by La. Civ. Code art. 3298. Mortgagor specifically contemplates that the Credit Agreement, the other Loan Documents and the Loans may be renewed, supplemented, amended and restated, and substituted for, from time to time, and any such renewed, supplemented, amended and restated, or substituted obligations shall remain Secured Obligations secured by this Mortgage.

(c) Executory Process. Cumulative of the provisions provided in Section 5.02 of this Mortgage (or within the offshore area over which the United States of America asserts jurisdiction and to which the laws of such state are applicable with respect to this Mortgage and/or the Liens created hereby), the Mortgagee may foreclose this Mortgage by executory process subject to, and on the terms and conditions required or permitted by, applicable law, and shall have the right to appoint a keeper of such Mortgaged Properties.

(d) Keeper. The Mortgagee shall have the right to appoint a keeper of the Mortgaged Property pursuant to the terms and provisions of La. R.S. 9:5131 et seq. and 9:5136 et seq.

(e) Confession of Judgment. For purposes of executory process the Mortgagor acknowledges the Secured Obligations, whether now existing or to arise hereafter, and confesses judgment thereon if not paid when due. Upon the occurrence of an Event of Default and any time thereafter so long as the same shall be continuing, and in addition to all other rights and remedies granted the Mortgagee hereunder, it shall be lawful for and the Mortgagor hereby authorizes the Mortgagee without making a demand or putting the Mortgagor in default, a putting in default being expressly waived, to cause all and singular the Mortgaged Property to be seized and sold after due process of law, the Mortgagor waiving the benefit of any and all laws or parts of laws relative to appraisalment of Mortgaged Property seized and sold under executory

process or other legal process (including under writ of fieri facias issued in execution of an ordinary judgment obtained upon the Secured Obligations), and consenting that the Mortgaged Property be sold without appraisalment, either in its entirety or in lots or parcels, as the Mortgagee may determine, to the highest bidder for cash or on such other terms as the plaintiff in such proceedings may direct. The Mortgagee shall be granted all rights and remedies granted it hereunder as well as all rights and remedies granted to Agent under Louisiana law including the Uniform Commercial Code then in effect in Louisiana.

(f) Waivers. Mortgagor hereby waives all and every appraisalment of the Mortgaged Property and waives and renounces the benefit of appraisalment and the benefit of all laws relative to the appraisalment of the Mortgaged Property seized and sold under executory or other legal process. Accordingly, Mortgagor agrees to waive, and do hereby specifically waives:

(i) The benefit of appraisalment provided for in articles 2332, 2336, 2723 and 2724 of the Louisiana Code of Civil Procedure and all other laws conferring the same;

(ii) The three (3) days delay provided for in articles 2331 and 2722 of the Louisiana Code of Civil Procedure;

(iii) The notice of seizure provided by articles 2293 and 2721 of the Louisiana Code of Civil Procedure;

(iv) The benefit of the other provisions in articles 2331 and 2722 of the Louisiana Code of Civil Procedure; and

(v) All pleas of division and discussion with respect to the Secured Obligations.

In the event Mortgagee elects, at its option, to enter suit via ordinaria on the Secured Obligations, in addition to the foregoing confession of judgment, Mortgagor hereby waives citation, other legal process and legal delays and hereby consents that judgment for the unpaid principal due on the Secured Obligations, together with interest, attorneys' fees, costs and other charges that may be due on the Secured Obligations, be rendered and signed immediately.

(g) Deficiency Judgment. In the event the proceeds of a foreclosure sale of the Mortgaged Property are insufficient to pay the full amount of the Secured Obligations, including all costs and expenses of foreclosure, Mortgagee shall be entitled to a deficiency judgment against Mortgagor and any other person(s) indebted to Mortgagee and/or the Lenders and/or their Affiliates with respect to the Secured Obligations.

(h) Mortgage under Louisiana Mineral Code. This Mortgage constitutes a mortgage of mineral rights pursuant to La. R.S. 31:203.

(i) Insurance Proceeds for Mortgaged Property. With respect to the proceeds attributable to the insurance loss of all or any part of the Mortgaged Property, this Mortgage is a collateral assignment thereof pursuant to La. R.S. § 9:5386 *et seq.*, whether such proceeds or any of them now exist or arise in the future. The collateral assignment herein made of the aforesaid proceeds will not be construed as imposing upon Mortgagee any obligations with respect thereto

unless and until Mortgagee becomes the absolute owner thereof and Mortgagor has been wholly dispossessed thereof.

(j) Notary Public. The parties relieve and release the undersigned notary public of any duty to produce and attach mortgage or conveyance certificates.

(k) No Paraph. The Mortgagor acknowledges that no promissory note or other instrument has been presented to the undersigned Notary Public(s) to be paraphed for identification herewith.

(l) Acceptance. The acceptance of this Mortgage by Mortgagee and the consent by Mortgagee to the terms and conditions of this Mortgage is presumed and, under the provisions of Louisiana Civil Code art. 3289, Mortgagee has not been required to sign this Mortgage.

[SIGNATURES BEGIN NEXT PAGE]

THUS DONE AND PASSED on this 25 day of July, 2014 to be effective as of the 29 day of July, 2014, before the undersigned Notary Public and competent witnesses.

ENVEN ENERGY VENTURES, LLC

By: [Signature]
Name: Manuel Mondragon
Title: Chief Financial Officer

WITNESSES:

By: [Signature]
Name: Bryce Kaufman

By: [Signature]
Name: Allison Gott

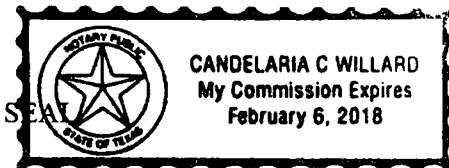


Candalaria C. Willard
Notary Public

Notarial No. _____ [for Louisiana notaries only]

STATE OF TEXAS §
COUNTY OF HARRIS §

This instrument was acknowledged before me on July 25, 2014 by Manuel Mondragon Chief Financial Officer of EnVen Energy Ventures, LLC, a Louisiana limited liability company, on behalf of such limited partnership.



Candalaria C. Willard
Notary Public

Signature Page
First Lien Mortgage

EXHIBIT A

to

MORTGAGE, DEED OF TRUST, ASSIGNMENT OF AS-EXTRACTED COLLATERAL, SECURITY AGREEMENT, FIXTURE FILING AND FINANCING STATEMENT

Introduction

The capitalized terms used but not defined in this Exhibit A are used as defined in the Mortgage. For purposes of this Exhibit A the capitalized terms not defined in the Mortgage are as follows:

1. "Working Interest" or "Gross Working Interest" and "W.I." or "G.W.I." means an interest owned in an oil, gas and mineral lease that determines the cost bearing percentage of the owner of such interest.
2. "Net Revenue Interest" or "N.R.I." means an interest (expressed as a percentage or decimal fraction), determined net of all royalties, overriding royalties, production payments or other burdens payable out of production, in and to all Hydrocarbons produced and saved from or attributable to a Well. In the case of any Well listed in Exhibit A, the Net Revenue Interest specified for such Well shall mean the sum of the percentage or decimal fraction set forth after the words "Net Revenue Interest" in the portion applicable to such Well plus, in the case of any Well with respect to which a royalty interest and/or overriding royalty is stated in this Exhibit A and applicable to such Well, the percentage or decimal fraction set forth after the words "Royalty Interest" or "Overriding Royalty Interest" in each such portion of Exhibit A.
3. "Before Payout" or "BPO" means the Working Interest and/or Net Revenue Interest of a party before the point in time when the Well has recovered from production all costs as specified in underlying farmout, assignments or other documents in the chain of title, usually including costs of drilling, completing and equipping a well or wells plus costs of operating the well or wells during the recoupment period.
4. "After Payout" or "APO" means the Working Interest and/or Net Revenue Interest of a party after the point in time when the Well has recovered from production all costs as specified in the underlying farmout, assignments or other documents in the chain of title, usually including costs of drilling, completing and equipping a well or wells plus costs of operating the well or wells during the recoupment period.
5. "Well" means (i) any existing well identified in Exhibit A, including replacement well drilled in lieu thereof from which gas is now or hereafter produced and (ii) any well at any time producing or capable of producing gas attributable to the Hydrocarbons as defined above, including any well which has been shut-in, has temporarily ceased production or on which workover, reworking, plugging and abandonment or other operations are being conducted or planned.

All references contained in this Exhibit A to the Oil and Gas Properties are intended to include references to (i) the volume or book and page, file, entry or instrument number of the appropriate records of the particular county in the State where each such lease or other instrument is recorded and (ii) all valid and existing amendments to such lease or other instrument of record in such county records regardless of whether such amendments are expressly described herein. A special reference is here made to each such lease or other instrument and the record thereof for a more particular description of the property and interests sought to be affected by the Mortgage and for all other purposes.

For recording purposes, in regards to each county or parish portion to this Exhibit A, this Introduction may be attached to an original executed copy of the Mortgage, Deed of Trust, Assignment of As-Extracted Collateral, Security Agreement, Fixture Filing and Financing Statement to be separately filed of record in each county or parish.

Exhibit A to Mortgage
Tarpon Operating & Development, L.L.C.
Leases

Area	Block	OCS Lease No.	Recordation Jurisdiction	Lease Date	Lessor	Original Lessee	Recordation
East Cameron	240	OCS-G 31322	Cameron, LA	2/1/2008	USA	Tarpon Offshore, L.P. MCX Gulf of Mexico, LLC	Cameron – File #333424 (July 28, 2014)
East Cameron	266	OCS-G 25966	Cameron, LA	6/1/2004	USA	MCX Gulf of Mexico, LLC	Cameron – File #333424 (July 28, 2014)
Eugene Island	215	OCS-G 26033	St. Mary, LA Terrebonne, LA	7/1/2004	USA	MCX Gulf of Mexico, LLC	St. Mary – COB 300, Page 308, File #319766 (July 28, 2014) Terrebonne – COB 2385, Page 724, File #1459278 (July 28, 2014)
High Island	A281	OCS-G 27535	Camron, LA Jefferson, TX Chambers, TX Galveston, TX Brazoria, TX	1/1/2006	USA	Tarpon Offshore, L.P. MCX Gulf of Mexico, LLC	Cameron – File #333431 (July 28, 2014)
Mustang Island	726	OCS-G 20605	Aransas, TX Calhoun, TX Nueces, TX San Patricio, TX	12/1/1998	USA	Tarpon Operating & Development, L.L.C.	Being recorded in applicable counties
South Marsh Island	50	OCS-G 27083	Vermilion, LA Iberia, LA St. Mary, LA	6/1/2005	USA	Tarpon Offshore, L.P. MCX Gulf of Mexico, LLC	Vermilion – File #2014007037 (July 28, 2014) Iberia – COB 1563, Page 233, File #2014-00007334 (July 28, 2014) St. Mary – COB 300, Page 324, File #319767 (July 28, 2014)
South Marsh	195	OCS-G 21108	Vermilion, LA Iberia, LA	6/1/1999	USA	Samedan Oil Corporation Spinnaker Exploration	Vermilion – File #2014007038 (July 28, 2014)

Exhibit A to Mortgage
Tarpon Operating & Development, L.L.C.
Leases

Area	Block	OCS Lease No.	Recordation Jurisdiction	Lease Date	Lessor	Original Lessee	Recordation
Island			St. Mary, LA			Company, LLC	Iberia – COB 1563, Page 251, File #2014-00007335 (July 28, 2014) St. Mary – COB 300, Page 342, File #319768 (July 28, 2014)
South Pass	37	OCS-G 33674	Plaquemines, LA	5/1/2010	USA	Texas Standard Oil & Gas, LP Grimes Energy Company	Plaquemines – COB 1332, Page 881, File # 2014-00003053 (July 28, 2014)
Ship Shoal	240	OCS-G 34318	Terrebonne, LA	12/1/2012	USA	Tarpon Operating & Development, LLC	Terrebonne – COB 2385, Page 739, File #1459279 (July 28, 2014)
Ship Shoal	313	OCS-G 34324	Terrebonne, LA	8/1/2012	USA	Tarpon Operating & Development, LLC	Terrebonne – COB 2385, Page 753, File #1459280 (July 28, 2014)
Ship Shoal	239	OCS-G 34835	Terrebonne, LA	08/01/2013	USA	Tarpon Operating & Development, L.L.C.	Terrebonne – COB 2385, Page 766, File #1459281 (July 28, 2014)
South Timbalier	306	OCS-G 34344	Terrebonne, LA	10/1/2012	USA	Tarpon Operating & Development, LLC	Terrebonne – COB 2385, Page 780, File #1459282 (July 28, 2014)
West Cameron	212	OCS-G 31290	Cameron, LA	2/1/2008	USA	Tarpon Offshore, L.P. MCX Gulf of Mexico, LLC	Cameron – File #333425 (July 28, 2014)
West Cameron	280	OCS-G 34787	Cameron, LA	7/1/13	USA	Tarpon Operating & Development, LLC	Cameron – File #333428 (July 28, 2014)
West Cameron	487	OCS-G 27030	Cameron, LA	6/1/2008	USA	MCX Gulf of Mexico, LLC Tarpon Offshore Ventures, LP	Cameron – File #333429 (July 28, 2014)
West Cameron	661	OCS-G 16224	Cameron, LA	8/1/1996	USA	The Louisiana Land and Exploration Company	Cameron – File #333430 (July 28, 2014)

Exhibit A to Mortgage
Tarpon Operating & Development, L.L.C.
Rights of Way

ROW Number	Origination Area/Block	Destination Area/Block	Segment Number	Product/Purpose	Status
G29237	WC225	WC225	0019099	BLKG	ACT
G29185	WC225	WC224	0018806	G/C	ACT
G29204	WC 487	WC 480	0018910	G/C	ACT
G24286	WC 661	GB 191	0013950	Gas	ACT
G26812	MU 726	MU 751	0015046	BLKO	Out
G26862	SMI 195	SMI 184	0015162	BLKG	Out
G26862	SMI 184	SMI 195	0015163	UMBH	Out
G28530	VR 372	VR 371	0017649	BLKG	Out

Exhibit A to Mortgage
Tarpon Operating & Development, L.L.C.
Rights of Way

ROW Number	Origination Area/Block	Destination Area/Block	Segment Number	Product/Purpose	Status
G28530	VR 371	VR 372	0017650	UMBH	ACT
G28985	WC 265	WC 269	0018054	G/C	ACT
G28992	EC 240	EC 230	0018070	BLKG	ACT
G28993	EC 266	EC 240	0018071	BLKG	ACT
G28993	EC 240	EC 266	0018072	UMBH	ACT
G24247	SMI 184	SMI 379	0013848	G/C	Out
G28578	WC 212	WC 224	0017899	G/C	Out

Exhibit A to Mortgage
Tarpon Operating & Development, L.P.
Wells

Block	Lease No.	Parish	API Number	Well Name	Tarpon GWI BPO	Tarpon GWI APO	Tarpon NRI BPO	Tarpon NRI APO
East Cameron 240	G31322	Cameron, LA	177044110500	C001	50%	n/a	40.6665%	n/a
East Cameron 266	G25966	Cameron, LA	177044110400	SS001	50%	n/a	40.665%	40.4165%
Eugene Island 215 (W/2)	G26033	St. Mary, LA Terrebonne, LA	177094077301	C-20 Stk 1	50%	n/a	39.9165%	n/a
High Island A281	G27535	Jefferson, TX Chambers, TX Galveston, TX Brazoria, TX	427114087700	D001	45.0%	n/a	35.5933%	n/a
High Island A281	G27535	Jefferson, TX Chambers, TX Galveston, TX Brazoria, TX	427114087803 427114087802 427114087801	D002	45.0%	n/a	35.5933%	n/a
Mustang Island 726	G20605	Aransas, TX Calhoun, TX Nueces, TX San Patricio, TX	427024027701 427024027700	A001	100%	n/a	82.2333%	n/a
Mustang Island 726	G20605	Aransas, TX Calhoun, TX Nueces, TX San Patricio, TX	427024027800	A002	100%	n/a	82.2333%	n/a
Mustang Island 726	G20605	Aransas, TX Calhoun, TX Nueces, TX San Patricio, TX	427024028600	A003	100%	n/a	82.2333%	n/a

Exhibit A to Mortgage
Tarpon Operating & Development, L.P.
Wells

Block	Lease No.	Parish	API Number	Well Name	Tarpon GWI BPO	Tarpon GWI APO	Tarpon NRI BPO	Tarpon NRI APO
Mustang Island 726	G20605	Aransas, TX Calhoun, TX Nueces, TX San Patricio, TX	427024029106 427024029105 427024029104 427024029103 427024029102 427024029101 427024029100	A004	100%	n/a	82.2333%	n/a
Mustang Island 726	G20605	Aransas, TX Calhoun, TX Nueces, TX San Patricio, TX	427024029200	A005	100%	n/a	82.2333%	n/a
Mustang Island 726	G20605	Aransas, TX Calhoun, TX Nueces, TX San Patricio, TX	427024029400	A006	100%	n/a	82.2333%	n/a
Mustang Island 726	G20605	Aransas, TX Calhoun, TX Nueces, TX San Patricio, TX	427024030101 427024030100	A007	100%	n/a	82.2333%	n/a
South Marsh Island 50	G27083	Vermilion, LA Iberia, LA St. Mary, LA	177074091002 177074091001 177074091000	G001	50%	n/a	40.6665%	n/a
South March Island 195	G21108	Vermilion, LA Iberia, LA St. Mary, LA	177084093200	001	50%	n/a	36.604%	n/a
West Cameron 212	G31290	Cameron, LA	177004129200	D001	50%	n/a	39.9165%	n/a
West Cameron 280	G34787	Cameron, LA	177004129400	001	100%	n/a	78.250%	n/a

Exhibit A to Mortgage
Tarpon Operating & Development, L.P.
Wells

Block	Lease No.	Parish	API Number	Well Name	Tarpon GWI BPO	Tarpon GWI APO	Tarpon NRI BPO	Tarpon NRI APO
West Cameron 487	G27030	Cameron, LA	177024183500	B001	50%	n/a	40.5415%	n/a
West Cameron 661	G16224	Cameron, LA	177024130000 177024130001	A001	75%	n/a	51.906%**	n/a
West Cameron 661	G16224	Cameron, LA	177024131000	A002	75%	n/a	51.906%**	n/a

"BPO" means Before Payout

"APO" means After Payout

** The net revenue interest in West Cameron 661 is subject to a net profits interest in favor of Wells Fargo Energy, Inc.